OREZONE GOLD CORPORATION

(A Development Stage Company)

Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

For the three and six month periods ended June 30, 2015

Financial Statements

Orezone Gold Corporation

(A Development Stage Company)

Condensed Consolidated Interim Statements of Financial Position

(Unaudited, expressed in United States dollars)

As at	**June 30, 2015**	December 31, 2014
	$	$
ASSETS		
Current assets		
Cash	**2,107,375**	3,415,283
Trade and other receivables	**31,952**	33,341
Inventories (Note 5)	**357,112**	394,539
Prepaid expenses and deposits	**172,701**	128,588
Total current assets	**2,669,140**	3,971,751
Non-current assets		
Interests in exploration properties (Note 7)	**3,068,028**	3,785,638
Total assets	**5,737,168**	7,757,389
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**667,342**	1,292,775
Non-current liabilities		
Royalty-based obligation (Notes 4 and 8)	**3,150,000**	-
Total liabilities	**3,817,342**	1,292,775
Equity		
Share capital (Note 9)	**133,439,571**	133,439,571
Reserves	**12,529,068**	12,796,220
Accumulated deficit	**(144,048,813)**	(139,771,177)
Total equity	**1,919,826**	6,464,614
Total liabilities and equity	**5,737,168**	7,757,389

Going Concern (Note 2(b))
Commitments (Note 17)
Subsequent Events (Notes 7 and 19)

These interim condensed consolidated financial statements were approved by the Board of Directors of Orezone Gold Corporation August 14, 2015:

/s/ Ronald N. Little

Ronald N. Little
Director

/s/ Ronald Batt

Ronald Batt
Director

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Orezone Gold Corporation

(A Development Stage Company)

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the three and six month periods ended June 30, 2015 and 2014
(Unaudited, expressed in United States dollars, except for number of share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
	$	$	**$**	$
Expenses				
Exploration and evaluation costs (Note 10)	**934,294**	2,067,141	**2,229,959**	3,415,535
General and administrative costs (Note 10)	**607,091**	666,246	**1,199,918**	1,311,068
Share-based compensation (Note 9(c))	**84,521**	269,540	**164,741**	490,367
Depreciation and amortization (Note 7)	**204,752**	294,629	**433,254**	582,969
	1,830,658	3,297,556	**4,027,872**	5,799,939
Other income (loss)				
Foreign exchange gain (loss)	**38,431**	(19,206)	**(26,284)**	9,790
Finance income	**4,657**	24,757	**11,757**	45,192
Bank fees/charges	**(2,478)**	(3,075)	**(4,829)**	(9,605)
Fair value loss on royalty-based obligation (Note 8)	**-**	-	**(150,000)**	-
Realized gain on sale of available-for-sale financial asset (Note 6)	**-**	-	**-**	1,157,993
Other income (loss)	**40,610**	2,476	**(169,356)**	1,203,370
Net loss before tax	**(1,790,048)**	(3,295,080)	**(4,197,228)**	(4,596,569)
Income tax expense (Note 11)	**-**	-	**(80,408)**	-
Net loss for the period	**(1,790,048)**	(3,295,080)	**(4,277,636)**	(4,596,569)
Net loss per common share, basic and diluted	**(0.02)**	(0.03)	**(0.04)**	(0.05)
Weighted-average number of common shares outstanding, basic and diluted (Note 9(c))	**95,683,698**	95,683,698	**95,683,698**	95,683,698
Net loss for the period	**(1,790,048)**	(3,295,080)	**(4,277,636)**	(4,596,569)
Other comprehensive income (loss)				
Net change in fair value of available-for-sale financial asset	**-**	-	**-**	548,941
Realized gain on available-for-sale financial asset (Note 6)	**-**	-	**-**	(1,157,993)
Foreign currency translation gain (loss)	**144,049**	335,313	**(431,893)**	(26,277)
Total other comprehensive income (loss)	**144,049**	335,313	**(431,893)**	(635,329)
Comprehensive loss	**(1,645,999)**	(2,959,767)	**(4,709,529)**	(5,231,898)

All of the above other comprehensive income (loss) items will be subsequently recycled into the statement of income (loss).

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Orezone Gold Corporation

(A Development Stage Company)

Condensed Consolidated Interim Statements of Changes in Equity

For the six month periods ended June 30, 2015 and 2014

(Unaudited, expressed in United States dollars, except for number of share amounts)

	Share capital		Reserves				
	Shares	Amount	Share-based payments (Note 9)	Foreign currency translation	Investment revaluation	Accumulated deficit	Total
	#	$	$	$	$	$	$
Balance, January 1, 2015	95,683,698	133,439,571	12,277,321	518,899	-	(139,771,177)	6,464,614
Share-based compensation	-	-	164,741	-	-	-	164,741
Foreign currency translation	-	-	-	(431,893)	-	-	(431,893)
Net loss for the period	-	-	-	-	-	(4,277,636)	(4,277,636)
Balance, June 30, 2015	**95,683,698**	**133,439,571**	**12,442,062**	**87,006**	**-**	**(144,048,813)**	**1,919,826**

	Share capital		Reserves				
	Shares	Amount	Share-based payments (Note 9)	Foreign currency translation	Investment revaluation	Accumulated deficit	Total
	#	$	$	$	$	$	$
Balance, January 1, 2014	95,683,698	133,439,571	11,370,615	1,488,173	631,543	(128,873,755)	18,056,147
Share-based compensation	-	-	490,367	-	-	-	490,367
Net change in the fair value of available-for-sale financial assets	-	-	-	-	548,941	-	548,941
Foreign currency translation	-	-	-	(151,514)	125,237	-	(26,277)
Realized gain on sale of available-for-sale financial assets (Note 6)	-	-	-	147,728	(1,305,721)	-	(1,157,993)
Net loss for the period	-	-	-	-	-	(4,596,569)	(4,596,569)
Balance, June 30, 2014	**95,683,698**	**133,439,571**	**11,860,982**	**1,484,387**	**-**	**(133,470,324)**	**13,314,616**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Orezone Gold Corporation

(A Development Stage Company)

Condensed Consolidated Interim Statements of Cash Flows

For the six month periods ended June 30, 2015 and 2014

(Unaudited, expressed in United States dollars)

	2015	2014
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	**(4,277,636)**	(4,596,569)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization (Note 7)	**433,254**	582,969
Share-based compensation (Note 9(c))	**164,741**	490,367
Finance income	**(11,757)**	(45,192)
Unrealized foreign exchange loss	**18,361**	-
Impairment of inventories (Note 5)	**1,017**	-
Fair value loss on royalty-based obligation (Note 8)	**150,000**	-
Realized gain on available-for-sale financial assets (Note 6)	**-**	(1,157,993)
Income tax expense (Note 11)	**80,408**	-
Income tax paid (Note 11)	**(171,334)**	-
Changes in non-cash operating working capital (Note 12)	**(527,352)**	769,049
Total cash outflows used in operating activities	**(4,140,298)**	(3,957,369)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (Note 7)	**(1,726)**	(27,057)
Net cash proceeds from sale of available-for-sale financial assets (Note 6)	**-**	3,357,751
Interest received (Note 12)	**13,680**	45,421
Total cash inflows from investing activities	**11,954**	3,376,115
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from royalty arrangement (Note 8)	**3,000,000**	-
Total cash inflows from financing activities	**3,000,000**	-
Effect of foreign currency translation on cash	**(179,564)**	12,375
Decrease in cash	**(1,307,908)**	(568,879)
Cash, beginning of period	**3,415,283**	9,476,471
Cash, end of period	**2,107,375**	8,907,592

Supplemental cash flow information is provided in Note 12.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

1. CORPORATE INFORMATION

Orezone Gold Corporation (the "Company") was incorporated on December 1, 2008 under the Canada Business Corporations Act and is a publicly listed corporation on the Toronto Stock Exchange (the "TSX"). The Company is primarily engaged in the exploration and development of gold properties in Burkina Faso, West Africa. The Company is in the exploration and evaluation phase and is in the process of determining whether any of its mineral properties are technically feasible and commercially viable. The Company's primary objective is to maximize shareholder value by identifying and developing commercially viable gold mining operations.

The address of the Company's corporate office is 290 Picton Avenue, Suite 201, Ottawa, Ontario, Canada, K1Z 8P8.

References to "$" or "US$" are to United States dollars, references to "C$" are to Canadian dollars and references to "CFA" or "XOF" are to Communauté Financière Africaine francs.

2. BASIS OF PRESENTATION

(a) STATEMENT OF COMPLIANCE

These unaudited condensed consolidated interim financial statements (the "Interim Financial Statements") have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" ("IAS 34").

These Financial Statements were authorized for issue by the Board of Directors on August 14, 2015.

(b) BASIS OF MEASUREMENT

These Interim Financial Statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2014 (the "2014 Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These Interim Financial Statements have been prepared using accounting policies consistent with those used in the 2014 Annual Financial Statements except as noted in Note 3(a).

These Interim Financial Statements are presented in United States dollars, unless otherwise indicated.

The preparation of condensed consolidated interim financial statements in accordance with IAS 34 requires Management to make certain critical accounting estimates. It also requires Management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these Interim Financial Statements, are disclosed in Note 4.

These Interim Financial Statements have been prepared on the basis of principles applicable to a going concern which assumes the Company will continue to meet its obligations and discharge its liabilities for the foreseeable future. The Company is in the exploration stage and, as is common with many exploration companies, raises funds in the equity market to conduct its activities. The Company has incurred losses in the current and prior periods, with a net loss of $1,790,048 and $4,277,636 during the three and six month periods ended June 30, 2015 and an accumulated deficit of $144,048,813 at June 30, 2015. In addition to using funds currently on hand, proceeds from the non-brokered private placement which closed on July 21, 2015 (see Note 19) will be used to fund operations for the next twelve months. Based on the Company's current estimate of planned expenditures and funds on hand at June 30, 2015, which includes the initial $3 million ("M") drawn on the royalty financing in January 2015, as well as adding the $5M proceeds of the private placement, the Company can fund operations until approximately September 2016. At such point, and until January 27, 2017, the additional $5M standby facility can be drawn by the Company to fund continuing operations. In order to fund operations beyond this time, the Company must raise additional debt and equity capital. Given the continuation of weak investor sentiment and capital market conditions of the gold sector, there exists a material uncertainty as to the Company's ability to raise additional funds on favourable terms.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in these Interim Financial Statements are consistent with those followed in the preparation of the Company's 2014 Annual Financial Statements except the following:

(a) FINANCIAL INSTRUMENTS – ROYALTY-BASED OBLIGATION

The Company has classified the royalty-based obligation relating to the upfront royalty from Sandstorm Gold Ltd. ("Sandstorm") as a financial liability at fair value through profit or loss which is measured at fair value with unrealized gains (losses) recognized in net income (loss).

(b) CHANGES IN ACCOUNTING POLICIES

- IFRS 8, "Operating Segments" – This accounting standard was amended to clarify the disclosure regarding management's judgment in applying aggregation criteria. The amendment is effective for annual periods beginning on or after July 1, 2014. The application of this amendment has not had a material impact on the Company's Interim Financial Statements.
- IFRS 13, "Fair Value Measurement" – This accounting standard was amended to clarify the scope of contracts to be included in this and related standards. The amendment is effective for annual periods beginning on or after July 1, 2014. The application of this amendment has not had a material impact on the Company's Interim Financial Statements.
- IAS 24, "Related Party Disclosures" – This accounting standard was amended to clarify the disclosures related to key management personnel. The amendment is effective for annual periods beginning on or after July 1, 2014. The application of this amendment has not had a material impact on the Company's Interim Financial Statements.

(c) STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

The following standards issued but not yet effective up to the date of the issuance of these Interim Financial Statements, as described in the 2014 Annual Financial Statements, have not been early adopted in these Interim Financial Statements:

- IFRS 9, "Financial Instruments" – This accounting standard was amended and is effective for annual periods beginning on or after January 1, 2018.
- IFRS 11, "Joint Arrangements" – This accounting standard was amended and is effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.
- IFRS 15, "Revenue from Contracts with Customers" – This accounting standard was issued and effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.
- IAS 1, "Presentation of Financial Statements" – This accounting standard was amended and is effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.
- IAS 16, "Property, Plant and Equipment" - This accounting standard was amended and is effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.
- IAS 19, "Employee Benefits" - This accounting standard was amended and is effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

- IAS 38, "Intangible Assets" – This accounting standard was amended and is effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these Interim Financial Statements requires Management to make estimates and assumptions about the future that affect the amounts recorded in the Interim Financial Statements. These estimates and assumptions are based on the Company's experience and Management's expectations about future events that are believed to be reasonable under the circumstances, and they are continually being evaluated based on new facts and experience. Actual results may differ from these estimates and assumptions. The effect of a change in accounting estimate is recognized prospectively in the year of change and future years if the change impacts both years.

Critical judgments in applying accounting policies

Going concern risk assessment

Management considers whether there exists any event(s) or condition(s) that may cast significant doubt on the Company's ability to continue as a going concern. Considerations take into account all available information about the future including the availability of debt and equity financing as well as the Company's working capital balance and future commitments.

Determination of functional currency

Management has made determinations with respect to its functional currency in accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates," and as such has determined that the functional currency of all of its entities is the Canadian dollar with the exception of its subsidiaries, Orezone Inc. SARL, Orezone Bomboré SA and Niger Resources Inc., which have a functional currency of the Communauté Financière Africaine francs ("CFA").

Other than temporary impairment of available-for-sale ("AFS") investment

Management judgment is applied in evaluating whether an unrealized loss on the Company's AFS investment recognized in other comprehensive income (loss) is other than temporary and should be reclassified to the Statement of Loss. Management performs qualitative and quantitative assessments in order to judge if the reduction in fair value, as compared to its value upon initial recognition, is significant or prolonged.

Accounting policy selection for interest in exploration properties including property, plant and equipment

As disclosed in Note 3(i) in the Company's 2014 Annual Financial Statements, Management judgment is applied in capitalizing costs related to acquired mineral property rights and property, plant and equipment. Management has determined that expenditures incurred during the exploration and evaluation phase will be expensed as incurred until it determines that the technical feasibility and commercial viability of a mineral property has been established.

Impairment of non-financial assets

Management assesses non-financial assets for impairment as disclosed in Note 3(l) in the Company's 2014 Annual Financial Statements.

Deferred income taxes

Judgment is required in order to determine whether to recognize deferred tax assets and/or liabilities on the Statement of Financial Position. Management must assess the extent to which it is probable that the Company and its subsidiaries will have future taxable profits available against which it can recognize unused tax losses or unused tax credits as well as sufficient loss carry forwards to offset potential tax liabilities. The amount and availability of deferred tax assets and liabilities are directly influenced by future changes to tax laws in the jurisdictions in which the Company and its subsidiaries operate.

Current income tax liabilities

The Company's operating subsidiary tax filings may be reviewed from time to time in accordance with the Burkina Faso Code. The Company's interpretations of underlying tax regulations may differ from those of the tax department. Judgment is required in order to determine the appropriate accounting and disclosure treatment based on the facts. To the extent that a dispute arises, Management must determine whether it's probable that a tax liability exists and whether the extent of the liability may be estimated and accrued in its Statement of Financial Position in addition to determining the appropriate level of disclosure regarding the dispute.

Classification of royalty as royalty-based obligation

Significant judgment is required in determining the appropriate accounting for the Sandstorm royalty arrangement that was entered into. Based on the specific facts and circumstances, judgment is required to assess whether the arrangement is a commodity arrangement, a financial liability or a sale of a mineral interest and a contract to provide services. Management has determined that based on the specific agreements reached with Sandstorm, that the Company has assumed the significant business risks associated with delivering cash and/or gold ounces, and accordingly has classified the royalty as a financial liability at fair value through profit or loss.

Fair value of the Sandstorm upfront royalty

Management has assessed the fair value of the upfront royalty as the value of the royalty plus any buyback premiums based on its assumption that the Company will be able to raise the necessary funds in order to repurchase the royalty from Sandstorm prior to the expiry of the irrevocable buyback option on January 27, 2018.

The Company will continue to evaluate on an ongoing basis whether circumstances have changed such that the likelihood of repurchasing the royalty changes resulting in the need to reconsider its current accounting policy with respect to the valuation of the loan.

Sources of estimation uncertainty

Share-based compensation related to stock options and warrants

Management assesses the fair value of stock options and warrants, as disclosed in Note 3(q) in the Company's 2014 Annual Financial Statements, using the Black-Scholes option pricing model. This model requires Management to make estimates and assumptions with respect to inputs including the risk-free interest rate, volatility and expected life of the equity-settled instruments. As well, Management must make assumptions about anticipated forfeitures based on the historical actions of plan participants which may not be a true representation of future participant exercise behaviour.

Useful lives of property, plant and equipment

As disclosed in Note 3(k) in the Company's 2014 Annual Financial Statements, Management reviews its estimate of the useful life of property, plant and equipment annually and accounts for any changes in estimates prospectively.

5. INVENTORIES

The cost of materials and supplies inventories recognized as an expense during the three and six month periods ended June 30, 2015 was $6,518 and $11,748 respectively (2014 – $88,232 and $106,929 respectively). There were $1,017 in write-downs during the three and six month periods ended June 30, 2015 (2014 - $Nil and $Nil respectively) and no reversals of write-downs of inventories to net realizable value during the three and six month periods ended June 30, 2015 or 2014. As at June 30, 2015, no specific inventories were pledged as security for liabilities.

(Unaudited, expressed in United States dollars)

6. INVESTMENT

On March 19, 2014, the Company sold its available-for-sale investment which consisted entirely of the 11 million ("M") ordinary common shares of Amara Mining plc ("Amara") (formerly "Cluff Gold plc") acquired as part of the sale of the Sega project in 2012.

The investment was sold for a price of 0.1850 GBP per share which resulted in net proceeds of approximately $3.4M. At initial recognition the shares were recorded at $11.3M. Subsequently, approximately $9.1M of impairment losses were recorded. The sale of the investments for proceeds of $3.4M resulted in a gain of approximately $1.2M.

7. INTERESTS IN EXPLORATION PROPERTIES

Assets not subject to depreciation and amortization	**Land**	**Mineral property rights**	**Total**
	$	$	$
Cost, being carrying amount			
Balance, January 1, 2014	188,976	1,076,125	1,265,101
Foreign currency translation	(22,946)	(99,741)	(122,687)
Balance, December 31, 2014	166,030	976,384	1,142,414
Foreign currency translation	(13,049)	(70,332)	(83,381)
Balance, June 30, 2015	**152,981**	**906,052**	**1,059,033**

Assets subject to depreciation and amortization	**Building**	**Capital improve-ments**	**Field equipment**	**Vehicles**	**Office equipment and furniture**	**Total**
	$	$	$	$	$	$
Cost						
Balance, January 1, 2014	2,615,499	1,576,827	2,417,518	610,036	209,767	7,429,647
Additions	-	-	50,810	-	13,489	64,299
Foreign currency translation	(317,595)	(191,471)	(260,461)	(74,076)	(21,623)	(865,226)
Balance, December 31, 2014	2,297,904	1,385,356	2,207,867	535,960	201,633	6,628,720
Additions	-	-	-	-	1,726	1,726
Foreign currency translation	(180,594)	(108,877)	(165,790)	(42,122)	(14,936)	(512,319)
Balance, June 30, 2015	**2,117,310**	**1,276,479**	**2,042,077**	**493,838**	**188,423**	**6,118,127**
Accumulated depreciation and amortization						
Balance, January 1, 2014	815,327	1,029,786	1,056,540	307,936	164,176	3,373,765
Depreciation for the year	252,900	280,693	402,025	147,112	27,257	1,109,987
Foreign currency translation	(121,520)	(150,083)	(157,450)	(50,515)	(18,688)	(498,256)
Balance, December 31, 2014	946,707	1,160,396	1,301,115	404,533	172,745	3,985,496
Depreciation for the period	106,379	117,519	147,616	51,681	10,059	433,254
Foreign currency translation	(74,648)	(91,310)	(98,838)	(31,933)	(12,889)	(309,618)
Balance, June 30, 2015	**978,438**	**1,186,605**	**1,349,893**	**424,281**	**169,915**	**4,109,132**
Carrying amounts as at:						
December 31, 2014	1,351,197	224,960	906,752	131,427	28,888	2,643,224
June 30, 2015	**1,138,872**	**89,874**	**692,184**	**69,557**	**18,508**	**2,008,995**

(Unaudited, expressed in United States dollars)

	Six months ended June 30, 2015	Year ended December 31, 2014
	$	$
Cost, beginning of period	**7,771,134**	8,694,748
Additions	**1,726**	64,299
Foreign currency translation	**(595,700)**	(987,913)
Cost, end of period	**7,177,160**	7,771,134
Accumulated depreciation and amortization, beginning of period	**3,985,496**	3,373,765
Depreciation and amortization	**433,254**	1,109,987
Foreign currency translation	**(309,618)**	(498,256)
Accumulated depreciation and amortization, end of period	**4,109,132**	3,985,496
Carrying amounts, beginning of period	**3,785,638**	5,320,983
Carrying amounts, end of period	**3,068,028**	3,785,638

The Company does not currently have depreciation and amortization capitalized in interests in exploration properties.

The Company held the following mineral property rights by area as at June 30, 2015:

	Number of permits	**Area (km^2)**	**Expiry dates[1] of current permits**	**Expiry dates[1] of potential permit renewals**
Bomboré	2	168	02/16 and 07/17	n/a and 07/20
Bondi	1	168	08/15	n/a
	3	**336**		

The carrying amounts of the mineral property rights by area were as follows:

As at	**June 30, 2015**	December 31, 2014
	$	$
Burkina Faso		
Bomboré	**749,413**	806,386
Bondi	**156,639**	169,998
Total mineral property rights	**906,052**	976,384

Bomboré, Burkina Faso

The Bomboré (105 km^2) and the Toéyoko (63 km^2) exploration permits are located in the Ganzourgou province. The Bomboré permit was renewed in December 2012 for an exceptional two-year term expiring February 2015. In January 2015, the Company received final documentation for a final extension of the exploration permit of one year to February 2016. No further extensions to the permit will be granted. The Toéyoko permit was acquired in July 2011 for a three-year term which expired in July 2014 but may be renewed for two more consecutive three-year terms. The Toéyoko permit renewal application was submitted prior to the permit expiry. The renewal was approved in August 2014 and the Company received final title documentation in respect to the extension on December 30, 2014.

[1] In Burkina Faso, exploration permits are valid for a period of three years from the date of issue and may be renewed for two more consecutive terms of three years each. Permits in Burkina Faso are subject to a 25% surface area reduction only upon the second renewal.

The Company owns a 100% interest in the permits. On May 25, 2015, the Company submitted a mining permit application to the Government of Burkina Faso for the Bomboré project. The permitting process includes public hearings and a review by the Ministry of Mines and Energy, the Ministry of Environment and Durable Development and the National Mining Commission in Burkina Faso. The portion of the exploration permit related to the area not covered by the mining permit application will continue to expire in February 2016, therefore in order to continue exploration activities outside of the mining permit area the Company will have to re-stake and re-apply for a new exploration permit.

Bondi, Burkina Faso

The Bondi project consists of the Djarkadougou (168 km^2) permit, which is located in the Bougouriba province and expires in August 2015. The Company owns a 100% interest in the permit. This permit was renewed in August 2012 for its final three-year term, however the Company applied for and received, on August 13, 2015, the approval of an exceptional three-year extension of the permit and a request to pay the related renewal fees.

8. ROYALTY-BASED OBLIGATION

(a) BACKGROUND

On January 27, 2015, the Company announced the completion of a royalty purchase agreement (the "Agreement") with Sandstorm that provides up to $8.0M in financing to advance its Bomboré Project. Sandstorm has initially purchased a 0.45% net smelter returns ("NSR") royalty payable by the Company on future revenues from Bomboré (the "Upfront Royalty") for $3.0M. The Company has the option to buy back 100% of the Upfront Royalty prior to January 27, 2018, subject to a 10% per annum, non-compounded premium. Sandstorm has committed to provide the Company with up to an additional $5.0M, above and beyond the $3.0M already provided, (the "Standby Royalty") for a period of two years.

The Agreement also grants Sandstorm a right of first refusal ("ROFR") on all future gold stream financings ("Stream") completed by the Company up to three years subsequent to the commencement of commercial production on the Bomboré project. In the event that the Company completes a Stream and Sandstorm exercises its ROFR, the Standby Royalty may be repurchased if Sandstorm's participation in the Stream is $30M or greater, or the total value of the Stream is $80M or greater. The repurchase price would be equal to the sum of all tranches advanced to the Company under the Standby Royalty plus a premium of 30% if repurchased prior to 2018. For repurchases subsequent to 2018, the premium increases by 10% per annum.

To the extent that any amounts advanced under the Upfront Royalty and the Standby Royalty are not repurchased based on the above, the Agreement contains a provision that requires Orezone to pay, on or before January 15, 2025, any shortfall between the amounts advanced under the royalty and royalty payments received by Sandstorm.

The Agreement with Sandstorm was executed with Orezone and, while any related royalty obligations are calculated based on production from the Bomboré permit, they remain the obligation of Orezone. As security for the Agreement, Orezone has pledged all of the issued and outstanding shares of its subsidiary Orezone Inc as well as its intercorporate account. No project level security has been provided (including security against the Bomboré permit); however, in the event that the Company completes a project debt financing, Sandstorm has the right to receive security for its royalty interest (if one exists at that time) equivalent to that being given to the project debt facility lender, which could include transferring the security to the Bomboré project permit(s).

(b) ACCOUNTING FOR THE ROYALTY-BASED OBLIGATION

The NSR is classified as a financial liability at fair value through profit or loss. Due to the lack of a quoted price in an active market for a liability similar to the NSR, the Company calculates the fair value of the NSR by estimating the value a market participant would pay to purchase the creditor's interest in the liability. As a result, at each reporting date, the Company is required to make estimates and judgments as to its ability to successfully obtain financing to enable its exercise of the royalty buyback option, the probability that the Company will not repurchase the NSR and consequently will make royalty payments once in commercial production, and the probability that the Company will not bring the project into production or repurchase the royalty resulting in a return of capital obligation at the end of 2024. At June 30, 2015, the Company has recorded the royalty obligation at $3.15M, which represents the fair value of this obligation which is the cost, including the related premium, of buying back the royalty from Sandstorm as at that date.

As of July 27, 2015, the Upfront Royalty buyback premium increased from $0.15M to $0.3M, increasing the cost of the buyback, if the option is exercised, to $3.3M.

9. SHARE CAPITAL

(a) CAPITAL STOCK

Authorized capital stock consists of an unlimited number of common shares, without par value.

(b) COMMON SHARE PURCHASE WARRANTS

On October 4, 2010, the Board of Orezone Inc. approved the issuance of 545,000 warrants to certain members of the Company and its subsidiaries' Management and Board of Directors to purchase 545,000 of the common shares of Brighton held by Orezone Inc. (the "2010 Brighton Warrants"). The 2010 Brighton Warrants were issued at a price of C$1.00, vested immediately and expire one year subsequent to the date of an initial public offering by Brighton or other corporate transaction. Share-based payments as at June 30, 2015 and 2014 included $66,801 related to the 2010 Brighton Warrants. In December 2014, all warrant holders voluntarily and unconditionally surrendered all rights to the warrants held.

(c) SHARE-BASED PAYMENTS

Orezone Gold Corporation

On May 15, 2009, the Company's shareholders approved the Company's stock option plan (the "Plan"). Under the terms of the Plan, stock options may be granted to directors, officers, employees and non-employees providing ongoing services to the Company. Stock options are issued at market value based on the volume-weighted average price for the five trading days immediately preceding the date of grant, and can have a contractual term of up to ten years and generally vest over two to three years. The maximum number of common shares reserved for issuance under the Plan is equal to 10% of the Company's issued and outstanding shares from time to time less the aggregate number of shares reserved for issuance or issuable under any other security-based compensation arrangement for the Company. The Company does not presently have any other security-based compensation arrangement. All stock options are equity-settled and are issued with a contractual life of five to ten years. As at June 30, 2015, based on the Company's total common shares outstanding, a total of 9,568,369 stock options may be issued and outstanding. Based on this, the Company could grant up to 482,719 additional stock options beyond what was issued and outstanding as at June 30, 2015. TSX approval is required to reserve the related common shares for issuance. The Plan must be reapproved by the Company's shareholders every three years in accordance with the rules of the TSX. The Plan was approved by the Company's shareholders at its annual and special meeting held June 11, 2015.

(Unaudited, expressed in United States dollars)

Stock option activity between January 1, 2014 and June 30, 2015 was as follows:

Grant date	Expiry date	Exercise price	Opening balance	Activity during the period: Granted	Exercised	Forfeited	Closing balance	Vested and exercisable	Unvested
		C$	#	#	#	#	#	#	#
05/15/2009	03/25/2019	0.36	1,125,000	-	-	-	1,125,000	1,125,000	-
05/26/2009	05/26/2019	0.40	2,050,000	-	-	-	2,050,000	2,050,000	-
07/08/2010	07/08/2020	0.85	438,500	-	-	8,000	430,500	430,500	-
10/21/2010	10/21/2020	2.35	200,000	-	-	-	200,000	200,000	-
04/27/2012	04/27/2017	1.70	1,966,900	-	-	12,750	1,954,150	1,954,150	-
05/14/2012	05/14/2017	1.70	10,000	-	-	-	10,000	10,000	-
12/17/2012	12/17/2017	1.50	923,500	-	-	7,500	916,000	916,000	-
06/04/2013	06/04/2018	1.50	200,000	-	-	-	200,000	200,000	-
01/30/2014	01/30/2019	0.65	-	1,600,000	-	-	1,600,000	-	1,600,000
05/26/2014	05/26/2019	0.65	-	300,000	-	-	300,000	200,000	100,000
10/13/2014	10/13/2019	0.75	-	300,000	-	-	300,000	100,000	200,000
Totals			6,913,900	2,200,000	-	28,250	9,085,650	7,185,650	1,900,000
Weighted average exercise price			C$1.03	C$0.66	-	C$1.41	C$0.94	C$1.01	C$0.66

The grant date fair value is calculated using the Black-Scholes option pricing model. Where relevant, the expected life has been adjusted based on Management's best estimate for the effects of historical forfeitures and behavioural considerations. Expected volatility is based on the historical share price volatility. During the six month period ended June 30, 2015, the weighted average market share price at exercise was C$Nil as no options were exercised in the period (2014 - C$Nil). The outstanding options as at June 30, 2015 have a weighted average remaining contractual life of 3.31 years (2014 – 4.28 years).

The Black-Scholes option valuation model input factors used for stock options granted between January 1, 2014 and June 30, 2015 were as follows:

Grant date	Expiry date	Grant date market price	Exercise price	Weighted average value per stock option: Risk-free interest rate	Expected life	Expected volatility	Dividend yield	Grant date fair value
		C$	C$	%	(in years)	%	%	C$
01/30/2014	01/30/2019	0.69	0.65	1.62	3.9	84.84	-	0.43
05/26/2014	05/26/2019	0.64	0.65	1.44	4.0	84.44	-	0.39
10/13/2014	10/13/2019	0.65	0.75	1.52	4.0	85.42	-	0.38
Weighted average for the period		0.68	0.66	1.58	3.90	84.86	-	0.42

As at June 30, 2015, there was $185,315 (2014 – $701,846) of total unrecognized share-based compensation costs related to unvested stock option awards granted under the Plan that are expected to be recognized over a weighted-average term of 0.62 years.

Brighton Energy Corporation

Management intends to wind-up Brighton Energy Corporation, a wholly-owned subsidiary, given that there are no longer any business activities.

In December 2014, the option holders of Brighton Energy Corporation signed an agreement to unconditionally surrender all options held. Prior to forfeiture, there were 1,500,000 options issued, of which 1,275,000 were still outstanding. They had a term of ten years and were expected to be equity-settled. The options had never met the vesting requirements, therefore there is no accounting impact.

(Unaudited, expressed in United States dollars)

Dilutive Effect of Stock Options

For the three and six month periods ended June 30, 2015, 9,085,650 stock options (2014 - 8,813,900) which could have been dilutive were excluded from the computation of diluted earnings per share as the Company realized a net loss and it would be anti-dilutive to include them.

10. NATURE OF EXPENSES

The components of exploration and evaluation costs and general and administrative costs for the three and six month periods ended June 30 were as follows:

	Three months ended June 30,		**Six months ended June 30,**	
	2015	2014	**2015**	2014
	$	$	**$**	$
Drilling and assaying	**17,093**	784,737	**40,207**	1,144,346
Exploration and development studies	**452,509**	785,872	**1,326,675**	1,349,199
General, camp, infrastructure and other	**392,381**	430,369	**693,889**	784,152
Exploration surveys	**72,311**	66,163	**169,188**	137,838
Total exploration and evaluation costs	**934,294**	2,067,141	**2,229,959**	3,415,535
Salaries and employee costs	**342,444**	374,021	**685,098**	767,128
Public company costs	**70,356**	58,156	**154,826**	157,269
Professional fees	**73,603**	103,446	**143,604**	155,921
General and office costs	**72,846**	90,206	**128,675**	150,709
Investor relations and travel	**47,842**	40,417	**87,715**	80,041
Total general and administrative costs	**607,091**	666,246	**1,199,918**	1,311,068

Total short-term employee compensation and benefits expense excluding share-based compensation for the three and six month periods ended June 30, 2015 was $796,980 and $1,592,592 respectively (2014 – $897,036 and $1,751,394 respectively).

Total general and administrative expense (“G&A”) above included both the Company’s head office G&A and local office G&A related to operating the Company’s subsidiaries. Head office G&A encompasses the costs of head office salaries and benefits, director compensation, investor relations and travel, facilities and IT, as well as all costs associated with maintaining the Company’s listing on the Toronto Stock Exchange. Total G&A pertaining to the Company’s head office for the three and six month periods ended June 30, 2015 was $402,266 and $810,192 respectively (2014 – $373,297 and $800,489 respectively).

11. INCOME TAXES

On April 14, 2014, the Company’s Burkina Faso operating subsidiary (“SARL”) received a letter from the local tax authority indicating it intended to substantially re-assess taxes owing by the subsidiary. SARL disagreed with all of the positions presented in the letter, some of which were based on incorrect information, and responded formally with explanations of its original filing positions with reference to the Tax Code. In July 2014, SARL received a formal tax reassessment for a reduced amount of taxes and penalties in the amount of XOF 6,991,579,456 ($11,978,458 at May 11, 2015, $12,899,952 at December 31, 2014).

The subsidiary subsequently issued an appeal notice to the tax authority, who informally agreed to suspend efforts to request payment of the assessed amount until the appeal process was complete. Management was of the view that the filing positions taken, based on advice received from its local tax advisor, were based on reasonable interpretations of the Tax Code in effect for the periods covered by the reassessment. On May 11, 2015, the

(Unaudited, expressed in United States dollars)

Company's subsidiary, Orezone Inc. SARL, closed a settlement agreement with the local tax authority in the amount of XOF 100,000,000 ($171,334) with respect to the re-assessment of taxes and penalties owing by the subsidiary. As a result of the settlement, the Company accrued an additional $80,408 on March 31, 2015 thereby increasing the related tax liability to the settlement amount. The subsidiary remitted payment with respect to the settlement agreement on May 13, 2015.

The sale of the Company's common stock holding in Amara on March 19, 2014 (Note 6) did not result in additional taxes owing as the proceeds were less than the value of the stock on the date it was received. A capital loss for tax purposes of approximately $7,071,482 was realized on the sale. However, given that the stock was held by one of the Company's foreign subsidiaries, the capital loss is treated as a foreign accrual property loss ("FAPL") for tax purposes which may only be deducted against foreign accrual property income ("FAPI") earned by the same legal entity. The Company did not record any deferred tax asset related to the FAPL that arose from the sale of the shares.

12. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental details of the changes in non-cash working capital for the six month periods ended June 30 were as follows:

	2015	2014
	$	$
Changes in non-cash working capital impacting cash flows from operating activities were as follows:		
Trade and other receivables	**(2,887)**	2,815
Inventories	**6,417**	81,445
Prepaid expenses and deposits	**(48,522)**	(73,050)
Accounts payable and accrued liabilities	**(482,360)**	757,839
	(527,352)	769,049
Changes in non-cash working capital impacting cash flows from investing activities were as follows:		
Trade and other receivables, related to interest received	**1,923**	450

13. SEGMENTED INFORMATION

The Company operates in business units based on mineral properties and has one business segment, being the acquisition, exploration and potential development of precious metal properties, as carried out through Orezone Inc.

The carrying amounts of interests in exploration properties segmented by geographic area were as follows:

As at	**June 30, 2015**	December 31, 2014
	$	$
Canada	**18,364**	23,437
Burkina Faso	**3,049,664**	3,762,201
	3,068,028	3,785,638

Total additions to the cost of interests in exploration properties segmented by geographic area for the six month periods ended June 30 were as follows:

	Six months ended June 30, 2015	2014
	$	$
Canada	**1,726**	-
Burkina Faso	**-**	27,057
	1,726	27,057

14. FINANCIAL INSTRUMENTS AND RISKS

The Company is exposed through its exploration and evaluation activities to the following financial risks: foreign currency risk, market price risk, liquidity risk, credit risk and title risk. In common with other businesses, the Company is exposed to risks that arise from its use of financial instruments. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated. The overall objective of the Board of Directors is to set policies that seek to reduce risk without unduly affecting the Company's competitiveness and flexibility.

The Company's financial instruments consist of cash, trade and other receivables, certain refundable deposits, accounts payable and accrued liabilities, and royalty-based obligation. The fair value of trade and other receivables, refundable deposits, and accounts payable and accrued liabilities are equivalent to their carrying amounts given their short maturity period.

The following taxes receivable, prepaid expenses and taxes payable balances included in the consolidated statements of financial position do not meet the definition of a financial instrument, and are thus excluded from the analysis of financial instruments and risk that follows:

As at	**June 30, 2015**	December 31, 2014
	$	$
Taxes receivable, included in trade and other receivables	**24,503**	23,031
Prepaid expenses, included in prepaid expenses and deposits	**134,750**	86,883
Taxes payable, included in accounts payable and accrued liabilities	**23,996**	140,179

(a) FOREIGN CURRENCY RISK

In the normal course of operations, the Company is exposed to currency risk due to business transactions in foreign countries. The Company mainly transacts in Canadian dollars ("CAD"), United States dollars ("USD"), Euros ("EUR"), and Communauté Financière Africaine francs ("CFA"). Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

(Unaudited, expressed in United States dollars)

The USD equivalent of the Company's financial instruments by originating denomination currency was as follows:

As at June 30, 2015	**USD**	**CAD**	**EUR & CFA[1]**	**Total**
	$	**$**	**$**	**$**
Financial assets				
Cash	350,967	1,372,845	383,563	2,107,375
Trade and other receivables	123	4,803	2,523	7,449
Deposits	-	-	37,951	37,951
	351,090	1,377,648	424,037	2,152,775
Financial liabilities				
Accounts payable and accrued liabilities	184,345	188,626	270,375	643,346
Royalty-based obligation	3,150,000	-	-	3,150,000
	3,334,345	188,626	270,375	3,793,346
Net financial instruments, June 30, 2015	**(2,983,255)**	**1,189,022**	**153,662**	**(1,640,571)**

As at December 31, 2014	USD	CAD	EUR & CFA[1]	Total
	$	$	$	$
Financial assets				
Cash	192,131	2,798,224	424,928	3,415,283
Trade and other receivables	55	7,955	2,300	10,310
Deposits	-	-	41,705	41,705
	192,186	2,806,179	468,933	3,467,298
Financial liabilities				
Accounts payable and accrued liabilities	628,441	173,421	350,734	1,152,596
Net financial instruments, December 31, 2014	(436,255)	2,632,758	118,199	2,314,702

A 10% weakening against the USD of the currencies to which the Company had exposure would have had the following effects (a 10% strengthening against the USD would have had the opposite effect):

As at	**June 30, 2015**	December 31, 2014
	$	$
CAD	**(118,902)**	(263,276)
EUR & CFA	**(15,366)**	(11,820)

The Company is also exposed to foreign currency risk on the CFA currency held, as the peg rate to the EUR is periodically reviewed and could be adjusted which may result in a devaluation of currency on hand. The Company manages this risk by minimizing the amount of CFA held at any point in time and by monitoring ongoing discussions concerning the peg rate to ensure that proposed changes are known prior to implementation.

[1] *The financial instruments held in EUR and CFA have been presented together as the CFA is pegged to the EUR.*

(Unaudited, expressed in United States dollars)

(b) MARKET PRICE RISK

The Company held shares of a publicly traded company and was subject to the risk that the fair value or future cash flows of this financial instrument would fluctuate because of changes in the market price. The shares were sold March 19, 2014.

(c) LIQUIDITY RISK

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due. The Company's accounts payable and accrued liabilities are due within one year of the end of the reporting periods. The Company currently has sufficient resources to meet its obligations as they become due. The Company will periodically need to raise funds in the future to continue operations, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

(d) CREDIT RISK

The Company's cash and trade and other receivables are exposed to credit risk, which is the risk that the counterparties to the Company's financial instruments will fail to discharge their obligations to the Company. The amount of credit risk to which the Company is exposed is insignificant due to the majority of the cash being held in a Canadian chartered bank and the limited amount of trade and other receivables.

(e) TITLE RISK

Title to mineral property rights involves certain inherent risks due to the potential for problems arising from the ambiguous conveyance history characteristic of many mining properties and from political risk associated with the country in which the Company carries out its exploration activities. The Company has taken all reasonable steps to ensure it has proper title to its properties. However, no guarantees can be provided that there are no unregistered agreements, claims or defects which may result in the Company's title to its properties being challenged. Furthermore, the Company requires a number of different permits and licenses in order to carry on its business and there can be no assurance that they will be renewed upon expiry. The Company is also subject to the risk that a new mineral exploration permit or mining permit will not be issued upon expiration of the third term of an exploration permit.

The Company has received an exceptional one-year extension on the Bomboré permit. Although the Company applied for a mining permit for the Bomboré project on May 25, 2015, unforeseen delays and/or political instability may impact its application and there can be no assurance that the Company will be successful in obtaining a mining permit prior to expiry.

15. FAIR VALUE MEASUREMENTS

(a) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

As at June 30, 2015, the Company's assets and liabilities recorded at fair value were as follows:

		June 30, 2015			December 31, 2014
Fair value	**Level 1**	**Level 2**	**Level 3**	**Total**	Total
	$	**$**	**$**	**$**	$
Assets					
Cash	**2,107,375**	**-**	**-**	**2,107,375**	3,415,283
Liabilities					
Royalty-based obligation	**-**	**-**	**3,150,000**	**3,150,000**	-

The Company did not transfer any assets or liabilities between levels on the fair value hierarchy and has not offset any of its financial assets against its financial liabilities.

(Unaudited, expressed in United States dollars)

(b) VALUATION TECHNIQUES

Royalty-based obligation

The valuation of the royalty-based obligation requires certain inputs that are both unobservable and significant, as a result it has been classified as Level 3 in the fair value hierarchy. The Company uses production data and timelines, from technical work completed on its project, as well as observable inputs such as gold price and the risk-adjusted discount rate in valuing the obligation.

Royalty-based obligation included in Level 3	**Six months ended June 30, 2015**
	$
Balance, beginning of period	-
Proceeds of Sandstorm royalty received	3,000,000
Change in fair value reported in other income (loss)	150,000
Balance, end of period	3,150,000

16. CAPITAL MANAGEMENT

As at June 30, 2015, the Company's capital consisted of $2,107,375 of cash and $133,439,571 of common shares (as at December 31, 2014 – $3,415,283 and $133,439,571).

The Company is not subject to any externally imposed capital requirements.

The Company's primary objectives in managing its capital are to maintain sufficient levels of capital to continue its current exploration, development and other operating activities, and to maintain sufficient financial strength and flexibility to support additional future investments in the development of the Company's mining properties. The Company achieves its objectives by rationally allocating capital in accordance with Management's strategies, periodically raising capital from investors and/or the development and divestiture of non-core assets.

17. COMMITMENTS

As at June 30, 2015, the Company had contractual obligations for environmental and social impact studies, head office rent, professional fees, resource update costs, communication services, water well drilling, marketing costs and equipment and inventory purchases and rentals in the amount of $190,966 (as at December 31, 2014 – $1,021,290). The schedule of certain payments is dependent upon the contractors' ability to complete various milestones, however it is expected that the majority of the commitments will be payable throughout the 2015 fiscal year.

Subsequent to June 30, 2015, the Company entered into further contractual obligations in the amount of $196,969 for professional fees, environmental and social impact studies, water well drilling, security costs, marketing costs and equipment and inventory purchases and rentals, which are expected to be payable throughout the 2015 fiscal year.

(Unaudited, expressed in United States dollars)

18. KEY MANAGEMENT COMPENSATION

Key Management, Personnel and Director compensation for the three and six month periods ended June 30 was as follows:

	Three months ended June 30,		**Six months ended June 30,**	
	2015	2014	**2015**	2014
	$	$	**$**	$
Short-term key management personnel compensation and benefits and director fees	**298,896**	274,687	**604,422**	544,916
Share-based compensation	**67,892**	208,150	**136,376**	370,898
	366,788	482,837	**740,798**	915,814

19. SUBSEQUENT EVENT

PRIVATE PLACEMENT

On July 21, 2015, the Company announced that it had closed a C$6.5M (US$5M) non-brokered private placement whereby it issued 21,666,666 Common Shares at a price of C$0.30 per share. No commissions or finder's fees were paid in connection with the private placement.