Management's Discussion and Analysis

For the year ended December 31, 2018

Roxgold

TSX: ROXG

As at March 26, 2019

The following Management Discussion and Analysis ("MD&A") of Roxgold Inc. ("Roxgold", the "Company", "we" or "us") has been prepared as of March 26, 2019. This MD&A is intended to supplement the audited consolidated annual financial statements ("Financial Statements") for the year ended December 31, 2018, and related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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 the Company's foreign subsidiaries. Refer to note 2 of the Financial Statements 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 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, development and drilling programs for 2019;
- anticipated production and cost guidance of the Company for 2019;
- 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 proposed future Bagassi South commercial production and stoping activities (including with respect to the anticipated costs, timing and benefits thereof);
- expectations regarding new Mineral Resource estimates at the 55 Zone and Bagassi South properties, including the nature and timing thereof;
- management's outlook regarding future trend and the impact of VAT in future periods;
- exploration, acquisition and development plans including with respect to the proposed acquisition of the Seguela property and other related properties;
- 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, proposed debt and interest repayments and other activities 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, including any upgrading or extensions thereof, or any conversion of Mineral Resources to Mineral Reserves, and the nature and timing of a proposed updated Mineral Resource model;
- treatment under governmental, regulatory and environmental regimes and tax laws, including under the New Mining Code (as defined herein) if applicable;
- future purchases under the Company's NCIB (as defined herein), if any;
- the performance characteristics of the Company's mineral resource properties; and
- realisation 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;
- satisfaction of closing conditions with respect to the proposed acquisition of the Seguela property and other related properties;
- 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, Solhan, Teyango, Yantara, and Boussara exploration properties.

2. 2018 highlights

Expressed in U.S. Dollars	Year ended December 31 2018	Year ended December 31 2017
Gold ounces produced	132,656	126,990
Gold ounces sold[1]	133,030	126,555
Financial Data (in thousands of dollars)		
Gold Sales[1]	169,172	159,414
Mine operating profit	69,134	67,138
EBITDA[2]	82,360	66,991
EBITDA margin[2]	49%	42%
Net income attributable to shareholders	31,900	18,843
Basic earnings per share attributable to shareholders	0.09	0.05
Adjusted net income[3]	37,397	30,403
Per share[3]	0.10	0.08
Cash flow from mining operations[4]	88,824	83,944
Per share[4]	0.24	0.23
Return on equity[5]	23%	24%
Cash on hand end of period	59,833	63,033
Total assets	281,190	236,214
Statistics (in dollars)		
Average realized selling price (per ounce)	1,272	1,260
Cash operating cost (per ounce produced)[6]	426	438
Cash operating cost (per tonne processed)[6]	184	208
Total cash cost (per ounce sold)[7]	485	491
Sustaining capital cost (per ounce sold)[8]	196	202
Site all-in sustaining cost (per ounce sold)[9]	683	692
All-in sustaining cost (per ounce sold)[9]	740	740

[1] For the period ended December 31, 2018, gold ounces sold, and gold sales include pre-commercial production ounces sold of 251 ounces and revenues of $313,000. The pre-commercial production gold sales and mining operating expenses were accounted against Property, Plant and Equipment.
[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 for all non-IFRS financial performance measures.
[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 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 are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.

During the year ended December 31, 2018, the Company:

Safety

- ✓ Strong safety record maintained with a 12-month rolling lost time injury frequency rate ("LTIFR") of 0.39 per one million hours worked;

Operations

- ✓ Achieved increased production of 132,656 ounces (126,990 ounces in 2017), exceeding the upper limit of the increased guidance range 120,000 to 130,000 ounces;
- ✓ Sold 133,030 ounces of gold[10] for a total of $169.2 million in gold sales[10] in 2018 (126,555 ounces and $159.4 million respectively in 2017);
- ✓ Achieved a below guidance cash operating cost[11] of $426 per ounce produced for a total cash cost[12] of $485 per ounce sold and an all-in sustaining cost[13] of $740 per ounce sold at the bottom end of the guidance range;
- ✓ Reduced operating costs per tonne processed[11] by 12% compared to the prior year;

Financial

- ✓ Higher EBITDA[14] of $82.4 million in 2018 compared to $67.0 million in 2017;
- ✓ Achieved strong EBITDA margin[14] of 49% in 2018 compared to 42% in 2017;
- ✓ Generated improved cash flow from mining operations[15] totalling $88.8 million for cash flow from mining operations per share[15] of $0.24 (C$0.31/share);
- ✓ Maintained a strong balance sheet with a net cash position[16] of $22 million;
- ✓ Generated a strong return on equity[17] of 23%;

Growth

- ✓ Completion of Bagassi South project on schedule and approximately 10% or $2.8 million under budget;
- ✓ Announced the intention to acquire Séguéla gold project in Côte d'Ivoire from Newcrest Mining in February 2019.

During the quarter ended December 31, 2018, the Company:

- ✓ Mined 88,277 tonnes and achieved a record quarterly mill throughput of 82,241 tonnes;
- ✓ Produced 25,844 ounces of gold and sold 26,260 ounces for gold sales totalling $32.3 million;
- ✓ Achieved a low cash operating cost[11] of $432 per ounce produced for a total cash cost[12] of $490 per ounce sold and an all-in sustaining cost[13] of $836 per ounce sold;
- ✓ Generated cash flow from mining operations[15] totalling $13,690,000 for cash flow from mining operations per share[15] of $0.04 (C$0.05/share).

[10] For the period ended December 31, 2018, gold ounces sold, and gold sales include pre-commercial production ounces sold of 251 ounces and revenues of $313,000. The pre-commercial production gold sales and mining operating expenses were accounted against Property, Plant and Equipment.
[11] 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.
[12] 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.
[13] 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.
[14] 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".
[15] 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.
[16] Net cash position is a non-IFRS measure with no standard definition under IFRS and is calculated as cash less long term debt.
[17] 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.

2018 achievements

In 2018, the Company's main operational focus was to achieve annual gold production at its Yaramoko gold mine between the range of 120,000 and 130,000 ounces (increased from 110,000 to 120,000 ounces) while being a low-cost producer by maintaining a cash operating cost[18] at $450-$475 and an all-in sustaining cost[19] at $740-$790.

Roxgold exceeded the upper limit of the increased guidance range with gold production of 132,656 ounces in 2018. Cash operating cost[18] of $426 was below guidance and all-in sustaining cost[19] of $740 was at the low end of guidance.

On December 13, 2018, the Company announced the completion of the Bagassi South Project under budget and on schedule with the successful practical completion of its process plant expansion. The project was approximately 10% under budget or $2.8 million under budget. The plant expansion increases capacity by nearly 50% from 270,000 tonnes to 400,000 tonnes per annum. Mine development has commenced at Bagassi South where first development ore was delivered to the ROM pad in October 2018 on schedule. The ramp up of the mine has continued throughout the first quarter of 2019, with commercial production expected to be achieved in second quarter of 2019.

3. Outlook

2019 PRODUCTION GUIDANCE AND COSTS

- Gold production between 145,000 and 155,000 ounces;
- Cash operating cost[18] between $440 and $470/ounce;
- All-in sustaining cost[19] between $765 and $795/ounce;
- Exploration budget of $10-$12 million.

In 2019, Yaramoko is expected to produce stronger quarters in Q3 and Q4 due to the Bagassi South mine commencing stoping operations during Q2 2019.

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 and is affected by factors beyond the control of the Company, such as the US dollar and other foreign currency exchange rates, the confidence in the global monetary system along with the expectations of global political or economic events or conditions. In 2018, the average market gold price is based on the London Bullion Market Association PM Fix was $1,268 per ounce of gold while the Company's average realized selling price was $1,272 per ounce sold.

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 activities in Burkina Faso where the local currency is fixed against the Euro. During the year ended December 31, 2018, the US dollar was stronger relative to both the Euro and the Canadian dollar. Therefore, the average foreign exchange had a positive impact on our total cash cost[20] and all-in sustaining cost[19].

C. Security

During 2018, both the French and Canadian government authorities continued to issue warnings of a heightened risk of jihadist incursions from Mali and Niger in certain areas along the northern and eastern borders of Burkina Faso. These zones are 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 under the heading "Risk Factors", 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.

[18] Cash operating cost is a non-IFRS measure with no standard definition under IFRS and is calculated using ounces produced and tonnes processed.
[19] 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.
[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.

5. Mine operating activities

	Year ended December 31 2018	Year ended December 31 2017
Operating Data		
Ore mined (tonnes)	351,689	319,855
Ore processed (tonnes)	307,591	266,599
Head grade (g/t)	13.5	15.3
Recovery (%)	98.6	98.9
Gold ounces produced	132,656	126,990
Gold ounces sold[21]	133,030	126,555
Financial Data (in thousands of dollars)		
Revenues – Gold sales[21]	169,172	159,414
Mining operating expenses	(57,270)	(55,681)
Government royalties	(7,529)	(6,443)
Depreciation and depletion	(34,926)	(30,152)
Statistics (in dollars)		
Average realized selling price (per ounce)	1,272	1,260
Cash operating cost (per ounce produced)[22]	426	438
Cash operating cost (per tonne processed)[22]	184	208
Total cash cost (per ounce sold)[23]	485	491
Sustaining capital cost (per ounce sold) [24]	196	202
Site all-in sustaining cost (per ounce sold)[25]	683	692
All-in sustaining cost (per ounce sold)[25]	740	740

A. Health and safety performance

Safety is a core value at Roxgold. The Company believes that every individual working for the Company or visiting Roxgold's premises should be able to return safely and without injury to their home at the end of the day. The team at the Yaramoko gold mine exhibit their commitment to safety daily through their activities with toolbox meetings, departmental reviews and frequent task safety analyses.

There was one Lost Time Injury ("LTI") incident in 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. This led to a 12-month rolling LTIFR of 0.39 per one million hours worked.

[21] For the period ended December 31, 2018, gold ounces sold, and gold sales include pre-commercial production ounces sold of 251 ounces and revenues of $313,000. The pre-commercial production gold sales and mining operating expenses were accounted against Property, Plant and Equipment

[22] 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.

[23] 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.

[24] Sustaining capital cost 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.

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

B. Operational performance

The Company's gold production in 2018 increased by 4% to 132,656 ounces compared to 126,990 ounces in 2017. The increased gold production was driven by continued improved operating performance in both the mine and processing plant.

During 2018, 351,689 tonnes of ore at 11.7 g/t were extracted from the underground mine along with completing 5,826 metres of development compared to 319,855 tonnes of ore at 13.6 g/t and 6,819 metres of development in 2017.

The mining tonnage increase of 10% was due to more areas available to extract ore and additional equipment increasing productivity. During 2018, approximately 92% of ore produced came from stoping activities which is a result of the extensive development that is in place at Yaramoko.

In 2018, decline development at the mine reached the 4913 level, approximately 400 metres below surface. Ore development was completed between the 5049 and 4913 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 Resource model and Grade Control model was within the expected range. The Grade Control model to actual mined shows slightly more ounces produced, driven by marginally more tonnes produced. The Resource model is also performing within the limits of the resource classification. An updated Resource model will be issued in Q2 2019, incorporating an additional 41,000 metres of infill and deep drilling.

The plant processed a record 307,591 tonnes at an average head grade of 13.5 g/t in 2018 compared to 266,599 tonnes of ore at 15.3 g/t in 2017. This 15% increase is a result of ongoing optimisation at the plant and translates into a unit throughput rate which is 14% above nameplate capacity. Plant availability was 95.4% and overall recovery was 98.6% in 2018 compared to 96.0% and 98.9% respectively for the prior year.

C. Financial performance

Gold sales[26] in 2018 totalled $169,172,000 from 133,030 ounces of gold[26]. During this period, the Company's average realized gold price was $1,272 per ounce sold compared to an average market gold price for 2018 of $1,268 per ounce.

The Company continued to extract cost and volume efficiencies with the cash operating cost[27] per tonne processed reducing by 12% compared to the prior year ($184 per tonne in 2018 compared to $208 per tonne in 2017).

The cash operating cost[27] per ounce produced totalled $426 per ounce for the period compared to $438 per ounce in the prior year and below the lower-end of the 2018 guidance range of $450-475 per ounce produced. The total cash cost[28] per ounce sold of $485 compared to $491 in 2017. As a result, the Company achieved a site all-in sustaining cost[29] of $683 per ounce sold and an all-in sustaining cost[29] of $740 per ounce sold representing the low end of the 2018 guidance. Consequently, the Company generated a mining operating margin[30] of $787 up 2% from $769 per ounce in 2017.

The Company invested $26,040,000 in underground mine development during 2018 compared to $25,515,000 for the comparable period in 2017. During 2018, the Company also completed the Bagassi South Project under budget and on schedule with the successful practical completion of its process plant expansion.

The Company generated strong cash flow from mining operations[31] of $88,824,000 in 2018, for cash flow from mining operations per share[31] of $0.24 (C$0.31/share). Comparatively, the Company generated cash flow from mining operations[31] of $83,944,000 and $0.23 cash flow from mining operations per share[31] in the prior year.

[26] For the period ended December 31, 2018, gold ounces sold, and gold sales include pre-commercial production ounces sold of 251 ounces and revenues of $313,000. The pre-commercial production gold sales and mining operating expenses were accounted against Property, Plant and Equipment.

[27] 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.

[28] 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.

[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] Mining 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. See the "Non-IFRS financial measures" section of this MD&A.

[31] Cash flow from mining operations and cash flow 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.

6. Exploration activities

i) ***55 Zone***

An extension and infill diamond drilling program continued at Zone 55 with up to six surface rigs operating, completing 32 holes during Q4 2018. Figure 1 below highlights the results received and includes the following significant results:

- YRM-18-DD-492W1: 2.9m at 44.1g/t Au from 910m
- YRM-18-DD-485A: 2.1m at 34.1g/t Au from 664.3m
- YRM-18-DD-484A: 4.4m at 29.2g/t Au from 964m
- YRM-18-DD-482: 5.4m at 9.2g/t Au from 903.m
- YRM-18-DD-484AW3: 3.9m at 13.4g/t Au from 916m
- YRM-18-DD-487: 13.7m at 8.3g/t Au from 555m

This program which commenced in April 2018 has successfully completed 41,000 metres with the objectives of upgrading Inferred to Indicated at depth, improving definition of the high-grade shoots within the wider ore envelope, and extending the Inferred mineralization at depth.

Results have continued to confirm the key controls on mineralization at depth as well as the broad shear zone previously intersected in the 2017 drilling program. In addition to the surface drilling program, an 11,000m underground diamond drilling program has continued infilling to 25m x 25m and upgrading resource confidence between the 5151 and 4900 levels, with 9,645m drilled to date.

The results from these programs will be incorporated into the next Mineral Resources Estimate which is planned for Q2 2019.

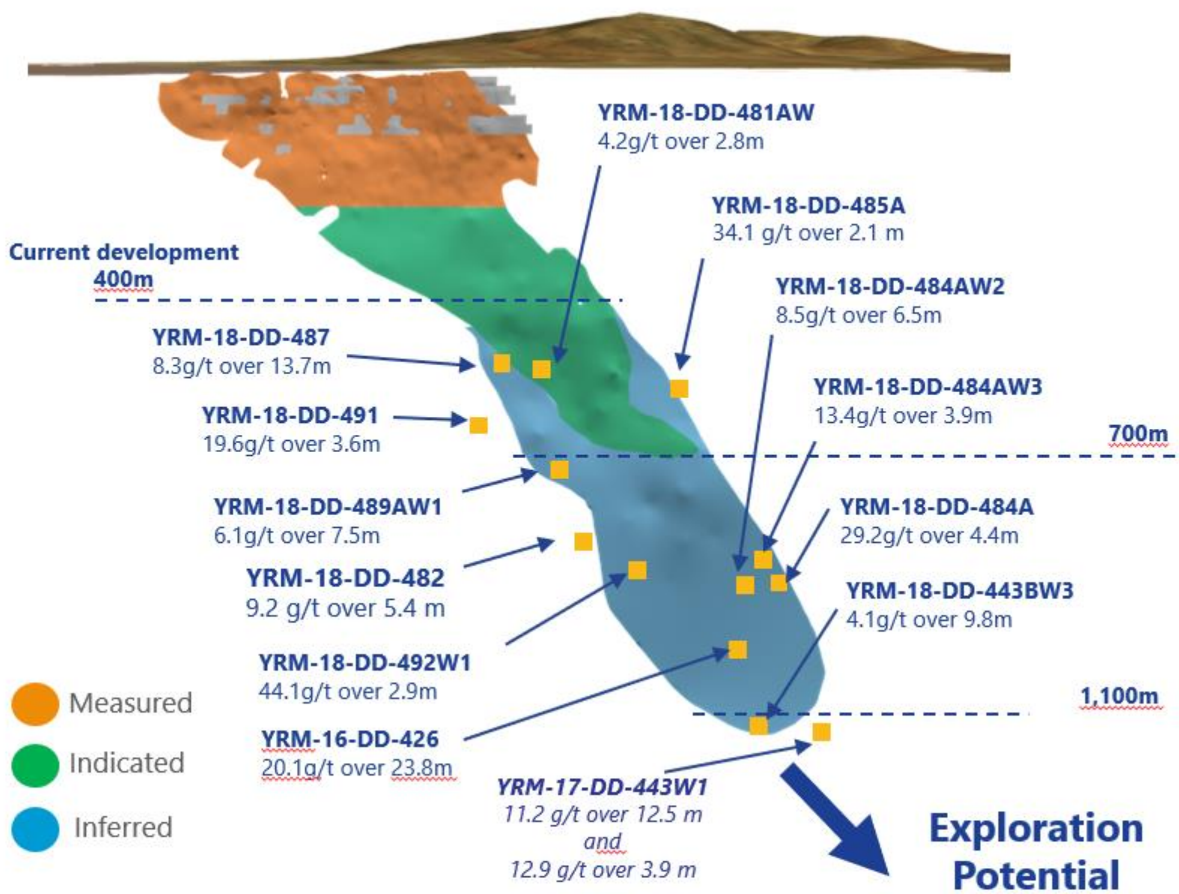

Figure 1: 55 Zone Longitudinal significant drilling results

ii) ***Bagassi South***

During Q4 2018, a review of the structural controls and setting for Bagassi South was carried out, incorporating data from the 10,200 metre program completed in 2018. This review continues to highlight the down plunge potential beyond the cross-cutting mafic dyke at both QV1 and QV', while also identifying potential down plunge extensions to the Western Shoot at QV1 (Figures 2).

The results of the 2018 drilling program will be incorporated into the forthcoming Mineral Resource Estimate.

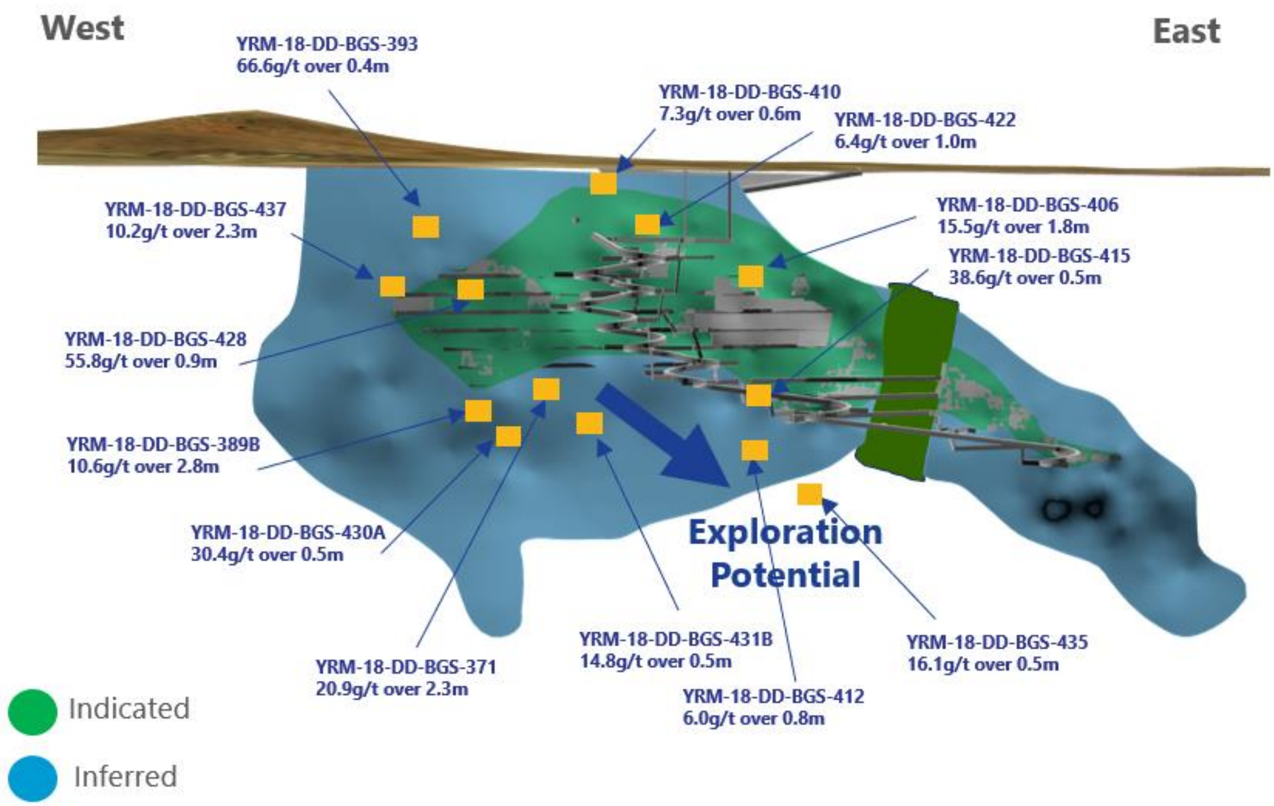

Figure 2: QV1 Longitudinal Section showing selected results

iii) Regional Exploration

A 3000 metre RC drilling program commenced at Kaho late in Q4 2018, with wide spaced (200m line spacing) drilling across a coincident structural target and significant 1.5km long soil geochemistry anomaly. Results are pending however encouraging intersections of quartz veining and shearing were observed in drill chips and support the exploration targeting model. Reconnaissance diamond core holes are also planned in the first half of 2019 to provide greater resolution on structural controls and orientation of the interpreted shear zones and lithology contacts, and to assist with future targeting within the Yaramoko structural corridor.

Preparatory work is also underway to extend the Kaho auger grid further to the south, completing the program from 2018 which was halted due to the start of the rainy season and cropping.

On completion of the Kaho program, the RC rig has commenced a 7,800-meter program testing the contact along the interpreted faulted contacted between the Tarkwaian aged sediments and volcaniclastic sediments (Tarkwaian West target, Figure 3) to the west of the Boni Shear, testing surface coincident gold and arsenic anomalies. Drilling is ongoing with early visual results indicating broad zones of quartz and extensive shearing intersected.

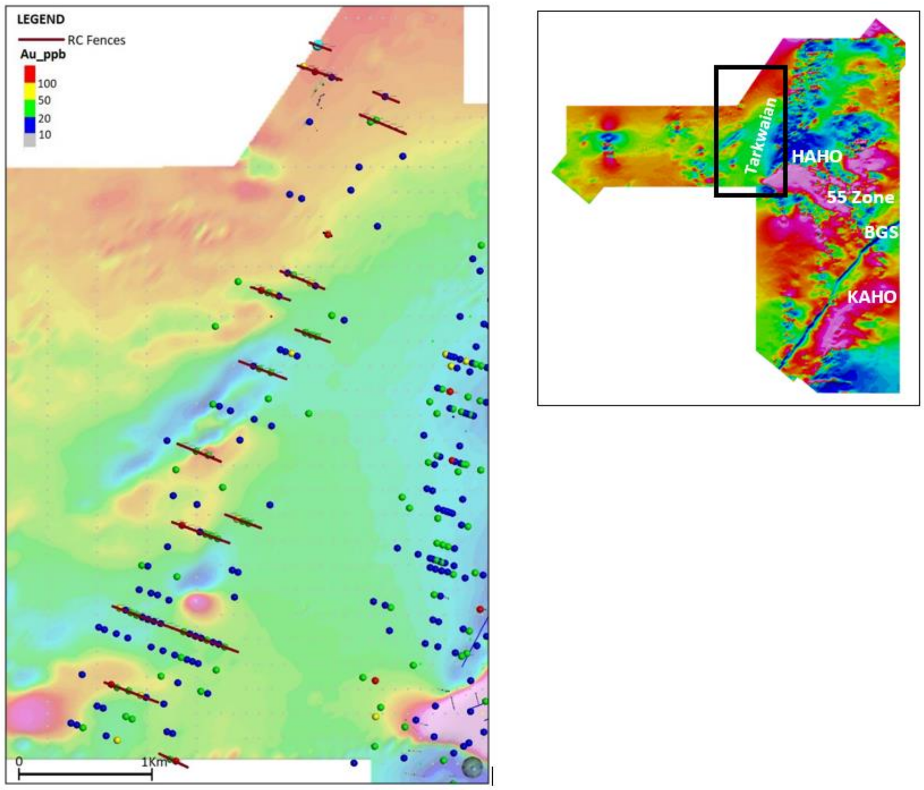

Figure 3: Tarkwaian West targets which will be tested in Q1 2019 with broad spaced RC drilling

iv) **2019 Exploration Program**

Exploration activities will continue to pivot towards a regional focus in 2019 to continue to support organic growth as the current drilling phases at Zone 55 conclude. In addition to further drilling at Bagassi South, exploration will be carried out across several targets identified during a major review conducted in 2018 which highlighted areas for additional work along the Boni Shear, coincident geochemical targets along the dioritic contacts in the north-east of the licence and extensions to the Kaho auger grids.

Key components to the 2019 programs include:

- Completing RC drilling on the 1.5km strike length Kaho auger anomaly, and the Tarkwaian West anomalies;
- Testing of the Boni Shear footwall, structural and geophysics (IP) targets;
- Extending the auger grids further to the south and to the north-east and follow up drilling as required; and
- RC testing of the Houko targets.

7. Corporate social responsibility activities ("CSR")

A. 2018 highlights

Roxgold has established a collaborative and participative approach with its stakeholders, ensuring the creation of shared values for the local communities while building a recognized reputation as a responsible mining company. In 2018, the key areas of activity have included community investment, community health and safety, cultural heritage and road infrastructure development, along with socio-economic development to enhance local procurement and employment opportunities.

The Company's main program, the community investment program, aims to improve the education, health, water and sanitation and economic development of the host communities with the financial support of projects that originate from the local communities themselves. There were 31 projects submitted, selected and implemented by the community, which include the following:

- Support for the opening of a municipal occupational training center;
- Infrastructure improvements to the Koho medical center;
- School construction addition of 7 classrooms in the neighbouring villages;
- Installation of two new boreholes in nearby villages;
- Development of Bagassi electrification system.

Along with the Environmental and Social permitting process undertaken in the past two years for the mine extension project at Bagassi South, Roxgold has strengthened its relationship with the community through the identification of additional future shared benefit opportunities in community investment projects, local employment and local procurement.

In collaboration with the Canadian project West Africa Governance & Economic Sustainability in Extractive Areas (WAGES) managed by the CECI and WUSC organizations, the Company has worked on local supplier capacity building and the training of 30 youths from local villages in agricultural machinery mechanics and solar electrification installation and maintenance.

Roxgold was also the proud recipient of the 2018 Best Corporate Social Responsibility Award at the West Africa Mining Activities Week (SAMAO) gala ceremony, recognizing Roxgold's excellence and leadership in community engagement and environmental responsibilities in Burkina Faso.

B. 2019 CSR program

Based on the success of the previous years, the 2019 Corporate Social Responsibility will focus on the continuous improvement of the existing programs. For example, Roxgold will reinforce the collaboration with local stakeholders adding new communication activities and extending the engagement of the youth in the nearby villages to maximize the transparency and the community benefits from the Company's operation. In summary, these 2019 programs aim to achieve the following:

- Employees: taking care of our people ensuring their safety;
- Community: building trust and make a lasting contribution; and
- Environment: ensuring proactive stewardship and value creation.

8. Events subsequent to December 31, 2018

On February 11, 2019, the Company announced that it has entered into an agreement with Newcrest West Africa Holdings Pty Ltd ("Newcrest") to acquire a portfolio of 11 exploration permits in Côte d'Ivoire, which includes the Séguéla gold project for total upfront consideration of US$20 million upon closing with a further payment of $10 million upon first gold production from the subject land package.

Post completion, the Company intends to undertake a drilling program focusing on the Antenna deposit and surrounding satellite opportunities. An updated resource statement for the Antenna deposit will also be prepared as well as the commencement of a preliminary economic assessment study in Q2 2019.

On March 13, 2019, the Company purchased 4,949,000 common shares at an average price of C$0.84 per share representing a significant portion of its normal course issuer bid ("NCIB") previously announced on April 30, 2018. The NCIB allows for the purchase of up to 10,000,000 common shares for cancellation. To date, the Company has purchased 5,612,300 common shares under the NCIB.

9. Review of Annual 2018 financial results

A. Mine operating profit

During the year ended December 31, 2018, revenues totalled $168,859,000 (2017 - $159,414,000) while mine operating expenses and royalties totalled $57,270,000 (2017 - $55,681,000) and $7,529,000 (2017 - $6,443,000), respectively. The increase in sales is primarily due to increase in production driven by higher throughput and higher average realized gold price. During the year, the Company achieved total cash cost[32] per ounce sold of $485 and a mining operating margin[33] of $787 per ounce sold.

For more information on the cash operating costs[34] see the financial performance of the Mine Operating Activities section of this MD&A.

During 2018, depreciation totalled $34,926,000 compared to $30,152,000 in 2017. The increase in depreciation is a result of the Company's continued investment in the underground development combined with a higher throughput in our processing facility.

B. General and administrative expenses

General and administrative expenses totalled $5,336,000 for the year ended December 31, 2018 period compared $4,627,000 for the corresponding period in 2017. The increase was primarily due to increase in corporate development related costs.

C. Sustainability and other in-country costs

Sustainability and in-country costs totalled $2,245,000 for the year ended December 31, 2018, respectively compared to $1,612,000 for the comparative period. The increase in expenditures correspond to the increased community projects associated with the Bagassi South project. These expenditures are incurred as part of Roxgold's commitment to responsible operations in Burkina Faso including several sustainability and community projects.

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

Exploration and evaluation expenses totalled $8,019,000 in 2018 compared to $12,757,000 in 2017. In 2018, there were several drilling programs focused on 55 Zone, Bagassi South and regional areas within the Yaramoko permit for a total of 91,500 metres compared to the 2017 drilling program which was focused around the Bagassi South area for a total of 23,535 metres of drilling.

The 55 Zone program commenced in April 2018 and successfully completed 41,000 metres of drilling. The program focused on the extension and infill diamond drilling with the objective of upgrading inferred to indicated at depth and improving the definition of high-grade shoots. Drilling costs totalling $6,375,000 related to converting resources to reserve or to extend the existing resource body have been capitalized in accordance with the Company's accounting policy as future economic benefits are expected.

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[32] 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.
[33] Mining 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. See the "Non-IFRS financial measures" section of this MD&A.
[34] 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.

E. Share-based payment

Share-based payments totalled $1,945,000 in 2018 compared to $2,522,000 in 2017. The reduction is due to the Company not issuing any stock options in 2018 compared to 2017 and cancellation of unvested share awards related to employee turnover within the Company.

F. Financial income (expenses)

Net financial expense totalled $7,876,000 in 2018 compared to $14,215,000 in 2017. The decrease is mainly attributed to the change in the fair value of the Company's gold forward sales contracts, reduction of interest expense on our long-term debt and the charges 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 and EBITDA[35] in 2018 was $36,105,000 and $82,360,000, respectively. This represents an increase of 55% and 23% respectively compared to 2017. The higher net income also increased the Company's earnings per share to $0.09 in 2018 compared to $0.05 per share in 2017.

I. Income Attributable to Non-Controlling Interest

For the year ended December 31, 2018, the income attributable to the non-controlling ("NCI") interest was $4,205,000. The Government of Burkina Faso holds a 10% carried interest in Roxgold SANU SA and as such is considered Roxgold's NCI. The NCI attributable income is based on IFRS accounting principles and does not reflect dividend payable to the minority shareholder of the operating legal entity in Burkina Faso.

10. Other comprehensive income

During the year ended December 31, 2018, the Company reported other comprehensive loss of $665,000 compared to other comprehensive income of $534,000 for the comparable period in 2017. The variation between periods is essentially related to the effects of the foreign exchange rate of USD to Canadian dollars at the end of the reporting period as it relates to the conversion of the legal entities which have a different functional currency than the presentation currency of the Company.

[35] 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".

11. Cash flows

The following table summarizes cash flow activities:

For the years ended December 31,	**2018**	2017
Cash flow		
Operations	77,730,000	68,312,000
Changes in non-cash working capital	(15,194,000)	(10,415,000)
Operating activities	62,536,000	57,897,000
Financing activities	(11,138,000)	(33,808,000)
Investing activities	(53,920,000)	(32,362,000)
Change in cash and cash equivalents during the period	**(2,522,000)**	**(8,273,000)**
Effect of foreign exchange rates on cash	(678,000)	2,404,000
Cash and cash equivalents, beginning of period	**63,033,000**	**68,902,000**
Cash and cash equivalents, end of period	**59,833,000**	**63,033,000**

Operating

During the year ended December 31, 2018, the Company generated cash flow from mining operations[36] and operating cash flow before changes in non-cash working capital of $88,824,000 and $77,730,000 respectively, compared to $83,944,000 and $68,312,000 respectively in the comparative period.

The Company disbursed $3,075,000 for the settlement of hedging contracts in 2018, compared to $2,875,000 in 2017. As of December 31, 2018, the Company had 34,424 ounces of gold forward outstanding.

The net working capital was impacted by the increase in value added taxes ("VAT") recoverable from the Government of Burkina Faso and increase in inventory stockpiles. In 2018, the Company received VAT reimbursements totalling $11.7 million. The increase in inventory is mainly driven by the increase in stockpiled ore of which $5.9 million represents low grade inventory that the Company does not plan on feeding through the production facility over the next twelve months and is classified as non-current inventory.

Financing

In 2018, the Company made $8,400,000 in loan repayments compared to $28,200,000 in 2017.

Payments totalling $3,423,000 pertaining to the finance lease obligation embedded within the African Underground Mining Services ("AUMS") mining services agreement were also made in 2018 compared to $2,150,000 for the comparable period in 2017.

Proceeds from stock options reflect the proceeds received when employees' stock options are exercised. Apart from the issuance associated with the options exercised by employees, the Company did not grant any stock options in 2018. In 2017, equity based Restricted Share Units granted in 2014 were cash settled for $2,733,000.

Investing

During the year ended December 31, 2018, the Company invested $53,710,000 (2017 - $31,851,000) of cash additions to property, plant and equipment which mainly relate to $26,040,000 in underground development and $23,631,000 on the construction of Bagassi South.

[36] 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 "Non-IFRS financial performance measures".

12. Financial position

At December 31, 2018, the Company had $59,833,000 in cash with $36,200,000 of long-term debt (face value of $38,400,000). The restricted cash totalling $1,034,000 relates to funds restricted for the purposes of future restoration costs of the Yaramoko property.

With the existing cash balance and the forecasted cash flows from operations, the Company is well positioned to fund its cash requirements for the next twelve months which relate primarily to the following activities:

- Underground development at the 55 Zone and Bagassi South
- Exploration programs
- Principal debt and interest repayments
- Acquisition of the Séguéla Gold Project in Côte d'Ivoire

The first $15 million tranche of the Amended Facility has also been arranged as a revolving credit facility to provide further financial flexibility.

As at December 31,	**2018**	**2017**
Cash and cash equivalents	59,833,000	63,033,000
Other current assets	41,257,000	37,382,000
Total current assets	**101,090,000**	**100,415,000**
Property, plant and equipment ("PP&E")	170,020,000	135,288,000
Other non-current assets	10,080,000	511,000
Total assets	**281,190,000**	**236,214,000**
Total current liabilities	**52,606,000**	**43,426,000**
Long-term debt	24,181,000	35,464,000
Derivative financial instruments	4,863,000	9,527,000
Finance lease	4,862,000	1,240,000
Other non-current liabilities	19,080,000	9,387,000
Total liabilities	**105,592,000**	**99,044,000**
Equity attributable to equity shareholders	165,553,000	131,330,000
Non-controlling interests	10,045,000	5,840,000
Total Equity	**175,598,000**	**137,170,000**
Total Liabilities and Equity	**281,190,000**	**236,214,000**

The Company's total assets as at December 31, 2018 has increased by $44,976,000 when compared to December 31, 2017. This is mainly driven by the continuing investment in property, plant and equipment.

Total liabilities have increased mainly due to an increase in deferred income tax liability of $9,449,000 and increase in finance lease liabilities of $5,914,000 offset by a decreased in the face value of the long-term debt of $8,400,000 and decrease in derivative financial instrument of $5,046,000 driven by a reduction in the number of ounces outstanding when compared to the prior year.

The increase in equity is mainly the result of the Company's net income totalling $36,105,000 earned in 2018.

13. 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, 2018.

14. Commitments and contingencies

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 December 31,	2019	2020
Lease agreements	287,000	126,000
Service agreements	710,000	3,000
Technical service agreements	92,000	-
	1,089,000	**129,000**

The Company entered into an agreement with AUMS (a mining contractor) wherein the Company could be subject to an early termination payment, which is reduced monthly over 30 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 December 31, 2018, it would have been subject to an early termination payment of $10,246,000 (2017: $1,986,000).

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

	Up to 1 year	1-5 years	Total
Minimum lease payments	5,069,000	4,862,000	9,931,000
Finance charges	585,000	526,000	1,111,000
Total	**5,654,000**	**5,338,000**	**11,042,000**

As of December 31, 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	14,006,000	26,544,000	40,550,000

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 year ended December 31, 2018, the Company was subject to royalty rates of 4% and 5%. For the year ended December 31, 2018, government royalties amounting to $7,529,000 (2017: $6,443,000) were incurred with the Government of Burkina Faso.

Under the Burkina Faso 2015 mining code, the government introduced a levy of 1% of revenues to be contributed to the Mining fund for local development. The Company is governed under the 2003 Mining code that includes a fiscal stability clause and therefore should not be subjected to this tax. In December 2018, the Company was issued an invoice based for 2017 in the amount of approximately $1.5 million. The Company disputes this levy and ongoing negotiations are occurring with the government. The final outcome of this matter is not determinable at this time and no provision has been recorded as at December 31, 2018. Any provision will be recognized in the Company's consolidated financial statements once it is probable that an outflow of funds will occur.

The Company received from the Burkinabe tax authorities in December 2018 a tax assessment for the years 2015 and 2016 with a maximum exposure of $12.6 million (plus an additional $0.3 million in penalties). The assessment covers mainly three items: value added tax, withholding taxes on foreign mining-related suppliers, and corporate income taxes. The Company is vigorously defending its positions. The final outcome of this matter is not determinable at this time and no provision has been recorded as at December 31, 2018. Any provision will be recognized in the Company's consolidated financial statements once it is probable that an outflow of funds will occur.

15. Critical accounting estimates and judgements

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, 2018 filed on SEDAR at www.sedar.com on March 26, 2019.

16. New Accounting Standards Issued but not yet in Effect

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, 2018 filed on SEDAR at www.sedar.com on March 26, 2019.

17. 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 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 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 tonne processed as well as the total cash cost per ounce sold.

Per ounce produced	**Year ended December 31 2018**	**Year ended December 31 2017**
Gold ounces produced	**132,656**	126,990
(in thousands of dollars except per ounce)		
Mining operation expenses (excluding royalties)	**57,270**	55,681
Selling expenses	**(290)**	(285)
Effects of inventory adjustments (doré)	**(159)**	180
Inventory NRV adjustment	**(255)**	-
Operating cost (ounces produced)	**56,566**	55,576
Cash operating cost (per ounce produced)	**426**	438

Per tonne processed	Year ended December 31 2018	Year ended December 31 2017
Tonnes of ore processed	**307,591**	266,599
(in thousands of dollars except per ounce)		
Mining operation expenses (excluding royalties)	**57,270**	55,681
Selling expenses	**(290)**	(285)
Effects of inventory adjustments (doré)	**(159)**	180
Inventory NRV adjustment	**(255)**	-
Operating cost (tonnes processed)	**56,566**	55,576
Cash operating cost (per tonne processed)	**184**	208

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 ounce" and "All-in sustaining cost per gold ounce", which have 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 site all-in sustaining costs per ounce sold and all-in sustaining cost per ounce to costs as extracted from the consolidated financial statements:

Per ounce sold	**Year ended December 31 2018**	**Year ended December 31 2017**
Gold ounces sold[37]	**133,030**	126,555
(in thousands of dollars except per ounce)		
Mining operation expenses (excluding royalties)	**57,270**	55,681
Royalties	**7,529**	6,443
Inventory NRV adjustment	**(255)**	-
Total Cash Cost	**64,544**	62,124
Total cash cost per ounce sold	**485**	491
Investment in underground development		
For period over the next 18 months	**26,041**	15,476
For period beyond 18 months	**-**	10,039
Inventory NRV adjustment	**255**	-
Site all-in sustaining cost	**90,840**	87,639
Site all-in sustaining cost per ounce sold	**683**	692
Sustaining and other in-country costs	**2,245**	1,612
Corporate and G&A expenses	**5,336**	4,627
Non-recurring expenditures associated with TSX graduation	**-**	(250)
All-in sustaining cost	**98,421**	93,628
All-in sustaining cost per ounce sold	**740**	740

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.

	Year ended December 31 2018	**Year ended December 31 2017**
(in thousands of dollars)		
Cash flow from operating activities excluding changes in non-cash working capital items	**77,730**	68,312
Exploration and evaluation expenditures	**8,019**	12,757
Settlement of hedging contracts	**3,075**	2,875
Cash flow from mining operations	**88,824**	83,944

[37] For the period ended December 31, 2018, gold ounces sold includes pre-commercial production ounces sold of 251 ounces.

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.

	Year ended December 31 2018	Year ended December 31 2017
(in thousands of dollars except share and per share amounts)		
Cash flow from mining operations	**88,824**	83,944
Weighted average number of common shares outstanding - basic	**373,617,490**	371,585,337
Cash flow per share	**0.24**	0.23
Cash flow per share in Canadian dollars[38]	**0.31**	0.28

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.

	Year ended December 31 2018	Year ended December 31 2017
(in thousands of dollars)		
Net income	**36,105**	23,243
Change in fair value of derivative financial instruments	**(1,721)**	8,777
Foreign exchange loss (gain)	**3,013**	(1,617)
Adjusted net income	**37,397**	30,403

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.

	Year ended December 31 2018	Year ended December 31 2017
(in thousands of dollars except share and per share amounts)		
Adjusted net income	**37,397**	30,403
Weighted average number of common shares outstanding - basic	**373,617,490**	371,585,337
Adjusted earnings per share	**0.10**	0.08
Adjusted earnings per share in Canadian dollars[38]	**0.13**	0.10

[38] Translated at average closing rates of USD/CAD rate of 1.2957 and 1.2545, 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.

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Year ended December 31 2018
(thousands of dollars)					
Net income	4,745	6,599	10,838	13,923	**36,105**
Change in fair value of derivatives	2,816	(2,570)	(2,991)	1,024	**(1,721)**
Foreign exchange gain	1,914	1,180	1,156	(1,237)	**3,013**
Adjusted net income	9,475	5,209	9,003	13,710	**37,397**
Shareholders equity	175,598	169,907	162,469	152,113	**165,022**[39]
Return on equity percentage					**23%**

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Year ended December 31 2017
(thousands of dollars)					
Net income	6,758	6,936	5,717	3,832	**23,243**
Change in fair value of derivatives	1,300	2,210	(485)	5,752	**8,777**
Foreign exchange gain	(474)	(538)	(710)	105	**(1,617)**
Net impact of deferred revenues and costs	-	673	710	-	**1,383**
Reverse the impact of net deferred revenue in prior periods	(673)	(710)	-	-	**(1,383)**
Adjusted net income	6,911	8,571	5,232	9,689	**30,403**
Shareholders equity	137,170	133,185	124,273	117,524	**128,038**[39]
Return on equity percentage					**24%**

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.

	Year ended December 31 2018	Year ended December 31 2017
(in thousands of dollars)		
Net income	**36,105**	23,243
Interest expense	**3,721**	5,434
Income tax expense	**6,464**	7,120
Depreciation	**36,070**	31,194
EBITDA	**82,360**	66,991

18. Share capital information

The Company's authorized share capital is unlimited common shares without par value. As of March 26, 2019, there are 369,904,295 common shares outstanding. In addition, there are 21,291,625 common shares issuable on the exercise of 7,683,055 options, 6,087,003 RSUs, 2,967,332 PSUs and, 4,554,236 DSUs with dilutive impact.

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

19. Fourth quarter financial and operating results

During the fourth quarter of 2018, the Company realized gold sales[40] of $31,956,000 and mine operating profit of $9,116,000 compared to realized gold sales of $45,455,000 mine operating profit of $19,316,000 in the comparative 2017 period. The lower sales were primarily due to lower volumes.

The three-month ended December 31, 2018 net income attributable to equity shareholders amounted to $4,092,000 compared to a net income of $6,064,000 for the comparable period in 2017. This variance was due to lower sales volumes.

The Company achieved total cash cost[41] per ounce sold of $490 and all-in sustaining cost[42] of $858 per ounce sold in the fourth quarter of 2018, compared to $488 and $609, respectively in the comparable period of 2017.

20. 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 US dollars except for the income per share.

	Q4 2018 $	Q3 2018 $	Q2 2018 $	Q1 2018 $	Q4 2017 $	Q3 2017 $	Q2 2017 $	Q1 2017 $
Financial results ($ millions)								
Revenue	31,956	37,890	45,787	53,226	45,455	36,279	34,703	42,977
Mine Operating profit	9,116	13,878	20,596	25,544	19,316	15,446	12,577	19,799
Operating profit	8,234	8,473	14,054	19,684	13,999	9,554	7,037	13,988
Net profit	4,745	6,599	10,838	13,923	6,758	6,936	5,717	3,832
Net profit attributable to shareholders	4,092	5,893	9,732	12,183	6,064	5,594	4,767	2,418
Income per share - basic	0.01	0.02	0.03	0.03	0.02	0.02	0.02	0.01
Income per share - diluted	0.01	0.02	0.02	0.03	0.02	0.02	0.02	0.01
Cash flow from mining operations	13,690	18,593	25,669	30,872	22,035	18,099	19,423	24,388
Operational results								
Ore mined (tonnes)	88,277	87,975	86,831	88,607	108,094	76,480	66,044	69,237
Ore processed (tonnes)	82,241	78,357	75,417	71,576	70,815	66,670	65,159	63,955
Head grade (g/t)	10.8	12.3	14.4	16.8	17.6	13.6	12.8	17.3
Recovery (%)	98.2	98.5	98.8	99.0	99.1	98.6	99.0	99.2
Gold ounce produced (oz)	25,844	30,532	35,828	40,452	35,016	28,410	27,970	35,594
Gold ounce sold (oz)[43]	26,260	31,400	35,320	40,050	34,876	27,912	28,788	34,979
Financial results per unit[44]								
Average realized selling price (oz)	1,229	1,207	1,296	1,329	1,270	1,286	1,254	1,229
Cash operating cost (oz)	432	454	424	381	417	445	498	404
Total cash cost (oz)	490	499	483	451	488	522	545	454
Site all-in sustaining cost (oz)	740	734	672	615	554	779	829	680
All-in sustaining cost (oz)	836	788	718	658	609	833	873	720

[40] Gold Sales excludes pre-commercial production revenues of $313,000. The pre-commercial production gold sales and mining operating expenses were accounted against Property, Plant and Equipment.
[41] 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.
[42] 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.
[43] For the period ended December 31, 2018, gold ounces sold includes 251 ounces related to pre-commercial production.
[44] 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.

21. Risk factors

The following discussion summarizes the principal risk factors that apply to our business and that may have a material adverse effect on our business, financial condition and results of operations, or the trading price of the Company's Common Shares.

Mineral Exploration, Development and Operating Risks

Mineral exploration is highly speculative in nature, generally involves a high degree of risk and frequently is non-productive. Resource acquisition, exploration, development, and operation involves significant financial and other risks over an extended period, which even a combination of careful evaluation, experience, and knowledge may not eliminate. Significant expenses are required to locate and establish economically viable mineral deposits, to acquire equipment, and to fund construction, exploration and related operations, and few mining properties that are explored are ultimately developed into producing mines.

Success in establishing an economically viable project is the result of a number of factors, including the quantity and quality of minerals discovered, proximity to infrastructure, metal and mineral prices which are highly cyclical, costs and efficiencies of the recovery methods that can be employed, the quality of management, available technical expertise, taxes, royalties, environmental matters, government regulation (including land tenure, land use and import/export regulations) and other factors. Even if mineralization is discovered on a given property, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change as a result of such factors. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on its invested capital, and no assurance can be given that any exploration program of the Company will result in the establishment or expansion of resources or reserves.

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold and other minerals, including hazards relating to the discharge of pollutants or hazardous chemicals, changes in anticipated grade and tonnage of ore, unusual or unexpected adverse geological or geotechnical formations, unusual or unexpected adverse operating conditions, slope failures, rock bursts, cave-ins, seismic activity, the failure of pit walls, pillars or dams, fire, explosions and natural phenomena and 'acts of God' such as inclement weather conditions, floods, earthquakes or other conditions, any of which could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, damage to property, environmental damage, unexpected delays, monetary payments and possible legal liability, which could have a material adverse impact upon the Company. In addition, any future mining operations will be subject to the risks inherent in mining, including adverse fluctuations in fuel prices, commodity prices, exchange rates and metal prices, increases in the costs of constructing and operating mining and processing facilities, availability of energy and water supplies, access and transportation costs, delays and repair costs resulting from equipment failure, changes in the regulatory environment, and industrial accidents and labour actions or unrest. The occurrence of any of these risks could materially and adversely affect the development of a project or the operations of a facility, which could have a material adverse impact upon the Company.

Uncertainty of Mineral Resource and Mineral Reserve Estimates

Although the Company has carefully prepared its mineral resource and mineral reserve figures with the assistance of independent experts, such figures are estimates only and no assurance can be given that the indicated tonnages and grade will be achieved or that the indicated level of recovery will be realized. There is significant uncertainty in any mineral resource and mineral reserve estimate, and the actual deposits encountered and the economic viability of, and returns from, mining a deposit may differ materially from estimates disclosed by the Company. The estimating of mineral resources and mineral reserves is a subjective process and the accuracy of mineral resource and mineral reserve estimates is a function of the quantity and quality of available data, the accuracy of statistical computations, and the assumptions and judgments made in interpreting engineering and geological information. Estimated mineral resources and mineral reserves may also require downward revisions based on changes in metal prices, changes in assumptions regarding size, grade and/or estimated recovery rates, further exploration or development activity, increased production costs or actual production experience, which could require material write downs in investment in the affected property and increased amortization, reclamation and closure charges. Any future changes in assumptions regarding commodity prices, operating costs and exchange rates may also render certain mineral resources or mineral reserves uneconomic to mine and result in a significant reduction in the reported mineral resources or mineral reserves.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to mineral resources, there is no assurance that any or all the currently identified indicated mineral resources will be upgraded to measured mineral resources and/or proven mineral reserves as a result of continued exploration.

Uncertainties and Risks Relating to Feasibility Studies

Feasibility studies are used to determine the economic viability of a deposit, as are pre-feasibility studies and preliminary assessments. Feasibility studies are the most detailed and reflect a higher level of confidence in the reported capital and operating costs. Generally accepted levels of confidence are plus or minus 15% for feasibility studies, plus or minus 25-30% for pre-feasibility studies and plus or minus 35- 40% for preliminary assessments.

There is no certainty that the Technical Report will be realized. While the Technical Report is based on the best information available to the Company, it cannot be certain that actual costs will not significantly exceed the estimated cost. While the Company incorporates what it believes is an appropriate contingency factor in cost estimates to account for this uncertainty, there can be no assurance that the contingency factor is adequate. Many factors are involved in the determination of the economic viability of a mineral deposit, including the achievement of satisfactory mineral reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and estimates of future metal prices. Resource estimates are based on the assay results of many intervals from many drill holes and the interpolation of those results between holes and may also be materially affected by metallurgical, environmental, permitting, legal title, socio-economic factors, marketing, political and other factors.

In addition, ongoing mining operations at the Yaramoko Gold Mine are dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. Actual operating results may differ from those anticipated in the Technical Report.

The Company's operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents.

There is no certainty that metallurgical recoveries obtained in bench scale or pilot plant scale tests will be achieved in ongoing commercial operations. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of the metals from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties, and as a result, the Company cannot give any assurance that the Technical Report results will not be subject to change and revisions.

Dependence on Yaramoko Gold Mine

The Company began generated revenues from the Yaramoko Gold Mine in 2016, prior to which its mineral projects were at an exploration or pre-production stage. Therefore, it is subject to many risks common to comparable companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues. The Company has historically incurred significant losses as it previously had no sources of revenue (other than interest income) and has cash requirements to meet its exploration commitments, administrative overhead and maintain its mineral interests. There can be no assurance that current exploration or development programs will result, ultimately, in profitable mining operations.

While the Company may invest in additional mining and exploration projects in the future, the Yaramoko Gold Mine is currently the Company's sole producing asset, providing all the Company's operating revenue and cash flows. Consequently, a delay or any difficulty encountered in the operations at the Yaramoko Gold Mine would materially and adversely affect the financial condition and financial sustainability of the Company.

In addition, the results of operations of the Company could be materially and adversely affected by any events which cause the Yaramoko Gold Mine to operate at less than optimal capacity, including, among other things, equipment failure or shortages of spares, consumables and reagents, adverse weather, serious environmental and safety issues, any permitting or licensing issues and any failure to produce expected amounts of gold. See also "Liquidity/Financing Risk" below.

Replacement and Expansion of Mineral Reserves and Resources

Gold mines have limited lives based upon proven and probable Mineral Reserves and Mineral Resources. Therefore, the Company must continually replace and expand its Mineral Reserves and Mineral Resources in order to offset depletion. The Company's ability to maintain or increase its production is dependent on many factors including, but not limited to the discovery and/or acquisition of new ore reserves, securing and maintaining the requisite property titles and obtaining necessary consents and permits for exploration and development, successful designing, construction, commission and operating of mining and processing facilities, and the performance of the technology incorporated into its processing facility. As such, there can be no assurance that replacement and expansion of Mineral Reserves and Resources will occur in the future.

Liquidity / Financing Risk

The Company may need to raise additional funding in the future through the sale of equity or debt securities or by optioning or selling its properties. No assurance can be given that additional funding will be available for further exploration and development of the Company's properties when required, upon terms acceptable to the Company or at all. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties, or even a loss of property interest, which would have a material adverse impact upon the Company. There can be no assurance that any conditions precedent to drawdown under the Debt Facility will be satisfied. In addition, the Hedging Program associated with the Debt Facility may entail additional potential liabilities to the Company depending upon the price of gold from time to time. Further, the Company may be entitled to tax refunds from time to time including, without limitation, with respect to applicable value added taxes, and there can be no assurance of the timing of receipt of any such funds. Any delays associated with the receipt by the Company of such funds owing may have a material adverse effect upon the Company and its liquidity. See also "- Government Regulation" below.

Current Economic Conditions

There are significant uncertainties regarding the price of precious metals and the availability of equity financing for the purposes of mineral exploration and development. The Company's future performance is largely tied to the development of its current portfolio of mineral properties and the commodity and financial markets. Financial markets are likely to continue to be volatile, potentially through the balance of 2018 and beyond, reflecting ongoing concerns about the stability of the global economy and weakening global growth prospects. Continued uncertainty in the credit markets has also led to increased difficulties in financing activities. As a result, the Company may have difficulty raising financing for the purposes of mineral exploration and development, and, if obtained, on terms favourable to the Company and/or without excessively diluting its current shareholders. These economic trends may limit the Company's ability to develop and/or further explore the mineral properties in which it has an interest. If these increased levels of volatility and market turmoil continue, the Company's operations could also be adversely impacted and the value and the price of its Common Shares and other securities could be adversely affected.

Risks of Operating in Burkina Faso

The Company's projects in Burkina Faso are subject to the risks of operating in foreign countries, including political and economic considerations such as civil and tribal unrest, war (including in neighbouring countries), terrorist actions, criminal activity, nationalization, invalidation of governmental orders, failure to enforce existing laws, labour disputes, corruption, sovereign risk, political instability, the failure of foreign parties, courts or governments to honour or enforce contractual relations or uphold property rights, changing government regulations with respect to mining (including royalties, environmental requirements, labour, taxation, land tenure, foreign investments, income repatriation and capital recovery), fluctuations in currency exchange and inflation rates, import and export restrictions, challenges to the Company's title to properties or mineral rights, problems or delays renewing licenses and permits, opposition to mining from local, environmental or other non-governmental organizations, increased financing costs, instability due to economic under-development, inadequate infrastructure, and the expropriation of property interests, as well as by laws and policies of Canada affecting foreign trade, investment and taxation. As African governments continue to struggle with deficits and depressed economies, the strength of commodity prices has resulted in the gold mining sector being targeted as a source of revenue. Governments are continually assessing the terms for a mining company to exploit resources in their country. In this regard, Burkina Faso has recently introduced proposed changes to its mining legislation that includes changes affecting taxation, licensing, requirements for employments of local personnel or contractors and other benefits to be provided to local residents. If translated into applicable law, the trend in resource nationalism could have a material adverse impact upon the Company. See also "Description of Business – Foreign Operations".

In addition, the enforcement by the Company of its legal rights to exploit its properties or to utilize its permits and licenses may not be recognized by the court systems in Burkina Faso, although in certain circumstances the Company and State may agree to submit their dispute to an international court of arbitration. Burkina Faso's status as a developing country may also make it more difficult for the Company to obtain required financing for its projects.

Furthermore, the Company requires consultants and employees to work in Burkina Faso to carry out its planned exploration and development programs. It may be difficult from time to time to find or hire qualified people in the mineral exploration industry who are situated in Burkina Faso, or to obtain all the necessary services or expertise in Burkina Faso, or to conduct operations on its projects at reasonable rates. If qualified people and services or expertise cannot be obtained in Burkina Faso, the Company may need to seek and obtain those services from service providers located outside of Burkina Faso which could result in delays and higher costs to the Company.

In addition, the courts in Burkina Faso may offer less certainty as to the judicial outcome or a more protracted judicial process than is the case in more established economies. Businesses can become involved in lengthy court cases over simple issues when rulings are not clearly defined, and the poor drafting of laws and excessive delays in the legal process for resolving issues or disputes compound such problems. Accordingly, Roxgold could face risks such as: (i) effective legal redress in the courts of Burkina Faso being more difficult to obtain, whether in respect of a breach of law or regulation, or in a contract or an ownership dispute, (ii) a higher degree of discretion on the part of governmental authorities and therefore less certainty, (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations, (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions, or (v) relative inexperience of the judiciary and courts in such matters. Enforcement of laws in Burkina Faso may depend on and be subject to the interpretation placed upon such laws by the relevant local authority, and such authority may adopt an interpretation of an aspect of local law which differs from the advice that has been given to Roxgold by local lawyers or even previously by the relevant local authority itself. Furthermore, there is limited relevant case law providing guidance on how courts would interpret such laws and the application of such laws to contracts, joint ventures, licenses, license applications or other arrangements. Thus, there can be no assurance that contracts, joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by the actions of applicable government authorities and the effectiveness of and enforcement of such arrangements in Burkina Faso.

Any of the above events could delay or prevent the Company from exploring or developing its properties even if economic quantities of minerals are found and could have a material adverse impact upon the Company's foreign operations.

Repatriation of Funds

The ability of the Company to repatriate funds from Burkina Faso or any other foreign country may be hindered by the legal restriction of the countries in which it operates. The Company currently generates cash flow and profits at its foreign subsidiaries, and repatriates' funds from those subsidiaries to fulfill its business plan. The Company may not be able to repatriate funds or may incur tax payments or other costs when doing so, due to legal restrictions or tax requirements at local subsidiary levels or at the parent company level, which could be material. Considering the foregoing factors, the amount of cash that appears on the balance sheet of the Company from time to time may overstate the amount of liquidity it has available to meet its business or debt obligations. Although Roxgold has not historically experienced difficulties in repatriating capital, there is no assurance that the government of Burkina Faso or any other foreign country in which it may operate in the future will not impose additional restrictions on the repatriation of earnings to foreign entities. Any inability to repatriate funds could have a material adverse effect on the liquidity of the Company.

Currency Risk

By virtue of the location of its operations and exploration activities, the Company incurs costs and expenses in several currencies other than the Canadian dollar. The Company has historically raised and expects to continue to raise capital through equity financings principally in Canadian dollars, while the majority of its operating and capital costs are incurred in CFA francs (Burkina Faso), giving rise to potential significant foreign currency translation and transaction exposure which could have a material adverse impact upon the Company.

Government Regulation

The mineral exploration and development activities undertaken by the Company are subject to laws and regulations governing health and worker safety, employment standards, exports, price controls, taxation, waste disposal, management and use of toxic substances and explosives, protection of the environment, mine development and production, protection of endangered and protected species, reclamation, historic and cultural preservation and other matters.

Exploration and development activities may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, royalties, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety.

Failure to comply with applicable laws, regulations and permits, even if inadvertent, may result in enforcement actions thereunder, including the forfeiture of claims, orders by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions, which could have a material adverse impact upon the Company. The Company may be required to compensate those suffering loss or damage by reason of its activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits, which could have a material adverse impact upon the Company.

In addition, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or future potential production. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company and could prevent or materially delay or restrict the Company from proceeding with the development of an exploration project. In particular, a new Mining Code (the "New Mining Code") was adopted by the Burkina Faso National Assembly in June 2015 and then enacted by order of the President and published in the Official Gazette. The Technical Report was based upon the legal regime in force in Burkina Faso at the time of preparation, and the tax rate with respect to the Yaramoko Gold Mine as set forth therein is based upon the Burkina Faso Mining Code of 2003. Any amendments to such laws, including in connection with the adoption of the New Mining Code, may have a material adverse effect upon the Company. In addition, amendments to current laws and regulations governing tax matters, and/or a revised interpretation of any such applicable laws and regulations, could have a substantial adverse impact on the Company and its liquidity.

Permitting and License Risks

The Company's operations are subject to receiving and maintaining permits from appropriate governmental authorities for various aspects of exploration and mine development. The Company's exploration permits have defined lifespans and will need to be renewed or converted to exploitation permits in due course as required. Exploration permits in Burkina Faso are granted for an initial term of three years and can be extended for two consecutive periods of three years each. If an exploration permit in Burkina Faso is not converted to an exploitation permit during that period, an application for an "exceptional" extension may be submitted, which is granted at the sole discretion of the Minister. There is no assurance that all necessary permits and extensions for future operation, or renewals thereof, will be available on a timely basis or at all, or that the applicable regulatory authorities in Burkina Faso would grant any "exceptional" or other extensions to any exploration or exploitation permits held by the Company. Failure to obtain new or extended licenses and permits or successfully renew or maintain current ones could have a material adverse impact upon the Company.

Title Risks

Although the Company has obtained title opinions with respect to its property interests in Burkina Faso, there can be no assurance that there are no prior unregistered agreements, claims or defects that may result in the Company's title to its properties being challenged. A successful challenge to the precise area and location of these claims could result in the Company being unable to operate on its properties as anticipated or being unable to enforce its rights with respect to its properties which could have a material adverse impact upon the Company.

Commodities

The Company's operations are or will in future be dependent on various commodities (such as diesel fuel, electricity, steel, concrete and cyanide) and equipment to conduct operations. Market prices of commodities and equipment can be subject to volatile price movements, occur over short periods of time and are affected by factors that are beyond the control of the Company. The shortage of such commodities and equipment or any significant increase of their cost could have a material adverse impact upon the Company's ability to carry out its operations and could affect the economic viability of the Company's projects.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates, including regulations which mandate, among other things, the maintenance of air and water quality standards, land reclamation, management of waste and hazardous substances, protection of natural resources, and antiquities and endangered species. Laws and regulations involving the protection and remediation of the environment are constantly changing and are generally becoming more restrictive, with the trend towards stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. In addition, there is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Environmental hazards may exist on the properties in which the Company holds interests from time to time which are unknown to the Company and which have been caused by previous or existing owners or operators of the properties. Such hazards, if they exist, may result in additional costs to the Company, and/or may result in planned exploration, production or development activities being curtailed or postponed.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the activities and may have civil or criminal fines or penalties imposed for violations of applicable environmental laws or regulations.

Amendments to current environmental laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact upon the Company and cause increases in exploration expenses or capital expenditures or require abandonment or delays in development of new properties.

Internal Controls and Procedures

Management of the Company has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements of the Company do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented thereby, and (ii) the financial statements of the Company fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented. However, as a venture issuer, the certifying officers of the Company filing such financial statements do not make any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis disclosure controls and procedures, and internal controls over financial reporting, may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Climate Change

The Company is subject to evolving climate change legislation that may increase both compliance costs and the risk of non-compliance. New and/or future climate change legislation may affect our ability to continue to operate as currently operated or planned to be operated. Additionally, there are climate change impact risks such as drought which could significantly increase costs of operations and/or have material adverse effect on our business.

Access, Supplies and Infrastructure

Mining, development and exploration activities depend on access and adequate infrastructure, including reliable roads, bridges, power sources and water supply. The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost cannot be assured. Inadequate infrastructure, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

In addition, climate changes or prolonged periods of inclement weather in Burkina Faso may severely limit the length of time per year in which exploration, development and production can be carried out, which could have a material adverse impact upon the Company. In addition, water shortages can have a significant adverse impact upon the operations of the Company and may result in delays and significant additional costs associated with mining and other operations.

Risks Associated with Acquisition Activities

Roxgold may consider making additional strategic acquisitions, divestitures or investments as a means of pursuing its corporate strategy on a going forward basis. Acquisitions may be made by using available cash, incurring debt, issuing Common Shares or other securities, or any combination of these. Any such matter could limit the flexibility of the Company to raise capital, to operate, explore and develop its properties and to make other acquisitions. In addition, when evaluating potential acquisitions or investments, Roxgold cannot be certain that it will have correctly identified the risks and costs inherent in the acquired business or opportunity. It is possible that Roxgold may not identify suitable opportunities, or if it does identify suitable opportunities, that it may not complete those transactions on terms commercially acceptable to Roxgold or at all. The inability to identify suitable acquisition targets or divestiture opportunities or investments or the inability to complete such transactions could materially and adversely affect Roxgold's competitiveness and growth prospects. In the event that Roxgold successfully completes an acquisition or investment, it could face difficulties managing the investment or integrating the acquisition into its existing operations. There can be no assurance that Roxgold will be able to achieve the strategic purpose or benefits of such an acquisition or investment. In the event that it successfully completes a divestiture, there can be no assurance that it will obtain favorable consideration for such divestiture. These difficulties could disrupt Roxgold's ongoing business, distract its management and employees, and increase its expenses, any of which could materially and adversely affect its business and results of operations.

Insurance and Uninsured Risks

The Company currently maintains insurance to protect it against certain risks related to its current operations in amounts that it believes are reasonable. However, the Company is unable to maintain insurance to cover all risks at economically feasible premiums, and in certain cases, insurance coverage may not be available or may not be adequate to cover any resulting liability (such as matters relating to environmental pollution). Accordingly, insurance maintained by the Company does not cover all the potential risks associated with its operations. In addition, no assurance can be given that the current insurance maintained by the Company will continue to be available at economically feasible premiums or that it will provide sufficient coverage for any future losses. Should liabilities arise as a result of insufficient or non-existent insurance, any future profitability could be reduced or eliminated, and delays, increases in costs and legal liability could result, each of which could have a material adverse impact upon the Company.

Competitive Conditions

There is aggressive competition within the mineral exploration and mining industry for the discovery and acquisition of properties considered to have commercial potential, and for management and technical personnel. The Company's ability to acquire projects in the future is highly dependent on its ability to operate and develop its current assets and its ability to obtain or generate the necessary financial resources. The Company will compete with other parties in each of these respects, many of which have greater financial resources than the Company. Accordingly, there can be no assurance that any of the Company's future acquisition efforts will be successful, or that it will be able to attract and retain required personnel. Any such failure could have a material adverse impact upon the Company.

Dilution and Future Sales

The Company may from time to time undertake offerings of its Common Shares or of securities convertible into Common Shares and may also enter into acquisition agreements under which it may issue Common Shares in satisfaction of certain required payments. The increase in the number of Common Shares issued and outstanding and the prospect of the issuance of Common Shares upon conversion of convertible securities may have a depressive effect on the price of Common Shares. In addition, as a result of such additional Common Shares, the voting power and equity interests of the Company's existing shareholders will be diluted.

In addition, sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares.

Artisanal Miners

The Company's property interests are held in areas of Burkina Faso that have historically been mined by artisanal miners. As the Company further explores and advances its projects, it may be required to require the removal of any artisanal miners operating on its properties. There is a risk that such artisanal miners may oppose the Company's operations, which may result in a disruption to any planned development and/or mining and processing operations. In addition, artisanal miners have historically used chemicals that are harmful to the environment to separate the precious metals from the ore. There can be no assurance that the Company will not be subject to environmental liabilities resulting from such operations in the future, which could have a material adverse impact on the Company. In addition, artisanal work practices are often unsafe and accidents and/or incidents have occurred on the Company's property, and there is an added reputational risk that third parties may wish to link the activities of the artisanal miners to that of the Company in the event of accidents or incidents, which could have a material adverse impact on the Company.

Safety and Security

The Company's property interests are located in Burkina Faso. Criminal activities in the region, or the perception that activities are likely, may disrupt the Company's operations, hamper the Company's ability to hire and keep qualified personnel and impair the Company's access to sources of capital. During 2018, both the French and Canadian government authorities continued to issue warnings of a heightened risk of jihadist incursions from Mali and Niger in certain areas along the northern and eastern borders of Burkina Faso. Risks associated with conducting business in the region include risks related to personnel safety and asset security. Risks may include but are not limited to: kidnappings of employees and contractors, exposure of employees and contractors to local crime related activity and disturbances, exposure of employees and contractors to drug trade activity, and damage or theft of Company or personal assets including any future gold shipments. These risks may result in serious adverse consequences including personal injuries or death, property damage or theft, limiting or disrupting operations, restricting the movement of funds, impairing contractual rights and causing the Company to shut down operations, all of which may expose the Company to costs as well as potential liability. Such events could have a material adverse impact on the Company and make it more difficult for the Company to obtain required financing. Although the Company has developed procedures regarding these risks, due to the unpredictable nature of criminal activities, there is no assurance that the Company's efforts are able to effectively mitigate risks and safeguard personnel and Company property effectively.

Market Price of Common Shares

Securities of various publicly-listed companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America, Africa and globally, and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in gold prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. The market price of the Common Shares could fluctuate significantly, and at any given point in time may not accurately reflect the Company's long-term value. In addition to the other risk factors outlined in this AIF, any such fluctuation in the market price of the Common Shares may be based upon the Company's operating performance and the performance of other similar companies; applicable commodity prices; political and/or economic upheaval in Burkina Faso; the extent and content of any analytical coverage; changes in general economic conditions; acquisitions, strategic alliances or joint ventures involving the Company or its competitors; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Company's securities to be delisted from the exchange on which they trade, further reducing market liquidity.

In addition, the market price of the Common Shares is affected by many variables not directly related to the Company's success and is therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Company's shares and the attractiveness of alternative investments. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Commodity Prices

The price of the Common Shares, and the Company's profitability, financial results and exploration and development activities may in the future be significantly adversely affected by declines in the price of precious metals. Precious metal prices fluctuate on a daily basis and are affected by a number of factors beyond the control of the Company, including the US dollar and other foreign currency exchange rates, central bank and financial institution lending and sales, producer hedging activities, global and regional supply and demand, production costs, confidence in the global monetary system, expectations of the future rate of inflation, the availability and attractiveness of alternative investment vehicles, interest rates, terrorism and war, and other global or regional political or economic events or conditions.

The price of gold has fluctuated widely in recent years, and future trends cannot be predicted with any degree of certainty. In addition to adversely affecting the Company's financial condition and exploration and development activities, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project, as well as have an impact on the perceptions of investors with respect to gold equities, and therefore, the ability of the Company to raise capital. A sustained, significant decline in the price of gold could also cause development of any properties in which the Company may hold an interest from time to time to be impracticable. Future production from the Company's future properties, if any, will be dependent upon, among other things, the price of gold being adequate to make these properties economic. There can be no assurance that the market price of gold will remain at current levels, that such price will increase or that market prices will not fall.

Community Relations

Mineral resource companies face increasing public scrutiny of their activities and are under pressure to demonstrate that their operations have potential to generate satisfactory returns not only to their shareholders, but also to benefit local governments and the communities surrounding its properties where it operates. The potential consequences of these pressures include reputational damages, lawsuits, increasing social investment obligations and pressure to increase taxes and future royalties payable to local governments and surrounding communities. As a result of these considerations, the Company may incur increased costs and delays in permitting and other operational matters with respect to its property interests in Burkina Faso.

Difficulty in Enforcement of Judgments

All the subsidiaries of the Company and the majority of its assets are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Company, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws. Consequently, investors may be effectively prevented from pursuing remedies against the Company under Canadian securities laws or otherwise.

Potential Conflicts of Interest

Certain of the Company's directors and officers may serve as directors and/or officers of, or may have significant shareholdings in, other issuers in the mineral resource and/or mining industry from time to time. These associations may give rise to conflicts of interest, in which event the procedures established in the Business Corporations Act (British Columbia) mandate the full disclosure of any conflict of interest to the Company's board of directors and require the interested party to refrain from voting on such matter.

Dependence on Management and Key Personnel

The Company is dependent on the services of key executives, including a small number of highly skilled and experienced executives and personnel. The Company's development to date has largely depended, and in the future will continue to depend, on the efforts of key management and other key personnel to develop its projects. Loss of any of these people, particularly to competitors, could have a material adverse impact upon the Company.

22. Management responsibility for financial statements

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as those terms are defined in National Instrument 52-109 for the Company.

The Company's CEO and the CFO certify that the Company's DC&P have been designed to provide reasonable assurance that material information relating to the Company is made known to them by others, particularly during the period in which interim and annual filings are being prepared; and information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. They also certify that the Company's ICFR have 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 current period, 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 internal control over financial reporting. The Company's management, including the CEO and CFO, believe that any disclosure controls and procedures and internal controls over financial reporting, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

23. 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.

24. 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.

25. Qualified person

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, VP 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 Annual Information Form dated December 31, 2018, and available on SEDAR at www.sedar.com.

26. 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.