Interim Management's Discussion and Analysis

For the three and nine-month periods ended September 30, 2018

TSX: ROXG

As at November 13, 2018

The following Management Discussion and Analysis ("MD&A") of Roxgold Inc. ("Roxgold" or the "Company") has been prepared as of November 13, 2018. This MD&A is intended to supplement the condensed interim consolidated financial statements ("Financial Statements") for the three and nine-month periods ended September 30, 2018 and related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and it should be read in conjunction with the Company's annual financial statements and MD&A for the year ended December 31, 2017.

Management is responsible for the preparation and integrity of its Financial Statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the Financial Statements and MD&A, is complete and reliable. All figures are expressed in US dollars, except where otherwise indicated. The functional currency of the Canadian legal entities is the Canadian dollar and the US dollar is the functional currency for all of the Company's foreign subsidiaries. Refer to note 2 of the Company's annual financial statements for the year ended December 31, 2017 for the functional currency of the subsidiaries of the Company. The reporting currency of the Company is US dollar.

The Financial Statements and other information pertaining to the Company are available on SEDAR at www.sedar.com and on its website at www.roxgold.com.

This MD&A contains forward-looking statements. Particular attention should be given to the risk factors described in the "Risk Factors" section and to the "Cautionary note regarding forward-looking statements" section of this document.

The utilization of the "Company" or "Roxgold", refers to Roxgold Inc. or Roxgold Inc. and/or one or more or all of its subsidiaries, as it may apply.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Some of the statements contained herein, including, without limitation, financial and business prospects and financial outlooks, may be forward-looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may", "will," "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risks and uncertainties including those discussed under "Risk Factors" and elsewhere in this MD&A. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors management believes to be reasonable and relevant in the circumstances and at the date that such statements are made, management cannot assure that actual results will be consistent with these forward looking statements. Investors should not place undue reliance on forward-looking statements. Some of the assumptions underlying forward-looking statements contained in this MD&A include, without limitation, assumptions regarding the future price of gold, cash flow forecasts, projected capital and operating costs, availability of financing, mine life, recovery and production rates, as well as other assumptions set forth in the feasibility study dated November 6, 2017 and entitled "Technical Report for the Yaramoko Gold Project, Burkina Faso" (the "Technical Report"), and in the Feasibility Study (the "Feasibility Study") for Bagassi South dated November 6, 2017.

Forward-looking statements and other information contained herein concerning mineral exploration and development, and management's general expectations concerning such industries, are based on estimates prepared by management using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which management believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While management is not aware of any misstatements regarding any industry data presented herein, mineral exploration and development involves risks and uncertainties and industry data is subject to change based on various factors.

Forward-looking statements included in this MD&A include, but are not limited to, statements with respect to:

- the Company's goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic gold deposits;
- the focus of capital expenditures;
- future plans for the Yaramoko project and other property interests held by the Company or which may be acquired on a going forward basis, if at all, including proposed exploration and drilling programs for 2018 at the Boni Shear Zone, Haho area, Kaho area and on the Yaramoko and Houko concessions;
- anticipated production and cost guidance of the Company for 2018;
- the Technical Report, Feasibility Study, Mineral Resource and Mineral Reserve estimates, the ability to realize estimated Mineral Resources and Mineral Reserves, the Company's expectations that the Yaramoko project will be profitable with positive economics from mining, recoveries, grades and annual production, the receipt of all necessary permitting and approvals, and the parameters and assumptions underlying the Mineral Resource estimates, Mineral Reserve estimates and financing analysis;
- successful execution of the development plans set forth in the Technical Report and Feasibility Study, and other exploration and development plans of the Company, including with respect to the Bagassi South expansion (including with respect to the anticipated costs, timing and benefits thereof);
- anticipated sources of funding for the expansion at Bagassi South, and the sufficiency and timing thereof;
- expectations regarding grade variability at the 55 Zone, including the nature and extent thereof;
- management's outlook regarding future trend and the impact of VAT in future periods;
- exploration, acquisition and development plans;
- the possibility of the Company obtaining future financing, including the satisfaction of conditions precedent for further drawdowns under the Amended Facility (as defined herein);
- the Company's CSR (as defined herein) focus and other business objectives for the upcoming year;
- expectations regarding the Company's funding needs on a going forward basis, including with respect to anticipated cash flow to be generated from production at the Yaramoko project and the Company's ability to fund its cash requirements for the next 12 months;
- the emergence of accretive growth opportunities;
- the Company's ability to benefit from the combination of growth opportunities and the ability to grow through the capital markets;
- expectations regarding the heightened risk of jihadist incursions near the Company's property interests;
- the quantity of Mineral Resources and Mineral Reserves;
- treatment under governmental, regulatory and environmental regimes and tax laws, including under the New Mining Code (as defined herein) if applicable;
- the performance characteristics of the Company's mineral resource properties; and
- realization of the anticipated benefits of acquisitions and expansions.

Some of the risks and other factors, which could cause results to differ materially from those expressed in the forward-looking statements contained in this MD&A include, but are not limited to:

- general economic conditions in Canada, Burkina Faso and globally;
- uncertainty regarding Technical Report and Feasibility Study assumptions, and estimates of Mineral Resources and Mineral Reserves;
- economic factors as they affect exploration, development and mining;
- parameters and assumptions underlying Mineral Resource estimates, Mineral Reserve estimates and financial analyses being incorrect;
- the risk factors included in the Technical Report and Feasibility Study;
- the Company's ability to meet its working capital needs at the current level in the short and long term;
- environmental liability;
- industry conditions, including fluctuations in the price of gold and other metals and minerals;
- governmental regulation of the mineral resource industry, including environmental regulation;
- fluctuation in foreign exchange or interest rates and fuel costs;
- liabilities inherent in mineral exploration and development;
- geological, technical and processing problems;
- political, security and economic risks associated with operations in Burkina Faso;
- failure to obtain third party permits, consents and approvals, when required, or at all;
- stock market volatility and market valuations;
- competition for, among other things, capital, acquisition of reserves, undeveloped land and skilled personnel;
- the need to obtain required approvals from regulatory authorities; and
- the other factors outlined under "Risk Factors".

In addition, statements relating to Mineral Resources and Mineral Reserves are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the Mineral Resources and Mineral Reserves described can be profitably mined in the future.

These forward-looking statements are made as of the date of this MD&A, and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise unless as required by applicable securities laws.

1. Description of business

Roxgold is a Canadian-based gold mining company with its key asset, the high grade Yaramoko Gold Mine, located on the Houndé greenstone belt in Burkina Faso, West Africa. The Company declared commercial production as of October 1, 2016. The Company is a reporting issuer in all provinces and territories of Canada other than Quebec and its common shares are listed for trading on the Toronto Stock Exchange under the symbol "ROXG".

Roxgold owns a 90% beneficial interest in Roxgold SANU S.A., which owns the Yaramoko exploitation permit including the Bagassi South expansion. The government of Burkina Faso retains a 10% carried interest. In addition, the Company has a 100% undivided interest in the Bagassi South, Houko, Solna, Teyango, Yantara, and Boussara exploration properties.

2. Third Quarter highlights

	Three months ended September 30 2018	Three months ended September 30 2017	Nine months ended September 30 2018	Nine months ended September 30 2017
Gold ounces produced	30,532	28,410	106,812	91,970
Gold ounces sold[1]	31,400	27,912	106,770	91,679
Financial Data (in thousands of dollars, except per share amounts)				
Gold Sales[1]	37,890	35,907	136,903	115,050
Mine operating profit	13,878	15,446	60,018	47,822
EBITDA[2]	16,932	14,308	68,913	44,595
EBITDA margin[2]	45%	40%	50%	39%
Net income	6,599	6,936	31,360	16,485
Basic earnings per share attributable to shareholders	0.02	0.02	0.08	0.03
Adjusted net income[3]	5,209	9,281	27,922	23,492
Per share[3]	0.01	0.03	0.08	0.06
Cash flow from mining operations[4]	18,593	18,028	75,134	61,573
Per share[4]	0.05	0.05	0.20	0.17
Return on equity[5]	22%	32%	22%	32%
Cash on hand end of period	71,205	56,288	71,205	56,288
Total assets	269,726	225,002	269,726	225,002
Statistics (in dollars)				
Average realized selling price (per ounce)	1,207	1,286	1,282	1,255
Cash operating cost (per ounce produced)[6]	454	445	409	445
Cash operating cost (per tonne processed)[6]	177	190	194	209
Total cash cost (per ounce sold)[7]	499	522	468	496
Sustaining capital cost (per ounce sold)[8]	205	258	185	253
Site all-in sustaining cost (per ounce sold) [9]	734	779	669	749
All-in sustaining cost (per ounce sold)[9]	788	833	716	794

[1] Gold ounces sold and Gold Sales include revenues of $36,279,000 and Q3 deferred revenues of $1,091,000 related to 850 ounces sold, but not shipped, as of September 30, 2017, due to the timing of the shipment in Burkina Faso, offset by Q2 deferred revenues of $1,463,000.

[2] Earnings before interest, taxes and depreciation and amortization ("EBITDA") and EBITDA margin are non-IFRS financial performance measures with no standard definition under IFRS. See "Non-IFRS financial performance measures".

[3] Adjusted net income and adjusted net income per share are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.

[4] Cash flow from mining operations and cash flow from mining operations per share are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.

[5] Return on equity is calculated using adjusted net income divided by average shareholders equity for the period. The figure is calculated as a rolling twelve-month period. See the "Non-IFRS financial performance measures" section of this MD&A.

[6] Cash operating cost is a non-IFRS measure with no standard definition under IFRS and is calculated using ounces produced and tonnes processed. See the "Non-IFRS financial performance measures" section of this MD&A.

[7] Total cash cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the mine operating expenses and the government royalties per ounce sold. See the "Non-IFRS financial performance measures" section of this MD&A.

[8] Sustaining capital cost per ounce sold is a non-IFRS financial performance measure with no standard definition under IFRS and represents the investment in underground development per ounce sold. See the "Non-IFRS financial performance measures" section of this MD&A.

[9] Site all-in sustaining cost and all-in sustaining cost is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.

During the three and nine-month periods ended September 30, 2018, the Company:

Operations

- ✓ Achieved production of 30,532 ounces of gold in Q3 2018 (28,410 ounces in Q3 2017) and YTD 2018 production of 106,812 ounces (91,970 ounces in YTD 2017);
- ✓ Realized a record quarterly processing throughput of 78,357 tonnes - 15% above nameplate capacity;
- ✓ Reduced operating costs per tonne processed by 7% in Q3 2018 and a 6% reduction in operating cost[10] per tonne processed for YTD 2018;
- ✓ Achieved a cash operating cost[10] of $454 per ounce produced and all-in sustaining costs[11] of $788 per ounce sold and $409 per ounce produced and $716 per ounce sold for the three and nine-month periods ended September 30, 2018, respectively;

Financial

- ✓ Higher EBITDA[12] of $16.9 million in Q3 2018 ($14.3 million in Q3 2017) and $68.9 million for YTD 2018 ($44.6 million for 2017 YTD);
- ✓ Achieved strong EBITDA margin[12] of 45% in Q3 2018 (40% in Q3 2017) and 50% for YTD 2018 (39% for 2017 YTD);
- ✓ Generated cash flow from mining operations[13] totalling $18.6 million in Q3 2018 ($0.05 per share) and $75.1 million ($0.20 per share) for YTD 2018;
- ✓ Maintained a strong balance sheet with cash on hand of $71.2 million;
- ✓ Generated a strong return on equity[14] of 22%;

Growth

- ✓ Delivered first development ore from Bagassi South in October 2018 on schedule;
- ✓ Received all permits and decrees required for Bagassi South mining and the process plant expansion;
- ✓ Operating seven drill rigs currently at Yaramoko targeting extensions to the 55 Zone and regional exploration targets – six from surface and one from underground.

[10] Cash operating cost is a non-IFRS measure with no standard definition under IFRS and is calculated using ounces produced and tonnes processed. See the "Non-IFRS financial performance measures" section of this MD&A.
[11] All-in sustaining cost is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.
[12] Earnings before interest, taxes and depreciation and amortization ("EBITDA") and EBITDA margin are non-IFRS financial performance measures with no standard definition under IFRS. See "Non-IFRS financial performance measures".
[13] Cash flow from mining operations and cash flow from mining operations per share are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.
[14] Return on equity is calculated using adjusted net income divided by average shareholders equity for the period. The figure is calculated as a rolling twelve-month period. See the "Non-IFRS financial performance measures" section of this MD&A.

3. Outlook

2018 PRODUCTION GUIDANCE AND COSTS

Based on the strong operational results to date, the Company is confident it will achieve at or above the upper end of its production guidance and expect to be at the lower end of its cost forecasts for the twelve-month period ending December 31, 2018. Updated guidance for 2018 include as follows:

- Gold production between 120,000 and 130,000 ounces;
- Cash operating cost[15] between $450 and $475/ounce;
- All-in sustaining cost[16] between $740 and $790/ounce;
- Underground capital expenditure between $22 million and $26 million;
- Bagassi South pre-production capital expenditure of $30 million and remains on schedule;
- Increase in exploration spend from $9 million to $12 million.

4. Key drivers and trends

A. Gold price

The market price of gold is a significant factor determining the Company's financial results. As such, cash flow from operations and the Company's development and exploration activities may, in the future, be significantly adversely affected by a decline in the price of gold. The gold price fluctuates on a daily basis and is affected by several factors beyond the control of the Company, such as the U.S. dollar and other foreign currency exchange rates, the confidence in the global monetary system along with the expectations of other global or regional political or economic events or conditions.

During the three-month period ended September 30, 2018, the price of gold, based on the London Gold Fix PM, fluctuated from a low of $1,178 to a high of $1,262 per ounce. The average market gold price in the third quarter of 2018 was $1,213 per ounce representing a decrease of $65 per ounce from the third quarter of 2017, with an average gold price of $1,278. During this period, the Company's average realized gold price for the period was $1,207 per ounce sold compared to $1,286 per ounce sold in the third quarter of 2017.

During the nine-month period ended September 30, 2018, the price of gold, based on the London Gold Fix PM, fluctuated from a low of $1,178 to a high of $1,355 per ounce. The average market gold price in the first nine months of 2018 was $1,282 per ounce representing an increase of $31 per ounce from the first nine months of 2017, with an average gold price of $1,251. During this period, the Company's average realized gold price for the period was $1,282 per ounce sold compared to $1,255 per ounce sold in the prior period.

B. Currency

The U.S. dollar is the Company's reporting currency. The Company's revenue is denominated in U.S. dollars as gold is priced in U.S. dollars. The Company's main sources of foreign exchange exposure are the Canadian dollar, United States dollar and the Euro, which have a direct impact on the Company's Canadian activities and mining operations in Burkina Faso where the local currency is fixed against the Euro.

During the three and nine-month periods ended September 30, 2018, the US dollar was stronger relative to the Euro and stronger relative to the Canadian dollar when compared to same period in 2017. Therefore, the net foreign exchange rate movement had a positive impact on our total cash cost[17] and all-in sustaining cost[16].

[15] Cash operating cost is a non-IFRS measure with no standard definition under IFRS and is calculated using ounces produced and tonnes processed. See the "Non-IFRS financial performance measures" section of this MD&A.
[16] All-in sustaining cost is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.
[17] Total cash cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the mine operating expenses and the government royalties per ounce sold. See the "Non-IFRS financial performance measures" section of this MD&A.

C. Security

Both the French and Canadian government authorities continue to issue warnings regarding jihadist incursions from the northern and eastern areas bordering Mali and Niger respectively. These zones are considered high risk however are both relatively distant from the Yaramoko gold mine. The Company continues to monitor security risks in-country from a variety of sources.

Apart from this and the risk factors noted in both the Company's 2017 Annual Management Discussion and Analysis and 2017 Annual Information Form available on SEDAR at www.sedar.com, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

5. Mine operating activities

	Three months ended September 30 2018	Three months ended September 30 2017	Nine months ended September 30 2018	Nine months ended September 30 2017
Operating Data				
Ore mined (tonnes)	87,975	76,480	263,413	211,761
Ore processed (tonnes)	78,357	66,670	225,350	195,784
Head grade (g/t)	12.3	13.6	14.4	14.5
Recovery (%)	98.5	98.6	98.8	98.9
Gold ounces produced	30,532	28,410	106,812	91,970
Gold ounces sold[18]	31,400	27,912	106,770	91,679
Financial Data (in thousands of dollars)				
Gold Sales[18]	37,890	35,907	136,903	115,050
Mining operating expenses	(15,072)	(12,649)	(45,449)	(40,480)
Government royalties	(1,516)	(1,514)	(6,236)	(4,620)
Depreciation	(7,622)	(6,909)	(25,829)	(21,794)
Statistics (in dollars)				
Average realized selling price (per ounce)	1,207	1,286	1,282	1,255
Cash operating cost (per ounce produced)[19]	454	445	409	445
Cash operating cost (per tonne processed)[19]	177	190	194	209
Total cash cost (per ounce sold)[20]	499	522	468	496
Sustaining capital cost (per ounce sold)[21]	205	258	185	253
Site all-in sustaining cost (per ounce sold) [22]	734	779	669	749
All-in sustaining cost (per ounce sold)[22]	788	833	716	794

[18] Gold ounces sold and Gold Sales include revenues of $36,279,000 and Q3 deferred revenues of $1,091,000 related to 850 ounces sold, but not shipped, as of September 30, 2017, due to the timing of the shipment in Burkina Faso, offset by Q2 deferred revenues of $1,463,000.

[19] Cash operating cost is a non-IFRS measure with no standard definition under IFRS and is calculated using ounces produced and tonnes processed. See the "Non-IFRS financial performance measures" section of this MD&A.

[20] Total cash cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the mine operating expenses and the government royalties per ounce sold. See the "Non-IFRS financial performance measures" section of this MD&A.

[21] Sustaining capital cost per ounce sold is a non-IFRS financial performance measure with no standard definition under IFRS and represents the investment in underground development per ounce sold. See the "Non-IFRS financial performance measures" section of this MD&A.

[22] Site all-in sustaining cost and all-in sustaining cost is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.

A. Health & safety performance

Safety is a core value of Roxgold. The Company regrets to report that a Lost Time Injury ("LTI") incident occurred in Q3 2018. The LTI was suffered by a drilling contractor's employee and marked the first LTI incident at Yaramoko since the commencement of gold production in April 2016.

B. Operational performance

The Company's gold production in Q3 2018 increased by 7% to 30,532 ounces compared to 28,410 ounces in Q3 2017. For YTD 2018, production increased by 16% to 106,812 ounces compared to 91,970 ounces in YTD 2017. The increased gold production was driven by continued improved operating performance in both the mine and processing plant.

During the quarter ended September 30, 2018, 87,975 tonnes of ore at 10.74 g/t were extracted from the underground mine along with completing 1,221 metres of development compared to 76,480 tonnes at 12.3 g/t of ore and 1,730 metres of development in the comparable period of the prior year. The mining tonnage increase of 15% was due to more areas available to extract ore and additional equipment increasing productivity. During the third quarter, approximately 80% of ore produced came from stoping activities which is a result of the extensive development that is in place at Yaramoko, with four open stopes available at the end of the quarter.

During the nine-month period ended September 30, 2018, 263,413 tonnes of ore at 14.04 g/t were extracted from the underground mine compared to 211,761 tonnes of ore at 14.5 g/t in the comparable period of the prior year. The increase of 24% in tonnes mined was also due to more areas available to extract ore and additional equipment increasing productivity.

In the third quarter of 2018, decline development at the mine reached the 4947 level, approximately 350 metres below surface. Ore development was completed on the 4998, 4981 and 4964 levels. The mine continues to be well positioned to meet future production requirements with developed reserves for stoping in line with the Company's 18 months planned stoping objectives.

Reconciliation of mined material against the Company's Reserve model and Grade Control model for the year to date is trending within the expected range. The year to date trend for the Grade Control model to actual mined shows slightly more ounces produced, driven by marginally more tonnes produced. A review and reconciliation of the April 2017 Mineral Resource estimate ahead of the preparation of the Q1 2019 Mineral Resource and Reserve Estimate has commenced.

The plant processed a record 78,357 tonnes at an average head grade of 12.25 g/t Au in Q3 2018 compared to 66,670 tonnes of ore at 13.6 g/t in Q3 2017. This 18% increase is a result of ongoing optimisation at the plant and translates into a unit throughput rate which is 15% above nameplate capacity. Plant availability was 94.9% during the quarter and overall recovery was 98.5% during the quarter compared to 95.8% and 98.6% respectively for the comparative period in the prior year.

During the nine-month period ended September 30, 2018, the plant processed 225,350 tonnes at an average head grade of 14.4 g/t compared to 195,784 tonnes of ore at 14.5 g/t during the comparable nine-month period in 2017. This increase is a result of increased throughput during the period. Plant availability was 94.9% during the nine-month period and overall recovery was 98.5% compared to 95.8% and 98.6% respectively for the comparative period in prior year.

C. Financial performance

i) For the three-month periods ended September 30, 2018 and September 30, 2017

During the quarter ended September 30, 2018, a total of 31,400 ounces of gold were sold with revenue from gold sales totalling $37,890,000 compared to 27,912 gold ounces sold[23] and gold sales[23] of $35,907,000. Revenues increased by 6% when compared to Q3 2017 as the volume sold increased by 12%. The Company realized an average gold sale price of $1,207, a 6% decrease compared to the average sale price in Q3 2017. The average market gold price in the third quarter of 2018 was $1,213 per ounce, a 5% decrease from the Q3 2017 average.

[23] Gold ounces sold and Gold Sales include revenues of $36,279,000 and Q3 deferred revenues of $1,091,000 related to 850 ounces sold, but not shipped, as of September 30, 2017, due to the timing of the shipment in Burkina Faso, offset by Q2 deferred revenues of $1,463,000.

Mine operating expenses represent mining, processing, and mine site-related general and administrative expenses. During the quarter ended September 30, 2018, the cash operating cost[24] per tonne processed totalled $177 per tonne, which is below the $190 per tonne processed achieved during Q3 2017. The variation is mainly due to increased efficiency and throughput during the period. The cash operating cost[24] per ounce produced totalled $454 per ounce for the period compared to $445 per ounce in the prior period.

The total cash cost[25] per ounce sold of $499 has decreased by 5% when compared to Q3 2017 due to lower cash operating costs per tonne produced and higher gold production. The Company generated a mine operating margin[26] of $708 a reduction of 7% from $764 per ounce for Q3 2017.

During the quarter ended September 30, 2018, Roxgold invested $6,451,000 in underground mine development, representing a sustaining capital cost[27] per ounce sold of $205 while the Company invested $7,196,000 at a sustaining capital cost[27] per ounce sold of $258 in Q3 2017.

The Company continued to generate strong cash flow from mining operations[28] for Q3 2018 totalling $18,593,000 (Q3 2017 - $18,028,000) with a site all-in sustaining cost[29] of $734 per ounce sold (Q3 2017 - $779 per ounce sold) and all-in sustaining costs[29] including corporate costs of $788 per ounce sold (Q3 2017 - $833 per ounce).

ii) For the nine-month periods ended September 30, 2018 and September 30, 2017

Gold sales for the nine-month period totalled $136,903,000 from 106,770 ounces of gold ounces sold compared to $115,050,000 in gold sales[30] from 91,679 gold ounces sold[30]. During this period, the Company's average realized gold price for the period was $1,282 per ounce sold compared to the average sale price of $1,255 in YTD 2017. The average market gold price in the nine-month period of 2018 was $1,282 per ounce, compared to $1,251 in YTD 2017.

During the nine-month period ended September 30, 2018, the cash operating cost[24] per tonne processed totalled $194 per tonne, which is 6% below the $209 per tonne processed achieved during YTD 2017. The difference is mainly due to increased efficiency and throughput during the period.

The cash operating cost[24] per ounce produced totalled $409 per ounce for the period compared to $445 per ounce in the prior period. The total cash cost[25] per ounce sold of $468 compared to $496 in YTD 2017 is due to a reduction of cash operating costs offset by an increase in the blended 9-month royalty rate when compared to YTD 2017. Consequently, the Company generated a mine operating margin[26] of $814 up 7% from $759 per ounce for YTD 2017.

The Company invested $19,721,000 in underground mine development for the nine-month period compared to $23,175,000 for the comparable period in 2017. The investments made during the nine-month period are in line with the 2018 mine plan.

The Company generated $75,134,000 cash flow from mining operations[28] during the nine-month period compared to $61,573,000 during YTD 2017.

[24] Cash operating cost is a non-IFRS measure with no standard definition under IFRS and is calculated using ounces produced and tonnes processed. See the "Non-IFRS financial performance measures" section of this MD&A.

[25] Total cash cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the mine operating expenses and the government royalties per ounce sold. See the "Non-IFRS financial performance measures" section of this MD&A.

[26] Mine operating margin is a non-IFRS measure with no standard definition under IFRS and is calculated by subtracting total cash cost per ounce sold from the average realized selling price per ounce sold.

[27] Sustaining capital cost per ounce sold is a non-IFRS financial performance measure with no standard definition under IFRS and represents the investment in underground development per ounce sold. See the "Non-IFRS financial performance measures" section of this MD&A.

[28] Cash flow from mining operations and cash flow from mining operations per share are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.

[29] Site all-in sustaining cost and all-in sustaining cost is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.

[30] Gold ounces sold and Gold Sales include revenues of $36,279,000 and Q3 deferred revenues of $1,091,000 related to 850 ounces sold, but not shipped, as of September 30, 2017, due to the timing of the shipment in Burkina Faso, offset by Q2 deferred revenues of $1,463,000.

6. Organic growth

The Bagassi South project is located 1.8 kilometres south of the Yaramoko processing plant. This expansion project adds substantial value to Roxgold by increasing gold production at the Yaramoko gold mine by approximately 40% to over 150,000 ounces per annum in the near term. The pre-production capital estimated at approximately $29.6 million will be funded entirely by internal cash flows. The after-tax IRR of the expansion project is 53.2% with a 1.8 year payback on initial capital.

During the third quarter of 2018, the Company received all permits and decrees required for Bagassi South mining and the process plant expansion. Development and construction are progressing well with overall project completion at approximately 75%. The Company has started mine development with approximately 491 metres completed to date, all structural steelwork and fabrication of the CIL tanks are complete. The Company has delivered first development ore from Bagassi South in early Q4 2018 and processing plant tie-ins are expected to occur during Q4 2018 planned maintenance stoppages.

7. Exploration activities

A. 55 Zone

For the three-month period ended September 30, 2018

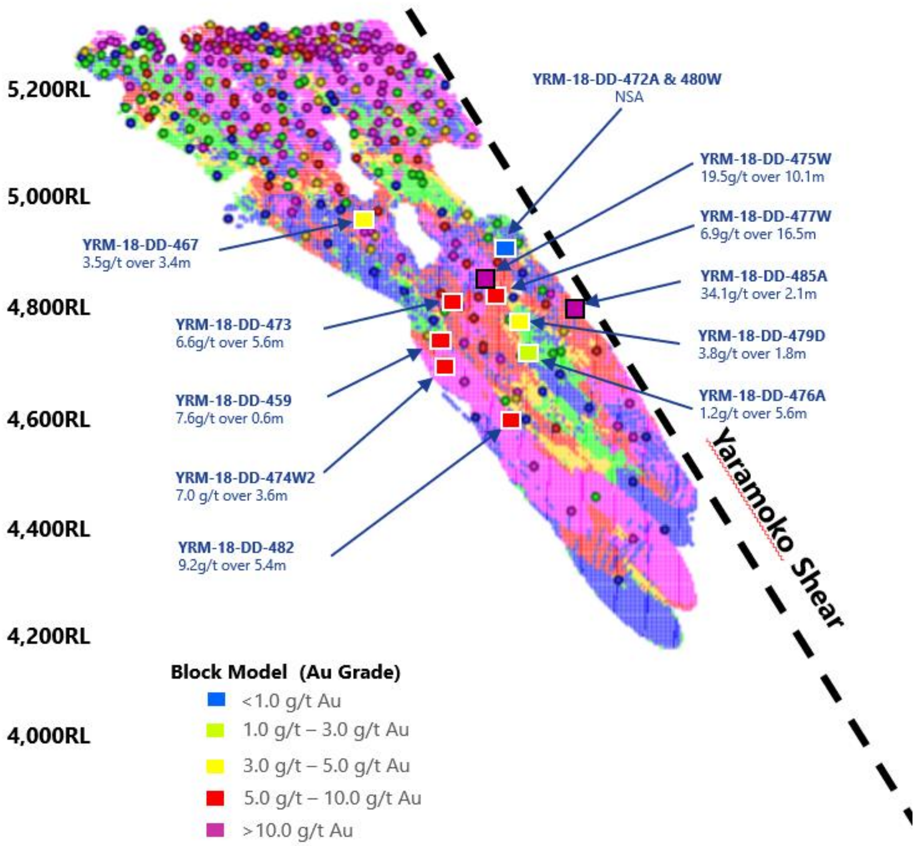
Diamond drilling activities continued on the 55 Zone during Q3 2018. An 11,000-metre underground diamond drilling in-fill program continued at the 55 Zone between the 5151 and 4900 levels, with a single underground rig from level 4947. In Q3 2018, 3,342 metres were completed. This drilling program is planned to infill to an approximate 25 metre by 25 metres spacing and will continue into Q4 2018.

Surface drilling also continued at 55 Zone during the quarter, with a total of six diamond rigs operating. This is part of a 24,000 metre surface diamond drilling program that commenced in Q2 2018 focusing on infilling the current resource and delineating the eastern and western boundaries of the deeper 55 Zone.

During the third quarter of 2018, there were 20 surface holes completed at the 55 Zone program, for a total of 15,315 metres. Results for 17 holes were received during the quarter, with significant intercepts illustrated in Figure 1 below including:

- YRM-18-DD-475W: 10.1m at 19.5 g/t Au from 576.6m including 0.4m at 97.7 g/t Au from 581.1m and 0.2m at 201 g/t Au from 582.5m;
- YRM-18-DD-477W: 16.5m at 6.9 g/t Au from 595.6m including 1.1m at 33.9 g/t Au from 600m;
- YRM-18-DD-482: 5.4m @ 9.2g/t from 903.1m, including 0.3m @ 80.3g/t from 907.2m.

Figure 1 - 55 Zone Longitudinal section with completed drill holes



For the nine-month period ended September 30, 2018

During the first nine months of 2018, the Company has embarked on a large Resource definition infill program at 55 Zone, with a view to increasing Resource confidence at depth, and testing down plunge extensions to the structure, below the current base of Inferred Resources. To the end of Q3 2018, approximately 26,250 metres had been drilled at the 55 Zone.

B. Bagassi South

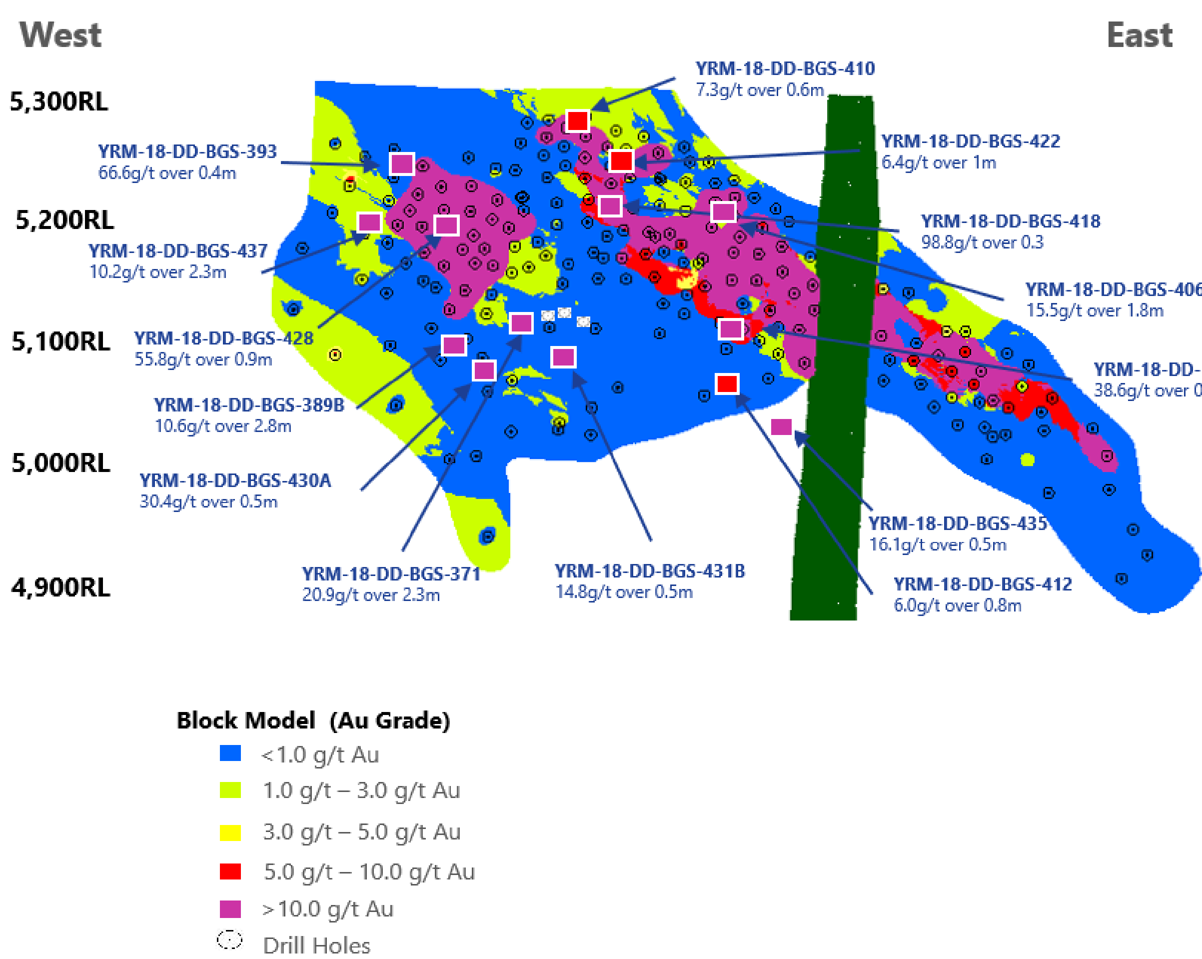
For the three-month period ended September 30, 2018

Drilling activity also continued at Bagassi South, focused on extending the QV1 western shoot and upgrading inferred resources on the QV1 and QV Prime structures. The program was completed during the quarter with 13 holes drilled for 2,708 metres, significant intercepts and results are illustrated in Figure 2 below. Further follow on drilling is planned for Q4 2018, to test for down plunge extensions in the QV1 western shoot.

For the nine-month period ended September 30, 2018

During the second quarter of 2018, the Company resumed drilling at Bagassi South by undertaking an infill and extensional drilling program along the QV1 structure. The program was completed during the third quarter with over 10,200 metres drilled in 2018. Further follow on drilling is planned for Q4 2018, to test for down plunge extensions in the QV1 western shoot.

Figure 2- Bagassi South QV1 structure with 2018 drill holes



For more information on the results from the Company's 2018 exploration drilling program at 55 Zone and Bagassi South zones, please refer to the Company's press release dated November 13, 2018, available on SEDAR at www.sedar.com or the Company's website at www.roxgold.com.

C. Regional Exploration

For the three and nine-month periods ended September 30, 2018

A total of 2,098 metres were drilled for regional exploration in the third quarter of 2018. This drilling was undertaken on the south Bagassi structural targets and completed the regional targeting program for the quarter. All remaining results for the regional program were received during Q3 2018 and are currently being reviewed to determine further follow on drilling in Q4 2018.

A total of approximately 15,000 metres of Auger drilling has been completed in 2018, around the Houko and Kaho prospects. Interpretations on the Houko Central and Kaho areas were undertaken in Q3 2018. Drill planning is underway for Q4 2018 to test the soil anomalies defined at Kaho.

The Kaho prospect presents a viable target area due to the favourable geology, the presence of gold in soil anomalies, and its position within the Yaramoko structural corridor.

8. Review of financial results

A. Mine operating profit

During the third quarter of 2018, revenues totalled $37,890,000 (Q3 2017 – $36,279,000) while mine operating expenses and royalties totalled $15,072,000 (Q3 2017 - $12,649,000) and $1,516,000 (Q3 2017 – $1,514,000), respectively. The increase in sales is primarily due to increased production driven by higher throughput, offset by a lower average realized gold price which decreased from $1,286 per ounce in Q3 2017 to $1,207 per ounce in Q3 2018. During the third quarter of 2018, the Company achieved a total cash cost[31] per ounce sold of $454 representing a mine operating margin[32] of $708 compared to $522 and $764, respectively for the comparable period in 2017.

During the nine-month period ended September 30, 2018, revenues totalled $136,903,000 compared to $113,959,000 for the comparable period in 2017. Mine operating expenses were $45,449,000 compared to $40,480,000 while royalties paid were $6,236,000 compared to $4,620,000. The increase in sales is primarily due to increased production driven by higher throughput and a higher average realized gold price which increased from $1,255 per ounce in YTD 2017 to $1,282 per ounce in YTD 2018. During the period, the Company achieved a total cash cost[31] per ounce sold of $468 representing a mine operating margin[32] of $814 compared to $496 and $759, respectively for the same period in 2017.

For more information on the cash operating costs[33] see the financial performance of the Mine Operating Activities section of this MD&A.

Depreciation totalled $7,424,000 and $25,200,000 for the three and nine-month periods ended September 30, 2018, respectively compared to $6,670,000 and $21,037,000 in the corresponding period in prior year. The increase in depreciation is a result of the Company's further investments in the underground development combined with a higher throughput in our processing facility, offset by a reduction of $588,000 in depreciation related to derecognition of finance lease liability following a contract extension with the Company's mining contractor. Refer to finance lease note 14 in the September 30, 2018 condensed interim consolidated financial statements for more information.

B. General and administrative expenses

General and administrative expenses remained consistent over prior year totalling $1,115,000 and $3,708,000 for the three and nine-months ended September 30, 2018, respectively and $1,112,000 and $3,246,000 for the corresponding period in prior year.

C. Sustainability and other in-country costs

Sustainability and in-country costs increased to $589,000 and $1,352,000 for the three and nine-months ended September 30, 2018, respectively, compared to $352,000 and $1,125,000 in the corresponding period in prior year and reflect the increased operating tempo associated with Bagassi South. These expenditures are incurred as part of Roxgold's commitment to responsible operations in Burkina Faso including a number of sustainability and community projects.

[31] Total cash cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the mine operating expenses and the government royalties per ounce sold. See the "Non-IFRS financial performance measures" section of this MD&A.

[32] Mine operating margin is a non-IFRS measure with no standard definition under IFRS and is calculated by subtracting total cash cost per ounce sold from the average realized selling price per ounce sold.

[33] Cash operating cost is a non-IFRS measure with no standard definition under IFRS and is calculated using ounces produced and tonnes processed. See the "Non-IFRS financial performance measures" section of this MD&A.

D. Exploration and evaluation expenses ("E&E"):

Exploration and evaluation expenses totalling $3,376,000 and $10,737,000 for the three and nine-months ended September 30, 2018, respectively compared to $3,004,000 and $9,865,000 for the corresponding periods in prior year. Current year expenditures reflect the regional exploration program ongoing at Houko and Kaho areas and infill drilling program at 55 Zone and Bagassi South. The 2017 program includes expenditures associated with the Bagassi South infill and extensional drilling program completed as part of the Feasibility Study on Bagassi South released on November 6, 2017.

E. Share-based payment

Share-based payments totalling $127,000 and $1,381,000 for the three and nine-months ended September 30, 2018, respectively compared to $1,185,000 and $2,250,000 for the corresponding periods in the prior year. The reduction is attributed to timing of the annual DSU grants which were issued in Q2 2018 and the year to date variation is impacted by the cancellation of unvested share awards related to employee turnover within the Company.

F. Financial income (expenses)

The Company's net financial income (expenses) for the three and nine-month periods ended September 30, 2018 totalled $209,000 and ($1,639,000) respectively, compared to ($3,279,000) and ($12,058,000) in the comparable period of the prior year.

The decrease is mainly attributable to the change in the fair value of the Company's gold forward sales contracts, reduction of interest expense related to the long-term debt and the changes in the Company's foreign exchange gain (loss).

G. Current and deferred income tax expense

The current income tax expense is due to the Company's past cumulative losses being fully utilized in 2018. The deferred income tax expense is due to the recognition of the deferred income tax liability as the Company is making a profit from its operations in Burkina Faso.

H. Net income & EBITDA

The Company's net income for the three and nine-month periods ended September 30, 2018 totalled $6,599,000 and $31,360,000 respectively, compared to $6,936,000 and $16,485,000 in the comparable period in the prior year.

During the third quarter of 2018 the Company generated earnings before interest, taxes, depreciation and amortization ("EBITDA")[34] of $16,932,000 representing an improvement of 18% over the EBITDA[34] achieved during Q3 2017 of $14,308,000. The nine-months ended September 30, 2018 period had EBITDA[34] of $68,913,000 an increase of 54% over YTD 2017 of $44,595,000.

I. Income Attributable to Non-Controlling Interest

For the three and nine-month periods ended September 30, 2018, the income attributable to the non-controlling interest ("NCI") was $706,000 and $3,552,000 respectively, (2017: $1,342,000 and $3,706,000). The Government of Burkina Faso holds a 10% carried interest in Roxgold SANU SA the Company's operating entity. Income attributable to the NCI excludes all items within Other expenses and Financial expenses on the Company's consolidated statement of income, except for sustainability and other in-country costs, interest expense, and financing fees.

9. Other comprehensive income

For the three and nine-month periods ended September 30, 2018, other comprehensive income amounted to $37,000 and other comprehensive income of ($980,000) respectively (2017: $724,000 and $1,433,000). The variation between periods is essentially related to the effects of the foreign exchange rate of U.S. dollars to Canadian dollars at the end of the reporting period as it relates to the legal entities which have a different functional currency than the presentation currency of the Company.

[34] Earnings before interest, taxes and depreciation and amortization ("EBITDA") and EBITDA margin are non-IFRS financial performance measures with no standard definition under IFRS. See "Non-IFRS financial performance measures".

10. Cash flows

The following table summarizes cash flow activities:

For the nine-month period ended September 30,	2018	2017
Cash flow		
Operations	61,933,000	49,754,000
Changes in non-cash working capital	(10,097,000)	(13,856,000)
Operating activities	51,836,000	35,898,000
Financing activities	(7,563,000)	(27,787,000)
Investing activities	(35,401,000)	(23,325,000)
Change in cash and cash equivalents during the period	**8,872,000**	**(15,214,000)**
Effect of foreign exchange rates on cash	(700,000)	2,600,000
Cash and cash equivalents, beginning of period	**63,033,000**	**68,902,000**
Cash and cash equivalents, end of period	**71,205,000**	**56,288,000**

Operating

During the nine-month period ended September 30, 2018, the Company generated cash flow from operating activities of $51,836,000 compared to $35,898,000 in the comparative period. The higher cashflow is primarily due to higher mine operating profit during the period resulting from a lower total cash cost per ounce sold and higher volume sold. The non-cash working capital movement is mainly due to an increase in ore stockpiles, decrease in trade payables and an increase in value added tax (VAT) receivable as at September 30, 2018.

In the first nine months of 2018, the Company received VAT reimbursements totalling $9.6 million. The decrease in trade payables relates to the timing of payments and the accruals associated with the Bagassi South expansion.

Investing

During the nine-month period ended September 30, 2018, the Company invested $35,401,000 of cash additions to property, plant and equipment which mainly related to $19,721,000 in underground development and $15,655,000 in the development of the Bagassi South property. In 2017, the investment reflected underground development and the completion of the HV power line which was put in service at the end of February 2017.

Financing

The variation in financing activities is primarily due to an early repayment of $15 million made in 2017 under the Initial Facility of $75 million, subsequently amended to a $60 million credit facility (the "Amended Facility"). In 2017, the quarterly repayments as per the payment schedule were higher than the year to date 2018 principal repayments of $5,850,000.

During the nine-month period ended September 30, 2018, the Company made payments totalling $2,344,000 pertaining to the finance lease obligation embedded within the African Underground Mining Services ("AUMS") mining services agreement compared to $1,529,000 in the comparable period in 2017. The increase in payments is based on the scheduled reduction of the finance obligation.

11. Financial position

As at	September 30 2018	December 31 2017
Cash and cash equivalents	71,205,000	63,033,000
Other current assets	42,313,000	37,382,000
Total current assets	**113,518,000**	**100,415,000**
Property, plant and equipment ("PP&E")	155,697,000	135,288,000
Other non-current assets	511,000	511,000
Total assets	**269,726,000**	**236,214,000**
Total current liabilities	**44,271,000**	**43,426,000**
Long-term debt	27,271,000	35,464,000
Derivative financial instruments	4,037,000	9,527,000
Asset retirement obligation	2,919,000	2,379,000
Finance lease	5,641,000	1,240,000
Other non-current liabilities	15,680,000	7,008,000
Total liabilities	**99,819,000**	**99,044,000**
Equity attributable to equity shareholders	160,515,000	131,330,000
Non-controlling interests	9,392,000	5,840,000
Total equity	**169,907,000**	**137,170,000**
Total liabilities and equity	**269,726,000**	**236,214,000**

The Company's total assets as at September 30, 2018 has increased by $33.5 million when compared to December 31, 2017. This is mainly driven by Bagassi South capital expenditures and underground development included in PP&E, increase in finance lease asset and higher cash balance.

Total liabilities have increased slightly due to an increase in financial lease obligations associated with the contract extension with AUMS partially offset by a reduction in long-term debt and derivatives financial instruments.

12. Financial risk factors

The Company's risk exposure and impact on the Company's financial instruments are summarized in note 20 of its annual consolidated financial statements for the year ended December 31, 2017, which are hereby incorporated by reference.

13. Commitments

Significant financial commitments consist of lease agreements covering offices and other properties in Canada and Burkina Faso as well as contracts with service providers and consultants.

For the years ending September 30,	2018	2019	2020
Lease agreements	53,000	205,000	132,000
Service agreements	702,000	148,000	3,000
Technical service agreements	1,494,000	-	-
	2,249,000	**353,000**	**135,000**

The Company entered into a mining contract with a service provider wherein the Company could be subject to an early termination payment, which is reduced monthly over 48 months and, in certain conditions, could be subject to other payments that will be negotiated between the Company and the service provider. If the Company had terminated the agreement at September 30, 2018, it would have been subject to an early termination payment of $11,076,000.

Future minimum lease payments pursuant to the Company's finance leases are as follows:

	Up to 1 year	2-5 years	Total
Minimum lease payments	4,558,000	5,641,000	10,199,000
Finance charges	555,000	637,000	1,192,000
Total	**5,113,000**	**6,278,000**	**11,391,000**

As of September 30, 2018, future minimum principal and interest payments for the Amended Facility are as follows:

	Up to 1 year	2-5 years	Total
Minimum principal and interest payments	2,934,000	40,550,000	43,484,000

The government of Burkina Faso retains a 10% carried interest in Roxgold SANU S.A. In Burkina Faso, all shipments with gold spot prices lower or equal to $1,000 per ounce are subject to a royalty rate of 3%, a 4% rate is applied to all shipments with gold spot prices between $1,000 and $1,300 per ounce, and a 5% royalty rate is applied to all shipments with a gold spot price greater than $1,300 per ounce. During the nine-month period ended September 30, 2018, the Company was subject to a blended royalty rate of both 4% and 5% and made royalties payments amounting to $6,236,000 (September 30, 2017 - $4,620,000) to the Government of Burkina Faso.

14. Critical accounting estimates, judgements and off-balance sheet arrangements

The Company's critical accounting estimates and judgments are summarized in note 3 of its annual consolidated financial statements for the year ended December 31, 2017 filed on SEDAR at www.sedar.com on March 28, 2018.

The Company does not have any off-balance sheet arrangements.

15. New Accounting Standards Issued and Adopted by the Company

The new accounting standards adopted on January 1, 2018 are disclosed in note 2 of the condensed interim consolidated financial statements for the period ended September 30, 2018. The new accounting standards issued but not yet in effect are disclosed in note 2 of its annual consolidated financial statements for the year ended December 31, 2017 filed on SEDAR at www.sedar.com on March 28, 2018.

16. Non-IFRS financial performance measures

The Company provides some non-IFRS measures as supplementary information that management believes may be useful to investors to explain the Company's financial results.

A. Cash operating cost

''Cash operating cost'' and "total cash cost" are common financial performance measures in the gold mining industry but with no standard meaning under IFRS. Management believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measure, along with sales, is considered to be a key indicator of a Company's ability to generate earnings and cash flow from its mining operations.

Cash operating cost and total cash cost figures are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is the accepted standard of reporting cash cost of production in North America. Adoption of the standard is voluntary and the cost measures presented may not be comparable to other similarly titled measures of other companies. Other companies may calculate these measures differently. Cash operating cost per ounce produced and tonne processed are derived from mining operating costs such as mining, processing, mine site general and administrative expenses. Total cash cost per ounce sold represents mining operations expenses plus royalties and selling expenses divided by ounces sold.

The table below shows a reconciliation of cash operating cost per ounce produced and tonnes processed as well as the total cash cost per ounce sold.

	Three months ended September 30 2018	Three months ended September 30 2017	**Nine months ended September 30 2018**	Nine months ended September 30 2017
Per ounce produced				
Gold ounces produced	**30,532**	28,410	**106,812**	91,970
(in thousands of dollars except per ounce)				
Mine operating expenses (excluding royalties)	**15,072**	12,649	**45,449**	40,480
Selling expenses	**(69)**	(54)	**(223)**	(210)
Effects of inventory adjustments (doré bars)	**(217)**	53	**182**	688
Inventory NRV adjustment	**(935)**	-	**(1,674)**	-
Operating cost (relating to ounces produced)	**13,850**	12,648	**43,734**	40,958
Cash operating cost (per ounce produced)	**454**	445	**409**	445

	Three months ended September 30 2018	Three months ended September 30 2017	**Nine months ended September 30 2018**	Nine months ended September 30 2017
Per tonne processed				
Tonnes of ore processed	**78,357**	66,670	**225,350**	195,784
(in thousands of dollars except per ounce)				
Mine operating expenses (excluding royalties)	**15,072**	12,649	**45,449**	40,480
Selling expenses	**(69)**	(54)	**(223)**	(210)
Effects of inventory adjustments (doré bars)	**(217)**	53	**182**	688
Inventory NRV adjustment	**(935)**	-	**(1,674)**	-
Operating cost (relating to tonnes processed)	**13,850**	12,648	**43,734**	40,958
Cash operating cost (per tonne processed)	**177**	190	**194**	209

B. Site all-in sustaining costs and All-in sustaining cost

In June 2013, the World Gold Council, a non-regulatory association of the world's leading gold mining companies established to promote the use of gold to industry, consumers and investors, provided guidance for the calculation of the measure "Site all-in sustaining cost per gold ounce", and "All-in sustaining cost per gold ounce", which has no standard meaning under IFRS. These standards became effective January 1, 2014. Management believes that the all-in sustaining cost per gold ounce measure provides additional insight into the costs of producing gold by capturing all the expenditures required for the discovery, development and sustaining of gold production and allows the Company to assess its ability to support capital expenditures to sustain future production from the generation of operating cash flows. Additionally, management also finds it beneficial to the readers to disclose site all-in sustaining costs per ounce which is calculated by removing sustaining and other in-country cost and corporate general and administrative expenses from the all-in sustaining cost per ounce metric. Management believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance. However, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS and is not necessarily indicative of cash flow from operations under IFRS or operating costs presented under IFRS. It should also be noted that the adoption of the standard is voluntary, and the cost measures presented may not be comparable to other similarly titled measures of other companies. Other companies may calculate these measures differently.

Consistent with guidance announced in 2013 by the World Gold Council, Roxgold defines all-in sustaining cost per ounce as the sum of total cash cost, underground development that is sustaining in nature, corporate general and administrative costs, in country and corporate social responsibility expenditures related to current operations, and reclamation liability accretion, all divided by the total gold ounces produced to arrive at a per ounce figure.

As this measure intends to represent the cost of selling gold from current operations, it does not include capital expenditures attributable to development projects or mine expansions including economic evaluation for such projects, non-cash share-based payments, exploration expenses that are not sustainable in nature, income tax payments, working capital defined as current assets less current liabilities (except for inventory adjustments) or interest costs.

The table below shows a reconciliation of all-in sustaining cost per ounce to costs as extracted from the consolidated financial statements:

Per ounce sold	**Three months ended September 30 2018**	Three months ended September 30 2017	**Nine months ended September 30 2018**	Nine months ended September 30 2017
Gold ounces sold and shipped	**31,400**	27,062	**106,770**	90,829
Gold sold not shipped	**-**	850	**-**	850
Total ounces sold	**31,400**	27,912	**106,770**	91,679
(in thousands of dollars except per ounce)				
Mine operating expenses (excluding royalties)	**15,072**	12,649	**45,449**	40,480
Inventory cost of doré sold not shipped	**-**	374	**-**	374
Royalties	**1,516**	1,514	**6,236**	4,620
Royalties of doré sold not shipped	**-**	44	**-**	44
Inventory NRV adjustment	**(935)**	-	**(1,674)**	-
Total Cash Cost	**15,653**	14,581	**50,011**	45,518
Total cash cost per ounce sold	**499**	522	**468**	496
Investment in underground development				
For period over the next 18 months	**6,451**	3,533	**19,721**	15,476
For period beyond 18 months	**-**	3,663	**-**	7,699
Inventory NRV adjustment	**935**	-	**1,674**	-
Site all-in sustaining cost	**23,039**	21,777	**71,406**	68,693
Site all-in sustaining cost per ounce sold	**734**	779	**669**	749
Sustaining and other in-country costs	**589**	352	**1,352**	1,125
Corporate and general administrative expenses	**1,115**	1,112	**3,708**	3,246
Non-recurring expenditures	**-**	-	**-**	(250)
All-in sustaining cost	**24,743**	23,241	**76,466**	72,814
All-in sustaining cost per ounce sold	**788**	833	**716**	794

Per ounce sold	**Three months ended September 30 2018**	Three months ended September 30 2017	**Nine months ended September 30 2018**	Nine months ended September 30 2017
(in thousands of dollars)				
All-in sustaining cost	**24,743**	23,241	**76,466**	72,814
Underground development completed for 2020 production	**-**	(3,663)	**-**	(7,699)
All-in sustaining cost for next 18 months	**24,743**	19,578	**76,466**	65,115
All-in sustaining cost per ounce sold for next 18 months	**788**	701	**716**	710

C. Cash flow from mining operations

The following table sets forth a reconciliation of cash flow from mining operations, a non-IFRS measure which the Company believes to be relevant to assess the Company's ability to generate cash flow from operations.

	Three months ended September 30 2018	Three months ended September 30 2017	**Nine months ended September 30 2018**	Nine months ended September 30 2017
(in thousands of dollars)				
Cash flow from operating activities excluding changes in non-cash working capital items	**14,495**	14,230	**61,933**	49,754
Exploration and evaluation expenditures	**3,376**	3,004	**10,737**	9,865
Settlement of hedging contracts	**722**	794	**2,464**	1,954
Cash flow from mining operations	**18,593**	18,028	**75,134**	61,573

D. Cash flow per share

The following table sets forth the calculation of the cash flow per share, a non-IFRS measure which the Company believes to be relevant to assess the Company's ability to generate cash flow from operations.

	Three months ended September 30 2018	Three months ended September 30 2017	**Nine months ended September 30 2018**	Nine months ended September 30 2017
(in thousands of dollars except share and per share amounts)				
Cash flow from mining operations	**18,593**	18,028	**75,134**	61,573
Weighted average Common shares outstanding - basic	**373,818,294**	371,539,603	**373,401,285**	371,430,157
Cash flow per share	**0.05**	0.05	**0.20**	0.17
Cash flow per share in Canadian dollars[35]	**0.06**	0.06	**0.26**	0.22

[35] Translated at average closing rates of USD/CAD rate of 1.3068 and 1.2876, respectively.

E. Adjusted net income

The following table sets forth a reconciliation of adjusted net income, a non-IFRS measure which the Company believes to be relevant to assess the Company's profitability.

	Three months ended September 30 2018	Three months ended September 30 2017	**Nine months ended September 30 2018**	Nine months ended September 30 2017
(in thousands of dollars)				
Net income	**6,599**	6,936	**31,360**	16,485
Change in fair value of derivative financial instruments	**(2,570)**	2,210	**(4,537)**	7,477
Foreign exchange loss (gain)	**1,180**	(538)	**1,099**	(1,143)
Deferred revenues	**-**	1,091	**-**	1,091
Mining, royalty costs associated with doré not shipped	**-**	(418)	**-**	(418)
Adjusted net income	**5,209**	9,281	**27,922**	23,492

F. Adjusted earnings per share

The following table sets forth the calculation of the adjusted earnings per share, a non-IFRS measure which the Company believes to be relevant to assess the Company's profitability.

	Three months ended September 30 2018	Three months ended September 30 2017	**Nine months ended September 30 2018**	Nine months ended September 30 2017
(in thousands of dollars except share and per share amounts)				
Adjusted net income	**5,209**	9,281	**27,922**	23,492
Weighted average Common shares outstanding - basic	**373,818,294**	371,539,603	**373,401,285**	371,430,157
Adjusted earnings per share	**0.01**	0.03	**0.08**	0.06
Adjusted earnings per share in Canadian dollars[36]	**0.02**	0.03	**0.10**	0.08

[36] Translated at average closing rates of USD/CAD rate of 1.3068 and 1.2876, respectively.

G. Return on Equity

The following table calculates the rolling twelve-month net income to calculate return on equity, a non-IFRS measure which the Company believes to be relevant to assess the Company's operating profitability.

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	**Twelve months ended September 30 2018**
(thousands of dollars)					
Net income	6,599	10,838	13,923	6,758	**38,118**
Change in fair value of derivatives	(2,570)	(2,991)	1,024	1,300	**(3,237)**
Foreign exchange gain	1,180	1,156	(1,237)	(474)	**625**
Net impact of deferred revenues and costs	-	-	-	-	**-**
Reverse the impact of net deferred revenue in prior periods	-	-	-	(673)	**(673)**
Adjusted net income	5,209	9,003	13,710	6,911	**34,833**
Shareholders equity	169,907	162,469	152,113	137,170	**155,415**[37]
Return on equity percentage					**22%**

	Q3 2017	Q2 2017	Q1 2017	Q4 2016	**Twelve months ended September 30 2017**
(thousands of dollars)					
Net income	6,936	5,717	3,832	23,702	40,187
Change in fair value of derivatives	2,210	(485)	5,752	(8,808)	(1,331)
Foreign exchange gain	(538)	(710)	105	850	(293)
Net impact of deferred revenues and costs	673	710	-	-	1,383
Reverse the impact of net deferred revenue in prior periods	(710)	-	-	-	(710)
Adjusted net income	8,571	5,232	9,689	15,744	39,236
Shareholders equity	133,185	124,273	117,524	112,752	121,934[37]
Return on equity percentage					32%

H. Earnings before interest, taxes, depreciation and amortization ("EBITDA")

The following table sets forth the calculation of EBITDA, a non-IFRS measure which the Company believes to be relevant to assess the Company's operating performance.

	Three months ended September 30 2018	Three months ended September 30 2017	**Nine months ended September 30 2018**	Nine months ended September 30 2017
(in thousands of dollars)				
Net income	**6,599**	6,936	**31,360**	16,485
Interest expense	**628**	1,124	**2,512**	4,280
Income tax expense	**2,083**	(661)	**9,212**	2,036
Depreciation	**7,622**	6,909	**25,829**	21,794
EBITDA	**16,932**	14,308	**68,913**	44,595

[37] Average shareholders' equity for the rolling twelve-month period calculated as the average of each quarter.

17. Share capital information

The Company's authorized share capital is unlimited common shares without par value. As of November 13, 2018, there are 374,230,796 common shares outstanding. In addition, there are 16,848,070 common shares issuable on the exercise of 8,096,943 options, 3,178,967 RSUs, 1,017,927 PSUs and, 4,554,233 DSUs with dilutive impact.

18. Summary of quarterly results

The following information is derived from and should be read in conjunction with the unaudited condensed interim consolidated financial statements for each of the past eight quarters. All amounts are stated in thousands of dollars except for the net income (loss) per share.

	Q3 2018 $	Q2 2018 $	Q1 2018 $	Q4 2017 $	Q3 2017 $	Q2 2017 $	Q1 2017 $	Q4 2016 $
Financial results ($ millions)								
Revenue	37,890	45,787	53,226	45,455	36,279	34,703	42,977	41,385
Mine Operating profit	13,878	20,596	25,544	19,316	15,446	12,577	19,799	21,493
Operating profit	8,473	14,054	19,684	13,999	9,554	7,037	13,988	17,246
Net income	6,599	10,838	13,923	6,758	6,936	5,717	3,832	23,702
Net income attributable to shareholders	5,893	9,732	12,183	6,064	5,594	4,767	2,418	19,996
Income per share - basic	0.02	0.03	0.03	0.02	0.02	0.02	0.01	0.06
Income per share - diluted	0.02	0.02	0.03	0.02	0.02	0.02	0.01	0.06
Cash flow from mining operations[38]	18,593	25,669	30,872	22,035	18,028	18,632	23,747	23,170
Operational results								
Ore mined (tonnes)	87,975	86,831	88,607	108,094	76,480	66,044	69,237	72,561
Ore processed (tonnes)	78,357	75,417	71,576	70,815	66,670	65,159	63,955	61,265
Head grade (g/t)	12.3	14.4	16.8	17.6	13.6	12.8	17.3	15.45
Recovery (%)	98.5	98.8	99.0	99.1	98.6	99.0	99.2	98.9
Gold ounces produced (oz)	30,532	35,828	40,452	35,016	28,410	27,970	35,594	29,688
Gold ounces sold (oz)[39]	31,400	35,320	40,050	34,876	27,912	28,788	34,979	34,271
Financial results per unit[40]								
Average realized selling price (oz)	1,207	1,296	1,329	1,270	1,286	1,254	1,229	1,208
Cash operating cost (oz)	454	424	381	417	445	498	404	414
Total cash cost (oz)	499	483	451	488	522	549	454	461
Site all-in sustaining cost (oz)	734	672	615	554	779	829	680	665
All-in sustaining cost (oz)	788	718	658	609	833	873	720	702

19. Risk factors

Roxgold is subject to several risks and uncertainties which could have a material adverse impact on its operations, its financial condition and the trading price of its shares. For a comprehensive discussion on the risks and uncertainties the reader is directed to the Company's latest AIF filed on SEDAR at www.sedar.com on March 28, 2018. Careful attention should also be paid to the section in this MD&A entitled "Cautionary Note Regarding Forward Looking Statements".

The AIF, which is filed and viewable on www.sedar.com is available on the Company's website at www.roxgold.com hereby incorporated by reference into this MD&A.

[38] Cash flow from mining operations are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.
[39] Gold ounces sold include ounces related to deferred sales.
[40] Financial results per unit are non-IFRS financial performance measures with no standard definition under IFRS. See "Non-IFRS financial performance measures" section of this MD&A.

20. Internal control over financial reporting and disclosure controls and procedures

Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), have evaluated the effectiveness of the Company's disclosure controls and procedures ("DC&P") as such term is defined under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"). Based upon the results of that evaluation, the Company's CEO and CFO have concluded that, during the period ended September 30, 2018, the Company's DC&P were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

The Company's management, with the participation of its CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR") as such term is defined under NI 52-109. Under the supervision of the CEO and CFO, the Company's ICFR has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. During the period ended September 30, 2018, there have been no changes in the Company's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Limitations of Controls and Procedures

The Company's management, including the CEO and CFO, believe that any DC&P and ICFR, no matter how well designed, can have inherent limitations and may not prevent or detect all misstatements and fraud. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

21. Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets quarterly with management and quarterly with the Company's independent auditors to review the scope and results of the annual audit and quarterly reviews, respectively, and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders. The Board of Directors has approved the Financial Statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

22. Nature of securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

23. Qualified persons

Iain Cox, FAUSIMM, Interim Chief Operating Officer for Roxgold Inc., a Qualified Person within the meaning of National Instrument 43-101, has verified and approved the technical disclosure contained in this MD&A.

Paul Weedon, MAIG, Vice-President, Exploration for Roxgold Inc., a Qualified Person within the meaning of National Instrument 43-101, has verified and approved the technical disclosure contained in this MD&A. This includes the QA/QC, sampling, analytical and test data underlying this information. For more information on the Company's QA/QC and sampling procedures, please refer to the Company's AIF dated March 28, 2018.

24. Additional information

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com and at the Company's website at www.roxgold.com.