Management's Discussion and Analysis

For the year ended December 31, 2017

Roxgold

TSX: ROXG

As at March 28, 2018

The following Management Discussion and Analysis ("MD&A") of Roxgold Inc. ("Roxgold", the "Company", "we" or "us") has been prepared as of March 28, 2018. This MD&A is intended to supplement the audited consolidated annual financial statements ("Financial Statements") for the year ended December 31, 2017, 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 of 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 of its subsidiaries, as it may apply.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

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

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

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

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

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

- general economic conditions in Canada, Burkina Faso and globally;
- uncertainty regarding Technical Report and Feasibility Study assumptions, and estimates of Mineral Resources and Mineral Reserves;
- economic factors as they affect exploration, development and mining;

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

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

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

1. Description of business

Roxgold is a Canadian-based gold mining company with its key asset, the high grade Yaramoko Gold Mine, located in the Houndé greenstone belt of 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 were listed for trading on the TSX Venture Exchange under the symbol "ROG" until March 29, 2017 and started trading on the Toronto Stock Exchange under the symbol "ROXG" on March 30, 2017.

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

2. 2017 highlights

Expressed in U.S. Dollars	Twelve months ended December 31 2017	Twelve months ended December 31 2016[1]	Pre-Commercial Four months ended September 30 2016[1]	Commercial Three months ended December 31 2016[1]	TOTAL Seven months ended December 31 2016[1]
Gold ounces produced	126,990	29,688	45,390	29,688	75,078
Gold ounces sold	126,555	34,271	42,844	34,271	77,115
Financial Data (in thousands of dollars)					
Gold Sales	159,414	41,385	56,625	41,385	98,010
Mine operating profit	67,138	21,493	39,167	21,493	60,660
Net income (loss)	23,243	(1,071)	(5,461)	23,702	18,241
Basic earnings per share	0.05	(0.01)	(0.01)	0.06	0.05
Adjusted net income (loss)[2]	30,403	7,098	(4,342)	15,744	11,402
Per share[2]	0.08	0.02	(0.01)	0.04	0.03
Cash flow from mining operations[3]	83,944	20,661	35,936	23,170	59,106
Per share[3]	0.23	0.06	0.10	0.06	0.16
Cash on hand end of period	63,033	68,902	60,552	68,902	68,902
Total assets	236,214	217,760	198,885	217,670	217,670
Statistics (in dollars)					
Average realized selling price (per ounce)	1,260	1,208	1,322	1,208	1,271
Cash operating cost (per ounce produced)[4]	438	414	350	414	375
Cash operating cost (per tonne processed)[4]	208	201	192	201	196
Total cash cost (per ounce sold)[5]	491	461	407	461	431
Sustaining capital cost (per ounce sold)[6]	202	203	259	203	234
Site all-in sustaining cost (per ounce sold)[7]	692	665	666	665	666
All-in sustaining cost (per ounce sold)[8]	740	702	707	702	705

[1] The twelve-month period ended December 31, 2016 is based on the Company's consolidated financial statements. The Company considers that pre-commercial production operations at the Yaramoko Gold Project commenced in June 2016 as the construction of the processing plant was completed. The Company declared commercial production on October 1, 2016. The seven-month period ended December 31, 2016 includes three months of commercial production and four months of pre-commercial production. The pre-commercial production gold sales and mining expenses were accounted for against Property, plant and equipment.

[2] Adjusted net income (loss) and adjusted net income (loss) 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.

[3] 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.

[4] 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.

[5] 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.

[6] 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.

[7] Site 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

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

During the year ended December 31, 2017, the Company:

- ✓ Achieved over 4,000,000 hours free of lost time injuries ("LTI") since the mine commenced operations;
- ✓ Produced 126,990 ounces of gold, exceeding the upper limit of the increased guidance range 115,000 to 125,000 ounces, compared to 75,078 ounces for the seven-month period in 2016;
- ✓ Sold 126,555 ounces of gold totalling revenues of $159.4 million in fiscal year 2017 compared to $41.4 million during the three-month period of commercial production in 2016 ($98.0 million during the seven-month period of 2016);
- ✓ Incurred a cash operating cost[9] of $438 per ounce produced for a total cash cost[10] of $491 per ounce sold and an all-in sustaining cost[11] of $740 per ounce sold, including additional investment to advance underground development ahead of the initial mine plan compared to $705 for the seven months ended December 31, 2016;
- ✓ Generated cash flow from mining operations[12] totalling $83.9 million for cash flow from mining operations per share[12] of $0.23 (C$0.28/share);
- ✓ Became net cash positive[13] with a cash balance of $63 million and a long-term debt face value[14] balance of $47 million;
- ✓ Connected to the Burkina Faso high voltage grid which provides 95% of the power utilized at the Yaramoko mine site;
- ✓ Funded thirty projects originating from the local communities;
- ✓ Successfully passed Lenders' Completion test and amended its $75M Initial Facility (as defined herein) to a $60M Amended Facility;
- ✓ Graduated to the Toronto Stock Exchange on March 30, 2017;
- ✓ Completed a positive Feasibility Study for the Bagassi South Project that showed an after-tax IRR of 53.2% with 1.8 year payback on initial capital and
- ✓ Commenced construction work at site to facilitate the Bagassi South expansion project;

During the quarter ended December 31, 2017, the Company:

- ✓ Achieved record tonnes mined of 108,094 tonnes leading to a record quarterly mill throughput of 70,815 tonnes;
- ✓ Produced 35,016 ounces of gold and sold 34,876 ounces for gold sales totalling $45.5 million;
- ✓ Incurred a cash operating cost[9] of $417 per ounce produced for a total cash cost[10] of $488 per ounce sold and an all-in sustaining cost[11] of $609 per ounce sold;
- ✓ Generated cash flow from mining operations[12] totalling $22,035,000 for cash flow from mining operations per share[12] of $0.06 (C$0.07/share); and
- ✓ Received permitting approval in January 2018 to develop the Bagassi South Project.

[9] 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.
[10] 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.
[11] All-in sustaining cost is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.
[12] 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.
[13] Net cash positive is a non-IFRS measure with no standard definition under IFRS and is calculated as cash less long term debt.
[14] Long-term debt face value represents the remaining balances owing on the Amended Facility.

3. 2017 goals and achievements

In 2017, the Company's main operational focus was to achieve annual gold production at its Yaramoko gold mine between the range of 115,000 and 125,000 ounces (increased from 105,000 to 115,000 ounces in Q3 2017) while being a low-cost producer maintaining a cash operating cost[15] at $445-$490 and an all-in sustaining cost[16] at $740-$790. The Company also wanted to pursue its organic growth, with the completion of a Feasibility study for its Bagassi South Project.

During the full calendar year for 2017, there were no lost time injuries ("LTI"). There were 2.1 million LTI free hours worked during 2017, with a total of 4 million LTI free hours worked since the start of the operations to December 31, 2017.

Roxgold exceeded the upper limit of the increased guidance range with gold production of 126,990 ounces in 2017. Cash operating cost[15] of $438 was below guidance and all-in sustaining cost[16] of $740 was at the low end of guidance.

The Company continued its organic growth with the completion of a positive feasibility study for the Bagassi South Project located less than two kilometers from the Company's Yaramoko processing facility. The Feasibility Study envisions a satellite underground operation at Bagassi South and an expanded processing facility at Yaramoko. The Bagassi South project has an after-tax IRR of 53.2% with a 1.8-year payback on initial capital, average total cash cost of $426 per ounce (including royalties) and an average all-in sustaining cost[16] of $630 per ounce. The pre-production capital is estimated at $30 million and is anticipated to be funded entirely from the Company's balance sheet without recourse to external financing.

4. Outlook

2018 CORPORATE OBJECTIVES, PRODUCTION AND COST GUIDANCE

- Gold production between 110,000 and 120,000 ounces;
- Cash operating cost[15] between $450 and $500/ounce;
- All-in sustaining cost[16] between $780 and $830/ounce;
- Underground capital expenditure between $22 million and $26 million
- Bagassi South pre-production capital expenditure of $30 million
- Exploration budget of $9 million

Due to sequencing of activities within the underground mine, gold production is expected to be slightly higher in the second and third quarters relative to the respective comparative period of prior year. In 2018, the Company also expects to see a greater proportion of the mill feed met by stoping activities as opposed to ore development. Grades from the mine are expected to be in line with those seen in 2017 with an average of 13.7 grams per tonne of gold ("g/t Au") expected across the year.

In the third and fourth quarters of 2018, the processing plant tie-ins for the Bagassi South expansion are expected to occur, slightly affecting mill operating time in those periods; however, it is planned that these exercises will largely occur within planned maintenance stoppages.

With current cash on hand totalling approximately $63 million as of December 31, 2017, combined with the terms of the Amended Facility, the Company has the flexibility to pursue its organic and strategic growth objectives.

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

5. Key drivers and trends

A. Gold price

The market price of gold is a significant factor determining the Company's financial results. As such, cash flow from operations and the Company's development and exploration activities may, in the future, be significantly adversely affected by a decline in the price of gold. The gold price fluctuates on a daily basis and is affected by a number of 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 other global or regional political or economic events or conditions.

In 2017, the average market gold price is based on the London Bullion Market Association PM Fix was $1,257 per ounce of gold while the Company's average realized selling price was $1,260 per ounce sold.

B. Currency and oil price

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, 2017, the US dollar was weaker relative to the Euro and stronger relative to the Canadian dollar. Therefore, the average foreign exchange had a negative impact on our total cash cost[17] and all-in sustaining cost[18].

As mining activities are energy intensive, operating costs can be affected by a change in the price of fuel. In Burkina Faso, fuel is purchased exclusively from the government and is priced in the local currency at a rate fixed by government decree. The average price fixed by decree in 2017 was 592 FCFA per liter ($1.03) compared to 618 FCFA ($1.04) per liter during 2016. By comparison, the average Brent Crude price was $55 per barrel in 2017 vs $45 per barrel in 2016. The Company does not use a hedging strategy to mitigate the volatility of the price of oil. Since early February 2017, the Company's underground and processing facilities have been using energy provided by the high voltage ("HV") power line hence reducing its exposure to the increase of fuel price.

C. Security

During 2017, both the French and Canadian government authorities continued to issue warnings of a heightened risk of jihadist incursions from Mali in certain areas within an 80-kilometre-wide zone along the western border of Burkina Faso. This zone is 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.

[17] Total cash cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the mine operating expenses and the government royalties per ounce sold. See the "Non-IFRS financial performance measures" section of this MD&A.
[18] 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.

6. Organic growth

On November 6, 2017, the Company completed a positive feasibility study for the Bagassi South Project located on the Company's Yaramoko concession. The Feasibility Study envisions a satellite underground operation at Bagassi South and an expanded processing facility at Yaramoko. The Bagassi South expansion adds substantial value to Roxgold by increasing gold production at the Yaramoko gold mine by approximately 40% to over 150,000 ounces per annum in the near term. Like the neighbouring 55 Zone, the economics of this additional high-grade feed source are highly accretive and generate increased cash flow from a modest capital outlay. The highlights of the Feasibility Study are:

- After-tax NPV_5% of $50 million
- After-tax IRR of 53.2% with a 1.8-year payback on initial capital
- Average Total Cash Costs[19] of $426/oz (including royalties)
- Average All-in Sustaining Costs[20] of $630/oz
- Pre-Production capital of $29.6 million
- Estimated average annual gold production of 40,000 ounces
- Current mine life of 4.2 years based on reserves
- Proven and Probable mineral reserves of 170,000 ounces of gold at 11.54 g/t Au from Bagassi South
- Conversion ratio of 91% from Indicated Resources to Reserves
- Average metallurgical recovery of 98.5% of gold.

The economic parameters presented above are based upon 100% ownership of the expanded Yaramoko Gold Project, which is inclusive of the Bagassi South mine. The costs and benefits associated with the project reflect the incremental costs and benefits associated with the Bagassi South Expansion Project only. Under the Mining Code of Burkina Faso, the Government of Burkina Faso is entitled to a 10% interest in the Bagassi South Project upon its formal inclusion in the Company's existing Yaramoko exploitation permit.

Pre-production capital costs are estimated to total $29.6 million including $2.8 million in contingency. This figure includes $7.9 million for underground pre-production development and $7.1 million for the expansion of the processing plant. There is considerable existing infrastructure and services as part of the 55 Zone underground mine which can also support the Bagassi South Project. Additional surface infrastructure is estimated to total $6.0 million, which includes a ventilation shaft, water storage, haulage roads, camp expansion, tailings storage facility embankment raise, power and water reticulation. Each of these figures has been established from first principles in conjunction with quoted rates from contractors, many of which were involved in the initial development of Yaramoko.

As the first expansion project outlined at Yaramoko since the 2014 Technical Report, the Company considers the Feasibility Study illustrative of the potential to develop additional high-grade structures on the property. The Mineral Reserves calculated by SRK Consulting (Canada) Inc. for the Bagassi South deposit are 458,000 tonnes at a grade of 11.54 g Au/t containing 170,000 ounces gold. Gold production from the Bagassi South ore reserves will contribute to a stronger production profile for the Yaramoko gold mine.

The assumptions utilized were a metal price of US$1,250 per ounce of gold, mining cost of $73 per tonne, mine site general and administrative cost of US$36 per tonne, processing cost of US$36 tonne and process recovery of 98.5%. More information on the Feasibility Study can be found in the Company's November 6, 2017, press release available on SEDAR at www.sedar.com and on the Company's website at www.roxgold.com as well as in the Feasibility Study filed on SEDAR on December 20, 2017.

In early January 2018, the Company received the permitting approval to develop the Bagassi South Project from the Burkina Faso Ministry of Environment and Sustainable Development. The approval marks a significant milestone in the permitting process and solidified the development timeline of the Bagassi South Project. With the approval of the Environmental and Social Impact Assessment ("ESIA"), the Company has filed an application for an extension of its Exploitation (Mining) Permit to include the Bagassi South deposits, which marks the final step in the permitting process. A decision regarding the extension from the Burkina Faso government is expected in the second quarter of 2018.

Since the approval of the ESIA, development and construction of the Bagassi South project, located 1.8 kilometres south of the Yaramoko processing plant, has progressed according to plan. Environmental and social permitting and compensation activities have been completed. Early works at the site including clearing, fencing, building construction as well as the box cut construction for the second underground mine has commenced. In addition, mobilisation of the required personnel and equipment are on site to start the development of the ramp in the third quarter of 2018.

[19] 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.

[20] 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.

7. Mine operating activities

The Company declared commercial production on October 1, 2016. As a result, there is no comparable twelve-month period of mining operations nor mining operating profit for 2016. The Company considers that pre-commercial production operations at the Yaramoko Gold Project commenced in June 2016 as the construction of the processing plant was completed. As such, the seven-month period ended December 31, 2016 includes three months of commercial production and four months of pre-commercial production. The Company believes that these seven months are the best comparison for the twelve months of operation ended December 31, 2017.

	Twelve months ended December 31 2017	Twelve months ended December 31 2016[21]	Pre-commercial production four months ended September 30 2016[21]	Commercial production three months ended December 31 2016[21]	TOTAL seven months ended December 31 2016[21]
Operating Data					
Ore mined (tonnes)	319,855	72,561	61,040	72,561	133,601
Ore processed (tonnes)	266,599	61,265	82,590	61,265	143,855
Head grade (g/t)	15.3	15.45	16.4	15.45	16.0
Recovery (%)	98.9	98.9	98.4	98.9	98.5
Gold ounces produced	126,990	29,688	45,390	29,688	75,078
Gold ounces sold	126,555	34,271	42,844	34,271	77,115
Financial Data (in thousands of dollars)					
Revenues – Gold sales	159,414	41,385	56,625	41,385	98,010
Mining operating expenses	(55,681)	(14,127)	(14,728)	(14,127)	(28,855)
Government royalties	(6,443)	(1,685)	(2,730)	(1,685)	(4,415)
Depreciation and depletion	(30,152)	(4,080)	-	(4,080)	(4,080)
Statistics (in dollars)					
Average realized selling price (per ounce)	1,260	1,208	1,322	1,208	1,271
Cash operating cost (per ounce produced)[22]	438	414	350	414	375
Cash operating cost (per tonne processed)[22]	208	201	192	201	196
Total cash cost (per ounce sold)[23]	491	461	407	461	431
Sustaining capital cost (per ounce sold)[24]	202	203	259	203	234
Site all-in sustaining cost (per ounce sold)[25]	692	665	666	665	666
All-in sustaining cost (per ounce sold)[25]	740	702	707	702	705

[21] The twelve-month period ended December 31, 2016 is based on the Company's consolidated financial statements. The Company considers that pre-commercial production operations at the Yaramoko Gold Project commenced in June 2016 as the construction of the processing plant was completed. The Company declared commercial production on October 1, 2016. The seven-month period ended December 31, 2016 includes three months of commercial production and four months of pre-commercial production. The pre-commercial production gold sales and mining expenses were accounted for 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 is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.

A. Health and safety performance

Health and Safety is a fundamental value for Roxgold and is a constant priority at the Yaramoko gold mine. 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 after a day spent at our operations. 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.

With the project being put into production in 2016, the Company's Operational Health and Safety Management systems have been effectively implemented and are now operating smoothly with a continuous improvement and review program in place. As the Company considers that that everyone, regardless of position, has the ability to involve, influence, motivate and enable others to contribute to Roxgold Health and Safety culture by encouraging personal and collective leadership, accountability and responsibility, each employee has a personal performance objective related to safety embedded within their annual appraisal process. An award and recognition program has also been implemented at site.

With steady state operations being established in 2017, the focus has evolved from establishing a strong reporting culture that encourages proactive identification of risk and therefore swift rectification of hazards and sub-par operating practices in 2016 to now implementing Health and Safety training programs for all employees in 2017 with more than 18,000 hours of training provided.

These values and actions resulted in a solid safety performance observed in 2017. During the year ended December 31, 2017, the Company did not observe any Lost Time Injury ("LTI") and to date achieved a significant milestone of more than 4,300,000 hours LTI free since the mine commenced operations.

B. Operational performance

During the year ended December 31, 2017, 319,855 tonnes of ore were extracted from the underground mine. Mine development in 2017 totalled 6,819 metres compared to 6,739 in 2016.

As at December 31, 2017, 14 sublevels had been developed throughout the extents of the resource. The Company took advantage of higher than planned productivity rates from the underground mining contractor to advance mine development ahead of budgeted requirements. As a result, the Company is significantly ahead of the initial mine plan and is, as such, benefiting from additional flexibility.

In 2017, approximately 52% of the mill feed was sourced from stoping activities as opposed to 29% during the seven-month of operation in 2016. In September 2017, a second production rig arrived onsite which supported an increase in stoping capacity over the final months of the year. At the end of the year, nine stoping panels were developed for extraction.

Stoping activities during the course of 2017 were focused between the 5270 and 5168 levels while development took place between the 5151 and 5049 levels. Reconciliation of mined material against the Company's resource model performed well on a tonnage basis but underperformed on a grade basis by approximately 11%. While the stoping areas between the 5270 and 5168 levels generally performed well, the areas that were developed between 5151 and 5049 demonstrated variability against expectations. Grade variability is expected at the 55 Zone, as in 2016, the resource model under predicted actual gold mined by 2% and early indications for 2018 are that grade reconciliation has improved.

To better understand the distribution of grade between the 5151 and 5049 levels, the Company is planning an 11,000 meter drilling program from surface and underground to better test the eastern and western extents of the 55 Zone in this particular area.

The processing facility ran at an average operating time of 96% with excellent metallurgical performance representing an improvement from 93.3% achieved during the seven-month period ended December 31, 2016. Accordingly, in 2017, 266,599 tonnes of ore were processed for an average throughput of 730 tonnes per day including a record throughput of 70,815 tonnes in the fourth quarter. Average head grade for 2017 was 15.3 grams per tonne. The 2017 average recovery was 98.9% in line with the recovery achieved in 2016 while the gravity circuit contribution to the overall recovery increased to between 65% and 70% during 2017 from 58% in 2016.

Based on the foregoing, 126,990 ounces of gold were poured during the year ended December 31, 2017 compared to 75,078 ounces of gold for the seven-month period ended December 31, 2016.

C. Financial performance

During the year ended December 31, 2017, a total of 126,555 ounces of gold were sold resulting in revenues from gold sales totalling $159 million at an average realized gold price of $1,260 per ounce sold compared to an average market gold price of $1,257 per ounce.

During the four-month pre-commercial production period ended September 30, 2016, a total of 42,844 ounces of gold were sold resulting in pre-commercial production revenues of $57 million (at an average realized gold price of $1,322 per ounce sold). This amount was recorded to Mineral properties under development within property, plant and equipment ("PP&E"). From the declaration of commercial production on October 1, 2016 to December 31, 2016, 34,271 ounces of gold were sold at an average realized gold price of $1,208 per ounce for gold sales revenue totalling $41 million. Accordingly, the Yaramoko gold mine generated $98 million of pre-commercial and operational revenue during the seven months in which it was it was in operation during the twelve-month period ended December 31, 2016.

Mine operating expenses represent mining, processing, and mine site-related general and administrative expenses. The cash operating cost[26] totalled $438 per ounce for 2017 below the lower-end of the 2017 guidance range of $445 to $490 per ounce produced. The variation with the 2016 comparable period is a result of lower head grade combined with a higher cash operating cost[26] per tonne processed. The difference between the cash operating cost[26] per tonne processed of $208 in 2017 and the cash operating cost[26] per tonne processed of $196 for the comparative period of 2016 is mainly due to costs associated with standard preventive maintenance which occurred in 2017 as the mill facility had been in operation for more than twelve months along with reagents costs that were included in the first fill pre-production costs in 2016.

In 2016, the Company made the strategic decision to continue to invest in the underground mine development during 2017, to ensure mine operational flexibility and resilience as well as to benefit from the opportunity provided by the high availabilities of the mill. As such, Roxgold invested $25,515,000 in underground mine development including $10,039,000 spent eighteen months ahead of the current mine plan schedule, representing a sustaining capital cost[27] of $202 per ounce sold. As a result, the Company achieved a site all-in sustaining cost[28] of $692 per ounce sold and an all-in sustaining cost[28] of $740 per ounce sold representing the low end of the 2017 guidance compared to all-in sustaining cost[28] of $705 per ounce sold for the comparable period in 2016. The variation year over year is essentially due to a higher cash operating cost resulting from lower head grade and a slightly higher cash operating cost[26] per tonne as previously explained.

Based on the financial performance discussed above, the Company achieved cash flow from mining operations[29] of $83,944,000 for the year ended December 31, 2017, for cash flow from mining operations per share of $0.23 (C$0.28/share), which allowed the Company to become net cash positive[30] during the fourth quarter of 2017. Comparatively, the Company generated cash flow from mining operations of $59,106,000 during the seven-month period ended December 31, 2016. The variation between both periods is due to the timing of the start of the operations in 2016.

8. Exploration activities

i) *55 Zone*

A ground geophysical survey campaign commenced in early February over the 55 Zone and along the Yaramoko Shear and was completed in the second quarter of 2017. The campaign in the 55 Zone area consisted of two pole-dipole gradient surveys, the largest pole-dipole survey covered an area along the Yaramoko Shear Zone that included both the 55 Zone and Bagassi South deposits and aimed to outline the western extension of the gold hosting structures as well as sub-parallel structures between the two deposits and south of the Bagassi South QV1 structure.

The Company resumed drilling at the 55 Zone during the second quarter of 2017 with a 10,000-metre drilling program, which was originally planned to follow-up on the 2016 deep drilling program. The drilling program at the 55 Zone was completed in the fourth quarter of 2017 and totalled 9,418.2 metres over 8 holes. The drilling program at 55 Zone was designed to target areas at depth below and west of the Inferred Resource boundary.

[26] 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.

[27] 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.

[28] 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.

[29] 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.

[30] Net cash positive is a non-IFRS measure with no standard definition under IFRS and is calculated as cash less long-term debt. See the "Non-IFRS financial performance measures" section of this MD&A.

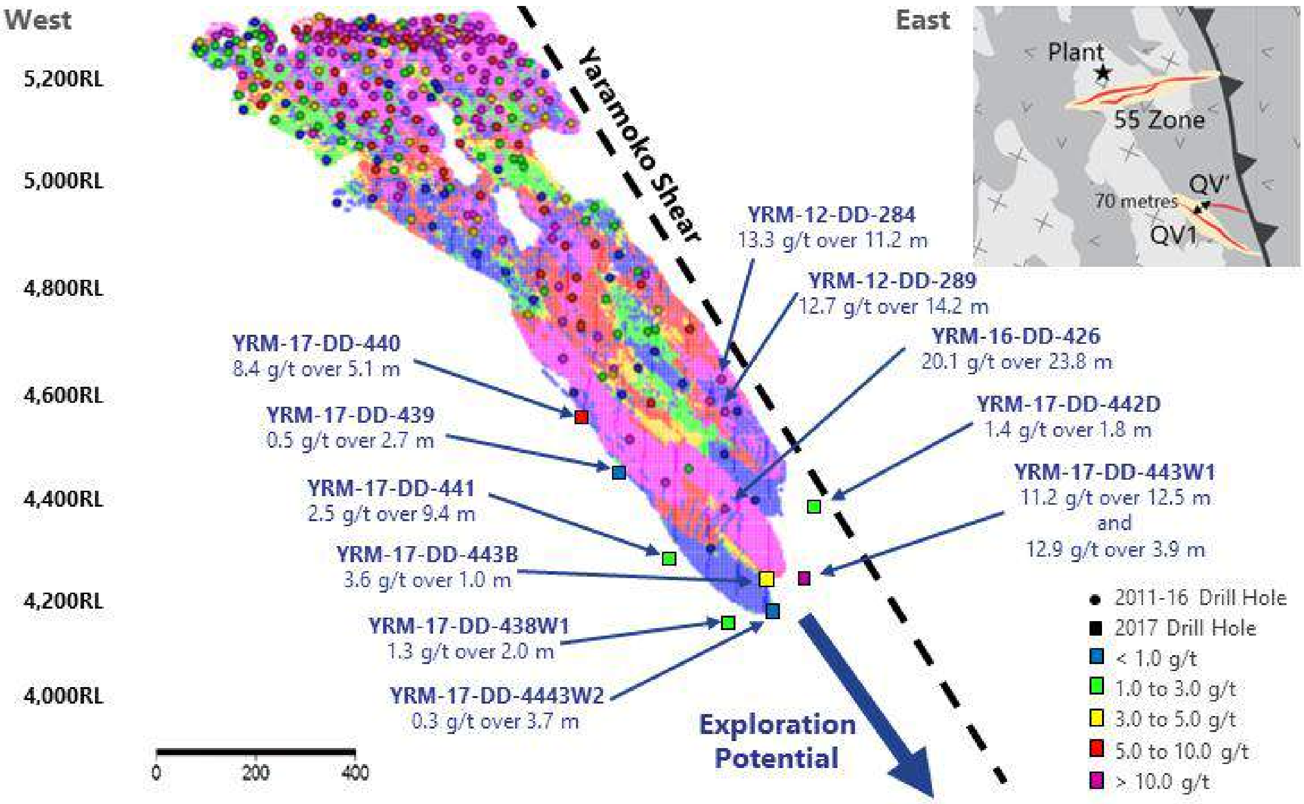

Figure 1: 55 Zone Longitudinal significant drilling results

Results from the 2017 deep drilling program confirmed the continuity of 55 Zone at depth with drill hole YRM-17-DD-443W1 intersecting two zones of mineralization at a vertical depth of approximately 1,100 metres below surface. The intercepts were within a large shear zone exceeding 25 metres. Previous drilling at depth also returned thicker than average zones of mineralization including drill holes YRM-16-DD-426 which featured 20.1 gpt gold over 23.8m and YRM-16-DD-428 drilled in 2016, and drill holes YRM-12-DD-284 and YRM-12-DD-289 which intersected 13.3 gpt gold over 11.2 m and 12.7 gpt gold over 14.2 m respectively in the 2012 drilling program. All holes drilled into 55 Zone as part of the 2017 program intersected the shear structure.

ii) *Bagassi South*

The Company resumed drilling at Bagassi South during the first quarter of 2017 by undertaking an infill and extensional drilling program along the QV1 and QV' structures. For the year, a total of 23,535 meters of drilling were completed along the QV1 structure and an additional 20,585 meters of drilling were completed along the QV' structure. The 2017 drilling program for the Bagassi South area totalled 214 drill holes along both structures.

The 2017 drilling program was primarily designed to infill the QV1 structure with sufficient additional intercepts to support the conversion of the existing inferred Mineral Resource Estimate ("MRE") to indicated status. A secondary goal of the program was to test the extent of the mineralized shoot along the QV' structure which is located along the contact between the basalt flows and the Bagassi granite and was initially outlined by the 2016 fourth quarter drilling program.

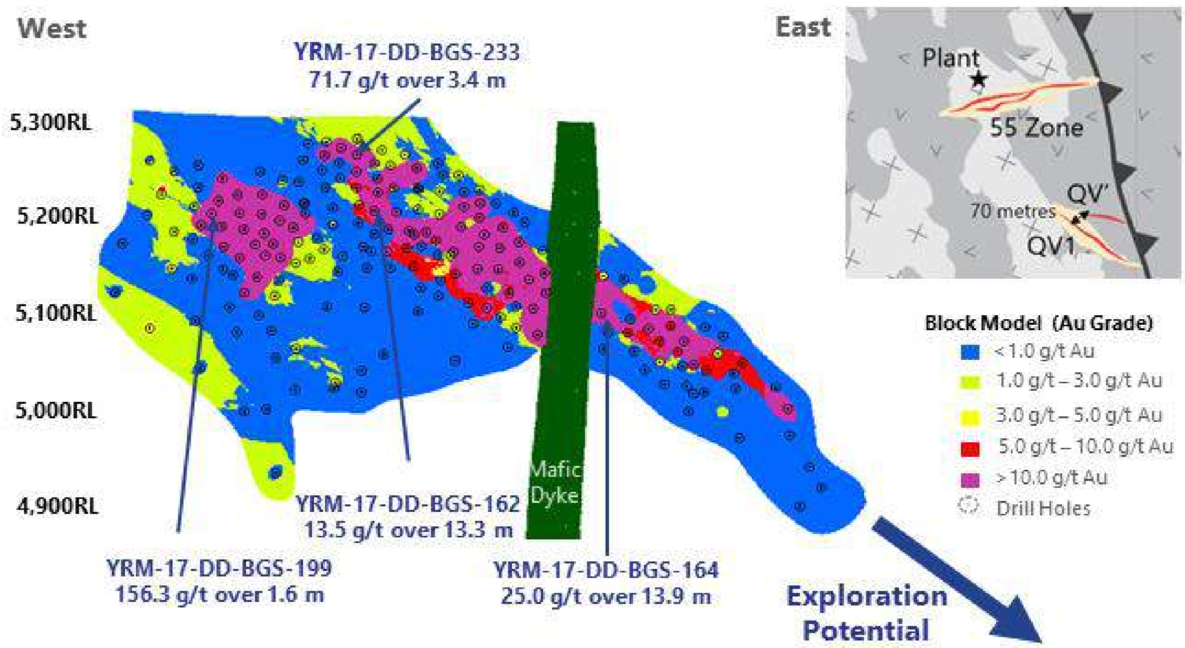

Figure 2: QV1 Longitudinal

The drilling program along the QV' Prime structure was completed in December 2017. The interim drilling results for the first 18 drill holes of the QV Prime drilling program were released on November 27, 2017. Interim results confirmed the continuity of mineralization from near surface to a vertical depth of approximately 300 metres with a down plunge extension of approximately 500 metres. Subsequent to the November release, an additional 38 drill holes were drilled along the QV Prime structure, which confirmed again the continuity of mineralization along the lithological contact as illustrated below in figure 3.

The holes that were originally planned to drill test the down-plunge extension of the shoot east of the dyke intersected the dyke further east than the original interpretation suggested. The mafic dyke is dipping at a shallower angle and is located further to the east in that area of Bagassi South. The QV' structure remains open down plunge east of the mafic dyke.

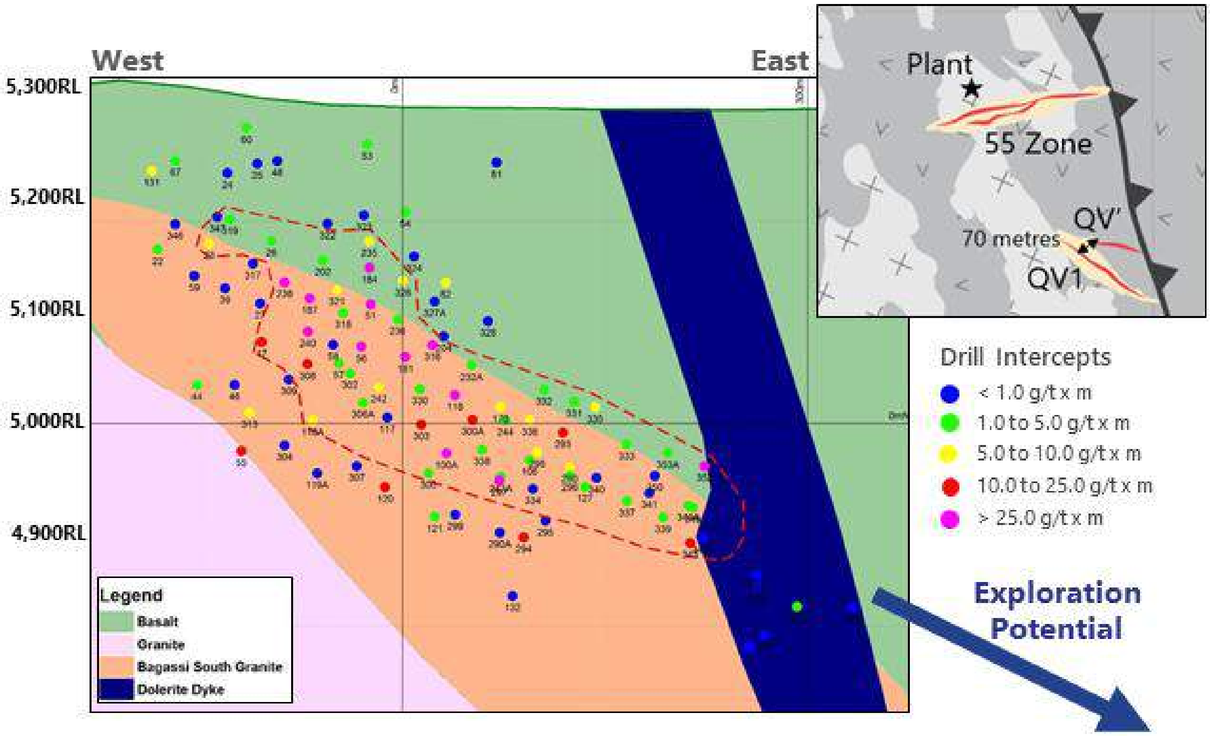

Figure 3: QV' Longitudinal

iii) *Houko Permit*

The Houko permit, which lies adjacent to the Yaramoko permit was acquired by Roxgold in March 2016. The Houko permit was acquired for €60,000 ($67,000) upon transfer of the permit. In addition, a once off payment of €40,000 ($44,000), along with €1.25 ($1.39) per ounce of gold is payable upon the announcement of a maiden resource on the Houko Permit. For more information on the acquisition of the Houko permit, please refer to the Company's press release dated March 21, 2016, available on SEDAR at www.sedar.com.

The Houko permit more specifically lies to the south of the western arm of the Yaramoko permit and adjacent to the western border of the Yaramoko permit. A conventional IP survey over a granite-mafic volcanic contact located west of 55 Zone and Bagassi South that exhibits similar structural settings as the Yaramoko Shear Zone began during the second quarter with a portion of that survey conducted over the Houko concession. The Houko survey covers the central western portion of the Yaramoko exploration concession and a portion of the Houko concession as illustrated in figure 4.

The Houko survey was completed in early third quarter 2017, an auger and soil geochemistry program were undertaken over the Houko concession in fourth quarter of 2017 following the end of the rainy season and is expected to be completed in early 2018.

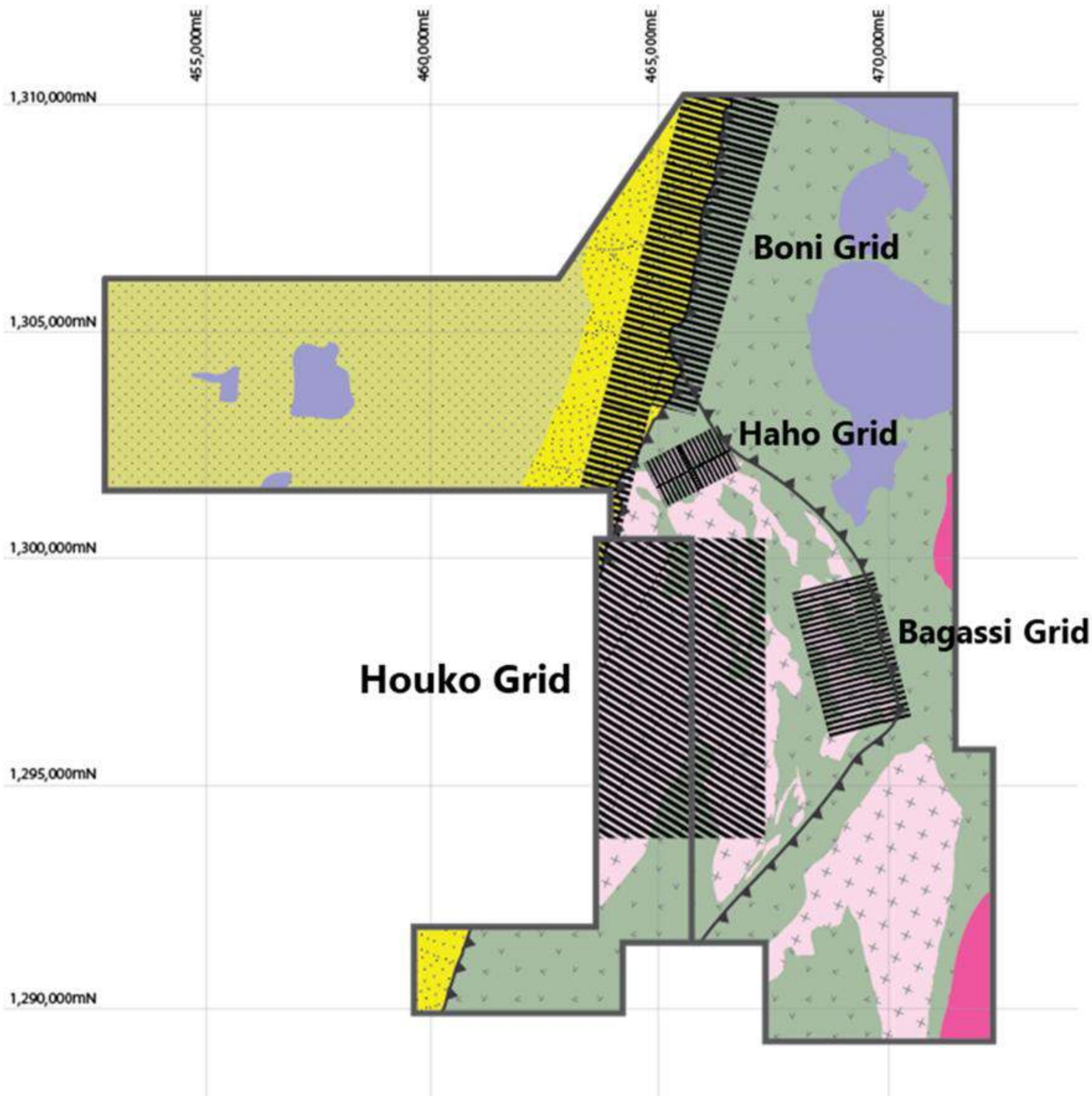

Figure 4: Geology of the Yaramoko and Houko permits with 2017 ground geophysical grids

iv) *2018 Exploration Program*

Exploration activities are expected to shift towards a more regional focus in 2018 to support the Company's organic growth strategy. Following the completion of the induced polarization (IP) compilation, drilling programs along the Boni Shear and the Haho area have been planned for the first quarter of 2018.

The drilling program at Haho to test previously outlined auger anomalies along with concordant IP anomalies started in late 2017. Planning for the Haho South phase 1 drilling program totals 8,400 meters consisting of 74 holes testing four distinct anomalies. As for the Boni Shear structure, drill planning for the Southern IP anomalies consists of a total of 66 drill holes amounting to approximately 6,600 meters. The first phase of drilling has been planned to test the Tarkwa Inlier, in addition to the southern portion and central portion of the Boni Shear anomalies. Planned drilling for both targets are illustrated in figure 5.

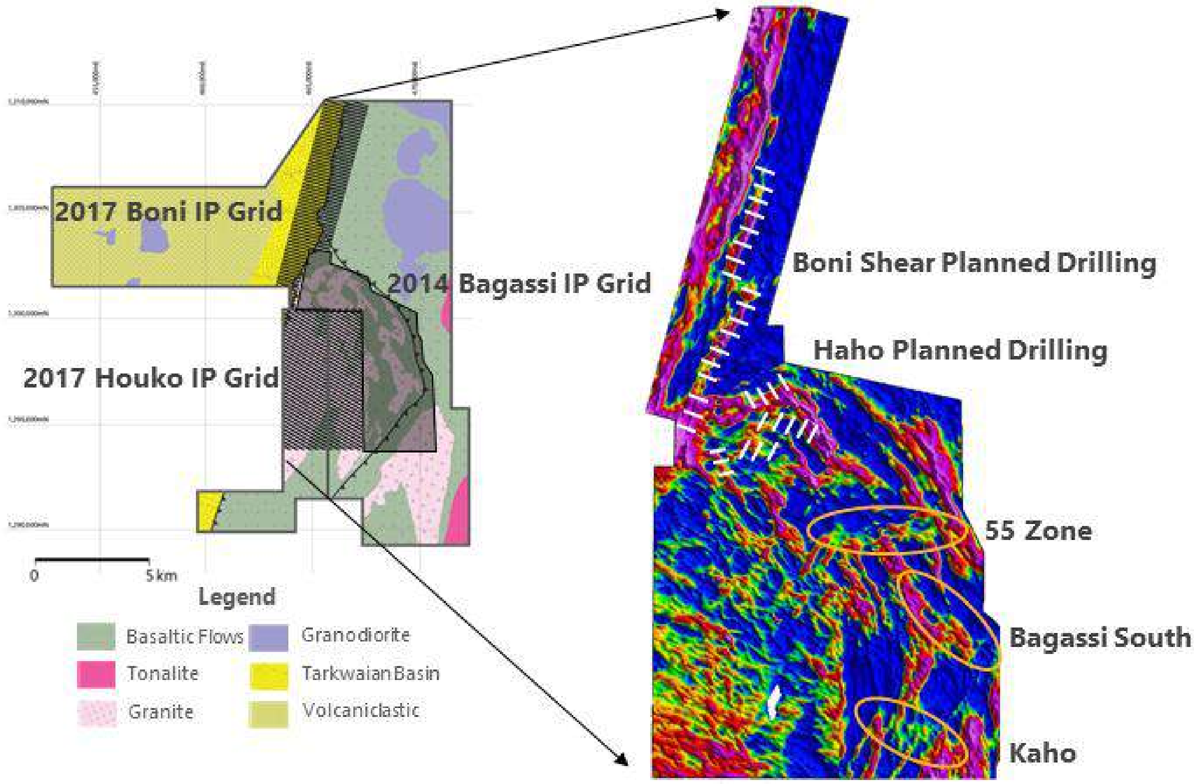

Figure 5: Planned drilling for the Boni Shear structure and Haho area over IP chargeability

Two auger grids have been planned for both Houko and the western contact of the Tarkwaian basin located on the western arm portion of the Yaramoko concession as illustrated in figure 6. Auger drilling began in December 2017 over the Houko grid with two drill rigs, both programs are expected to be completed in the first quarter of 2018.

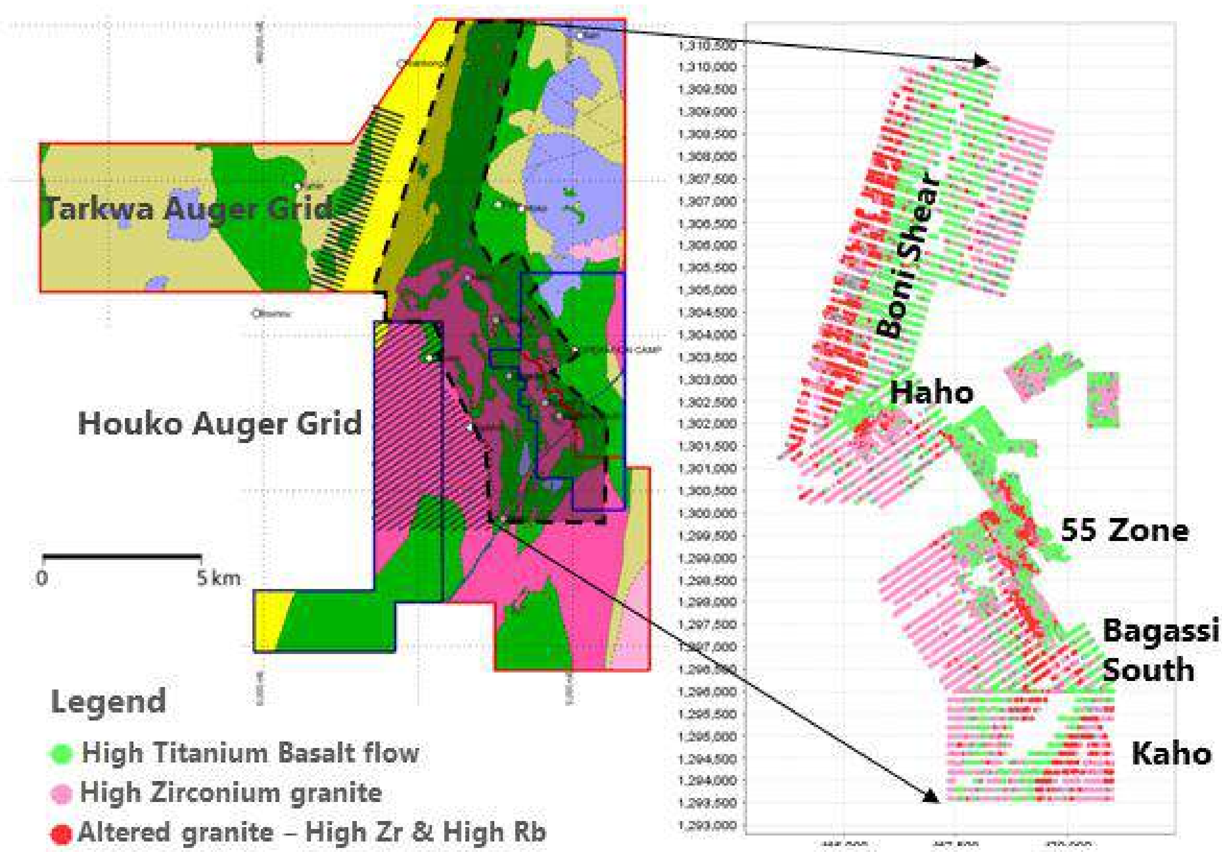

Figure 6: Planned auger programs

9. Corporate social responsibility activities ("CSR")

A. 2017 highlights

Roxgold has established a collaborative and participative approach with the community investment program in the communities surrounding the Yaramoko gold mine. In 2017, 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. This year, 30 projects were funded with a focus on youth and women's development, which include the following:

- Support for the opening of a municipal occupational training center;
- Solar electrification or boreholes in four schools;
- School construction;
- Capacity building of women's association (e.g. agricultural business);
- Development of Bagassi electrification system.

Along with the Environmental and Social permitting process undertaken in 2017 for the mine extension project at Bagassi South, Roxgold has strengthened the relations and trust between the Company and the community with 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 in partnership with communities, local government, mining companies, and other stakeholders, to enable communities, particularly women and youth, to maximize the socio-economic benefits from extractive resource investment in West Africa. In 2017, the group has been successful in opening the municipal occupational training center and local suppliers' capacity building events.

B. 2018 CSR program

Based on the success of previous years, the 2018 CSR activities will keep the same approach of grassroots-based initiatives, collaboration, transparency and partnership to maximize the benefit, sustainable growth and creation of local community opportunities from the Company's operation and extension project, especially through human capital and economic development. Furthermore, the six main programs as described above will be further strengthened. In addition, the extensive stakeholder engagement programs currently in place contribute to the viability of Roxgold's projects and secure future growth.

10. Review of Annual 2017 financial results

A. Mine operating profit

During the year ended December 31, 2017, revenues totalled $159,414,000 while mining operating expenses and royalties totalled $55,681,000 and $6,443,000, respectively. The Company achieved total cash cost[31] per ounce sold of $491 for the year ended 2017 period representing a mining operating margin[32] of $769 per ounce sold.

The Company declared commercial production on October 1, 2016 and consequently there is no comparable mine operating profit for the full twelve-month period ended December 31, 2016. Pre-commercial production revenue totalling $56,625,000 associated with gold ounces sold during the period June 1 to September 30, 2016 has been offset against mine operating costs, totalling $14,728,000, and other capitalized costs, including previously capitalized development costs, on the statement of financial position. Accordingly, mine operating profit totalling $21,493,000 for 2016 presented in the Financial Statements relates solely to the 34,271 ounces of gold sold during the fourth quarter of 2016, representing a mining operating margin[32] $746 per ounce sold, and a total cash cost[31] per ounce sold of $461.

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

B. General and administrative expenses

General and administrative expenses totalled $4,627,000 for the year ended December 31, 2017 period compared $3,395,000 for the corresponding period in the prior year. Higher corporate development costs and non-recurring professional fees associated with graduating as a listed issuer on the Toronto Stock Exchange, affected the corporate expense in 2017. Additional corporate personnel were also hired to position the Company for future growth.

C. Sustainability and other in-country costs

Sustainability and in-country costs totalled $1,612,000 for the year ended December 31, 2017, respectively compared to $398,000 for the twelve-month comparative period. These expenditures are incurred to maintain Roxgold's social licence to operate in Burkina Faso, and include investments made in sustainability and community projects related to current operations. Costs totaling $460,000 incurred during the pre-commercial period in 2016 were capitalized in PP&E.

[31] Total cash cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the mine operating expenses and the government royalties per ounce sold. See the "Non-IFRS financial performance measures" section of this MD&A.
[32] 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.
[33] Cash operating cost is a non-IFRS measure with no standard definition under IFRS and is calculated using ounces produced and tonnes processed. See the "Non-IFRS financial performance measures" section of this MD&A.

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

Exploration and evaluation expenses totaled $12,757,000 compared to $6,039,000 for the year ended December 31, 2017 and December 31, 2016, respectively.

Drilling costs incurred during the period totalled $5,760,000 and $3,658,000 for the year ended December 31, 2017 and 2016 period, respectively. The 2017 drilling program for the Bagassi South area included a total of 214 drill holes for a total of 23,535 meters of drilling while the 2016 drilling costs reflected a program which included 4,225 metres of diamond drilling.

The cost incurred for the economic and feasibility studies for the year ended December 31, 2017 period include expenses associated with the updated mineral resource estimate, the preparation of the Bagassi South project Feasibility Study and the filing requirements to get the permitting approval for Bagassi South project.

E. Share-based payment

Share-based payment totalled $2,522,000 compared to $2,135,000 in the year ended December 31, 2017 and 2016 period, respectively. Stock option costs reflect the decrease in stock options granted combined with a modification of the vesting conditions which since January 2017 are vesting over thirty-six months as opposed to twenty-four months.

Performance share units ("PSU") and Deferred share unit costs reflect expenses associated with the units granted to senior management and directors, respectively in 2017. The variation with the prior year is due to the implementation of the PSU plan early in 2017 and a change in directorship in 2016.

F. Financial expenses

Net financial expense totalled $14,214,000 for the year ended December 31, 2017, compared to $10,601,000 for the comparable period in 2016. The $3,613,000 variation period over period is mainly attributable to the change in the fair value of the Company's gold forward sales contracts and increased interest expense in relation to the Company's Amended facility as these were capitalized in 2016 until the declaration of Commercial Production on October 1, 2016.

G. Deferred income tax expense

The deferred income tax expense mainly reflects future income tax impact associated with temporary differences between the accounting and the tax basis of the Company's assets offset by future benefits related to non-capital loss carry forwards.

H. Net income (loss)

The Company's net income for the year ended December 31, 2017 was $23,423,000 compared to a net loss of $1,071,000 in the comparable period of the year prior. The variation is a result of the Company's operations as the Company was in the development stage until it declared commercial production on October 1, 2016.

Consequently, the Company's income per share was $0.05 per share in 2017 to a loss of $0.01 per share for the comparative, 2016 period.

I. Income Attributable to Non-Controlling Interest

For the year ended December 31, 2017, the income attributable to the non-controlling ("NCI") interest was $4,400,000. 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.

11. Other comprehensive income (loss)

During the year ended December 31, 2017, the Company reported other comprehensive income of $534,000 compared to other comprehensive income of $1,725,000 for the comparable period in 2016. 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.

12. Cash flows

The following table summarizes cash flow activities:

For the years ended December 31,	2017	2016
Cash flow		
Operations	68,312,000	13,860,000
Changes in non-cash working capital	(10,415,000)	(621,000)
Operating activities	57,897,000	13,239,000
Financing activities	(33,808,000)	48,002,000
Investing activities	(32,362,000)	(33,302,000)
Change in cash and cash equivalents during the period	**(8,273,000)**	**27,939,000**
Effect of foreign exchange rates on cash	2,404,000	(1,322,000)
Cash and cash equivalents, beginning of period	**68,902,000**	**42,285,000**
Cash and cash equivalents, end of period	**63,033,000**	**68,902,000**

Operating

During the year ended December 31, 2017, the Company generated cash flow from mining operations[34] of $83,944,000 and $68,312,000 operating cash flow before changes in non-capital working capital, compared to operating cash flow of $13,860,000 in the comparative period. The variation year over year is essentially due to mining operating profit since the declaration of commercial production on October 1, 2016. The Company also started the delivery of its monthly hedging contracts which were a condition precedent to close the Initial Facility. For the year ended December 31, 2017, the Company disbursed $2,875,000 for the settlement of these hedging contracts for the period January to December 2017. The December 2017 hedging contract was settled in early January 2018, as per the contract. As of December 31, 2017, the Company had 49,712 ounces of gold forward outstanding.

The net working capital was significantly impacted by the increase in value added taxes ("VAT") recoverable from the Government of Burkina Faso as well as inventory. Historically, VAT paid in Burkina Faso had been recovered over a five to six-month period, however, mining companies operating in Burkina Faso are now experiencing recovery periods between six to twelve months. In 2017, the Company received VAT reimbursements totalling $4.3 million. As the Ministry of Finance of Burkina Faso is currently evaluating compensation mechanisms that would be applicable to VAT, the Company expects that the net working capital will cease to be as significantly impacted by VAT in future periods. The increase in inventory is associated with investments in stockpile and higher gold-in-circuit at the end of December 31, 2017 when compared to the prior year as well as an increase in consumables related to the completion of the HV Power Line early in 2017.

[34] 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".

Financing

In 2017, the Company successfully completed the lenders' completion test and made an early repayment of $15 million under the Initial Facility of $75 million and amended its Initial Facility to a $60 million credit facility (the "Amended Facility"). The Amended Facility is amortized on a quarterly basis, maturing in June 2021 at an interest rate of LIBOR plus 3.75% per annum. This represents a reduction of 1.00% from the previous rate. In addition, the Amended Facility is no longer subject to a semi-annual mandatory cash sweep and restrictions on the timing and usage of cash flow generated from the Yaramoko gold mine have been reduced. The first $15 million tranche of repayments of the Amended Facility is structured as a revolving credit facility to provide further financial flexibility.

In addition to the early repayment, the Company made quarterly payments totalling $13,200,000 over the twelve months of 2017 and incurred non-recurring financing fees totalling $1,624,000.

Payments totalling $2,150,000 pertaining to the finance lease obligation embedded within the African Underground Mining Services ("AUMS") mining services agreement were also made during the fiscal year ended December 31, 2017 compared to $1,838,000 for the comparable period in 2016.

In December 2017, equity based Restricted Share Units granted in 2014 were associated with performance criteria to deliver Yaramoko Gold mine on time and within budget were cash settled for $2,733,000.

Proceeds from stock options reflect the exercise the exercise of employees' stock options.

Apart from the issuance associated with the options exercised by employees, the Company did not issue equity in 2017. However, during the corresponding period in 2016, the Company closed a $16,759,000 (C$23.0 million) bought deal financing (the "Financing"). Share issuance costs totalling $1,092,000 were incurred in relation to the Financing. The Company also issued 12,891,676 common shares pursuant to the exercise of all outstanding warrants, at an exercise price of C$0.90 per share, for total proceeds of $8,894,000.

Investing

During the year ended December 31, 2017, the Company invested $31,851,000 of cash additions to property, plant and equipment which mainly relate to $25,515,000 in underground development and the completion of the HV Power Line. Investments totaling $89,861,000 in the comparative period related the construction of the Yaramoko gold project offset by pre-commercial production gold sales revenue net of production costs during the four-month pre-commercial production period from June 1, 2016 to September 30, 2016 totalling $56,625,000.

13. Financial position

At December 31, 2017, the Company had $63,033,000 in cash with $43,222,000 of long-term debt (face value of $46,800,000). The restricted cash totalling $511,000 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 all of the cash requirements for the next twelve months which relate primarily to the following activities:

- Construction of the Bagassi South Project
- Exploration programs
- Underground development at the 55 Zone
- Principal debt and interest repayments

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,	**2017**	**2016**
Cash and cash equivalents	63,033,000	68,902,000
Other current assets	37,382,000	13,709,000
Total current assets	**100,415,000**	**82,611,000**
Property, plant and equipment ("PP&E")	135,288,000	134,597,000
Other non-current assets	511,000	462,000
Total assets	**236,214,000**	**217,670,000**
Total current liabilities	**43,426,000**	**39,377,000**
Long-term debt	35,464,000	53,302,000
Derivative financial instruments	9,527,000	6,290,000
Finance lease	1,240,000	3,285,000
Other non-current liabilities	9,387,000	2,664,000
Total liabilities	**99,044,000**	**104,918,000**
Equity attributable to equity shareholders	131,330,000	111,312,000
Non-controlling interests	5,840,000	1,440,000
Total Equity	**137,170,000**	**112,752,000**
Total Liabilities and Equity	**236,214,000**	**217,670,000**

The Company's total assets as at December 31, 2017 has increased by $18,544,000 when compared to December 31, 2016. This is mainly driven by higher VAT receivables, higher inventory on hand offset by significant payment of $28,200,000 to reduce long-term debt.

As a result of these payments, total liabilities have decreased with the face value of the Amended Facility representing $46,800,000 as at December 31, 2017 compared to $75,000,000 as of December 31, 2016. The liability associated with our derivative financial instrument increased during the fiscal year 2017 as the gold price as at December 31, 2017 was higher than the comparative period in prior year. The variation in non-current liabilities is due to the deferred income tax liability.

The variation in equity is mainly the result of the Company's net income totalling $23,243,000 earned during the year ended December 31, 2017.

14. Financial risk factors

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

15. Commitments

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

For the years ending December 31,	2018	2019	2020	2021
Lease agreements	244,000	209,000	122,000	-
Service agreements	391,000	25,000	-	-
Technical service agreements	495,000	-	-	-
	1,130,000	**234,000**	**122,000**	-

The Company entered into an agreement with a service provider wherein the Company could be subject to an early termination payment, which is reduced monthly over 48 months and, in certain conditions, could be subject to other payments that will be negotiated between the Company and the service provider. If the Company had terminated the agreement at December 31, 2017, it would have been subject to an early termination payment of $1,986,000 (2016: $2,974,000).

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	2,777,000	1,240,000	4,017,000
Finance charges	665,000	91,000	756,000
Total	**3,442,000**	**1,331,000**	**4,773,000**

As of December 31, 2017, 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	10,044,000	40,550,000	50,594,000

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, 2017, the Company was subject to royalty rates of 4% and 5%. For the year ended December 31, 2017, government royalties amounting to $6,443,000 were incurred with the Government of Burkina Faso compared to $2,730,000 during the pre-commercial production phase in 2016 and $1,685,000 since the declaration of commercial production on October 1, 2016.

16. 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, 2017 filed on SEDAR at www.sedar.com on March 28, 2018.

17. 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, 2017 filed on SEDAR at www.sedar.com on March 28, 2018.

18. Non-IFRS financial performance measures

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

A. Cash operating cost

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

Cash operating cost and total cash cost figures are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is the accepted standard of reporting cash cost of production in North-America. Adoption of the standard is voluntary and the cost measures presented may not be comparable to other similarly titled measures of other companies. Other companies may calculate these measures differently. Cash operating cost per ounce produced and tonne processed are derived from mining operating costs such as mining, processing, mine site general and administrative expenses. Total cash cost 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	**Twelve months ended December 31 2017**	**Twelve months ended December 31 2016[35]**	**Pre-commercial production four months ended September 30 2016[35]**	**Commercial production three months ended December 31 2016[35]**	**TOTAL seven months ended December 31 2016[35]**
Gold ounces produced	**126,990**	29,688	45,390	29,688	75,078
(in thousands of dollars except per ounce)					
Mining operation expenses (excluding royalties)	**55,681**	14,200	14,816	14,200	29,016
Selling expenses	**(285)**	(73)	(88)	(73)	(161)
Effects of inventory adjustments (doré)	**180**	(1,837)	1,150	(1,837)	(687)
Operating cost (ounces produced)	**55,576**	12,290	15,878	12,290	28,168
Cash operating cost (per ounce produced)	**438**	414	350	414	375

[35] The twelve-month period ended December 31, 2016 is based on the Company's consolidated financial statements. The seven-month period ended December 31, 2016 includes three months of commercial production and four months of pre-commercial production. The pre-commercial production gold sales and mining expenses were accounted for against Property, plant and equipment.

Per tonne processed	Twelve months ended December 31 2017	Twelve months ended December 31 2016[36]	Pre-commercial production four months ended September 30 2016[36]	Commercial production three months ended December 31 2016[36]	TOTAL seven months ended December 31 2016[36]
Tonnes of ore processed	**266,599**	61,265	82,590	61,265	143,855
(in thousands of dollars except per ounce)					
Mining operation expenses (excluding royalties)	**55,681**	14,200	14,816	14,200	29,016
Selling expenses	**(285)**	(73)	(88)	(73)	(161)
Effects of inventory adjustments (doré)	**180**	(1,837)	1,150	(1,837)	(687)
Operating cost (tonnes processed)	**55,576**	12,290	15,878	12,290	28,168
Cash operating cost (per tonne processed)	**208**	201	192	201	196

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 of 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.

[36] The twelve-month period ended December 31, 2016 is based on the Company's consolidated financial statements. The seven-month period ended December 31, 2016 includes three months of commercial production and four months of pre-commercial production. The pre-commercial production gold sales and mining expenses were accounted for against Property, plant and equipment.

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	Twelve months ended December 31 2017	Twelve months ended December 31 2016[37]	Pre-commercial production four months ended September 30 2016[37]	Commercial production three months ended December 31 2016[37]	TOTAL seven months ended December 31 2016[37]
Gold ounces sold	**126,555**	34,271	42,844	34,271	77,115
(in thousands of dollars except per ounce)					
Mining operation expenses (excluding royalties)	**55,681**	14,127	14,728	14,127	28,855
Royalties	**6,443**	1,685	2,730	1,685	4,415
Total Cash Cost	**62,124**	15,812	17,458	15,812	33,270
Total cash cost per ounce sold	**491**	461	407	461	431
Investment in underground development					
For period over the next 18 months	**15,476**	6,971	11,097	6,971	18,068
For period beyond 18 months	**10,039**	-	-	-	-
Site all-in sustaining cost	**87,639**	22,783	28,555	22,783	51,338
Site all-in sustaining cost per ounce sold	**692**	665	666	665	666
Sustaining and other in-country cost	**1,612**	398	460	398	858
Corporate and G&A expenses	**4,627**	886	1,283	886	2,169
Non-recurring expenditures associated with TSX graduation	**(250)**	-	-	-	-
All-in sustaining cost	**93,628**	24,067	30,298	24,067	54,365
All-in sustaining cost per ounce sold	**740**	702	707	702	705

The table below shows the all-in sustaining cost per ounce sold, including only underground development expenditures required to sustain production in 2018:

Per ounce sold	Twelve months ended December 31 2017	Twelve months ended December 31 2017[37]	Pre-commercial production four months ended September 30 2016[37]	Commercial production three months ended December 31 2016[37]	TOTAL seven months ended December 31 2016[37]
All-in sustaining cost	**93,628**	24,067	30,298	24,067	54,365
Underground development completed for 2019 production	**(10,039)**	-	-	-	-
All-in sustaining cost for next 18 months	**83,589**	24,067	30,298	24,067	54,365
All-in sustaining cost per ounce sold for next 18 months	**660**	702	707	702	705

[37] The twelve-month period ended December 31, 2016 is based on the Company's consolidated financial statements. The seven-month period ended December 31, 2016 includes three months of commercial production and four months of pre-commercial production. The pre-commercial production gold sales and mining expenses were accounted for against Property, plant and equipment.

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.

	Twelve months ended December 31 2017	Twelve months ended December 31 2016[38]	Pre-commercial production four months ended September 30 2016[38]	Commercial production three months ended December 31 2016[38]	TOTAL seven months ended December 31 2016[38]
(in thousands of dollars)					
Cash flow from operating activities excluding changes in non-cash working capital items	**68,312**	14,622	32,435	20,632	53,067
Exploration and evaluation expenditures	**12,757**	6,039	3,501	2,538	6,039
Settlement of hedging contracts	**2,875**	-	-	-	-
Cash flow from mining operations	**83,944**	20,661	35,936	23,170	59,106

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.

	Twelve months ended December 31 2017	Twelve months ended December 31 2016[38]	Pre-commercial production four months ended September 30 2016[38]	Commercial production three months ended December 31 2016[38]	TOTAL seven months ended December 31 2016[38]
(in thousands of dollars except share and per share amounts)					
Cash flow from mining operations	**83,944**	20,661	35,936	23,170	59,106
Weighted average number of common shares outstanding - basic	**371,585,337**	331,999,673	367,897,094	371,078,762	371,078,762
Cash flow per share	**0.23**	0.06	0.10	0.06	0.16
Cash flow per share in Canadian dollars[39]	**0.28**	0.08	0.13	0.08	0.21

[38] The twelve-month period ended December 31, 2016 is based on the Company's consolidated financial statements. The seven-month period ended December 31, 2016 includes three months of commercial production and four months of pre-commercial production. The pre-commercial production gold sales and mining expenses were accounted for against Property, plant and equipment.
[39] Translated at average closing rates of USD/CAD rate of 1.2545 and 1.3074, respectively

E. Adjusted net income (loss)

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.

	Twelve months ended December 31 2017	Twelve months ended December 31 2016[40]	Pre-commercial production four months ended September 30 2016[40]	Commercial production three months ended December 31 2016[40]	TOTAL seven months ended December 31 2016[40]
(in thousands of dollars)					
Net income (loss)	**23,243**	(1,071)	(5,461)	23,702	18,241
Change in fair value of derivative financial instruments	**8,777**	5,667	1,530	(8,808)	(7,278)
Foreign exchange (gain) loss	**(1,617)**	2,502	(411)	850	439
Adjusted net income (loss)	**30,403**	7,098	(4,342)	15,744	11,402

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.

	Twelve months ended December 31 2017	Twelve months ended December 31 2016[40]	Pre-commercial production four months ended September 30 2016[40]	Commercial production three months ended December 31 2016[40]	TOTAL seven months ended December 31 2016[40]
(in thousands of dollars except share and per share amounts)					
Adjusted net income	**30,403**	7,098	(4,342)	15,744	11,402
Weighted average number of common shares outstanding - basic	**371,585,337**	331,999,673	367,897,094	371,078,762	371,078,762
Adjusted earnings per share	**0.08**	0.02	(0.01)	0.04	0.03
Adjusted earnings per share in Canadian dollars[41]	**0.10**	0.03	(0.02)	0.06	0.04

19. Share capital information

The Company's authorized share capital is unlimited common shares without par value. As of March 28, 2018, there are 373,069,095 common shares outstanding. In addition, there are 19,230,273 common shares issuable on the exercise of 10,310,837 options, 3,230,301 RSUs, 1,936,625 PSUs and, 3,752,510 DSUs with dilutive impact.

[40] The twelve-month period ended December 31, 2016 is based on the Company's consolidated financial statements. The seven-month period ended December 31, 2016 includes three months of commercial production and four months of pre-commercial production. The pre-commercial production gold sales and mining expenses were accounted for against Property, plant and equipment.

[41] Translated at average closing rates of USD/CAD rate of 1.2545 and 1.3074, respectively.

20. Fourth quarter financial and operating results

During the fourth quarter of 2017, the Company realized gold sales of $45,455,000 and mine operating profit of $19,316,000 compared to realized gold sales of $41,385,000, mine operating profit of $21,493,000 in the comparative 2016 period. The increase in revenues is due to the increase in gold ounces sold and an increase in the average sale price. The decrease in our operating profit is mainly attributable to depreciation incurred in 2017 compared to the same period in 2016.

The three-month ended December 31, 2017 net income attributable to equity shareholders amounted to $6,064,000 or $0.02 per share, compared to a net income of $19,996,000 or $0.06 per share for the comparable period in 2016. The main variable is the increase in liability associated with the Company's derivative financial instrument and increase in current income tax expense when compared to the same period in prior year.

The Company achieved total cash cost[42] per ounce sold of $488 and all-in sustaining cost[43] of $609 per ounce sold in the fourth quarter 2017, compared to $414 and $702, respectively in the comparable period of 2016.

21. 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 (loss) per share.

	Q4 2017 $	Q3 2017 $	Q2 2017 $	Q1 2017 $	Q4 2016 $	Q3 2016[44] $	Q2 2016[44] $	Q1 2016[44] $
Financial results ($ millions)								
Revenue	45,455	36,279	34,703	42,977	41,385	-	-	-
Mine Operating profit (loss)	19,316	15,446	12,577	19,799	21,493	-	-	-
Operating profit (loss)	13,999	9,554	7,037	13,988	17,246	(3,176)	(3,263)	(1,965)
Net profit (loss)	6,758	6,936	5,717	3,832	23,702	(2,462)	(8,996)	(13,315)
Net profit (loss) attributable to shareholders	6,064	5,594	4,767	2,418	19,996	(2,462)	(8,996)	(13,315)
Income (loss) per share - basic	0.02	0.02	0.02	0.01	0.06	(0.01)	(0.03)	(0.04)
Income (loss) per share - diluted	0.02	0.02	0.02	0.01	0.06	(0.01)	(0.03)	(0.04)
Cash flow from mining operations	22,035	18,099	19,423	24,388	23,170	31,681	-	-
Operational results								
Ore mined (tonnes)	108,094	76,480	66,044	69,237	72,561	49,270	37,716	-
Ore processed (tonnes)	70,815	66,670	65,159	63,955	61,265	60,880	40,339	-
Head grade (g/t)	17.6	13.6	12.8	17.3	15.45	17.0	12.99	-
Recovery (%)	99.1	98.6	99.0	99.2	98.9	98.7	97.5	-
Gold ounce produced (oz)	35,016	28,410	27,970	35,594	29,688	32,990	14,482	-
Gold ounce sold (oz)[45]	34,876	27,912	28,788	34,979	34,271	34,590	8,250	-
Financial results per unit[46]								
Average realized selling price (oz)	1,270	1,286	1,254	1,229	1,208	1,335	1,266	-
Cash operating cost (oz)	417	445	498	404	414	348	-	-
Total cash cost (oz)	488	522	545	454	461	417	-	-
Site all-in sustaining cost (oz)	554	779	829	680	665	667	-	-
All-in sustaining cost (oz)	609	833	873	720	702	700	-	-

[42] 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.
[43] 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.
[44] Prior to September 30, 2016, the Company was in the exploration and development stage of activities on its mineral properties and all pre-commercial production revenues were recognized as a reduction of capitalized costs. On October 1, 2016, the Company declared commercial production and started generating revenues as of this date.
[45] Gold ounces produced include ounces related to deferred sales.
[46] 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.

22. 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 water acquisition, exploration, development, and operation involves significant financial and other risks over an extended period of time, 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 in the event that 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 used 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 of 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 significant 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, and is developing the Bagassi South project, the Yaramoko Gold Mine is currently the Company's sole producing asset, providing all of 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. Any adverse changes or developments affecting the mine, such as, but not limited to, the inability to successfully complete the Bagassi South development project or other work programs or expansions, obtain financing on commercially suitable terms, or hire suitable personnel and mining contractors, may have a material adverse effect on the Company's financial performance, results of operations and liquidity.

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

Due to the fact that mines have limited lives based upon proven and probable Mineral Reserves and Mineral Resources, 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 of 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.

The Company is aware of the regional threat of the Ebola virus on its operations. While the affected countries include Guinea, Liberia, Sierra Leone and Nigeria, there were no known cases of Ebola reported in Burkina Faso. The Company has formulated a response plan in partnership with an organization that provides paramedic and evacuation services in most African countries, including those affected by Ebola. The intent of the plan is to mitigate the risk of Ebola to the Company's consolidated operations and staff in the event of a known threat 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. In light of 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 a number of 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. In addition, in order to develop the Bagassi South property, the Company will require an extension to its existing exploitation permit for the Yaramoko Gold Mine to include such additional property. 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.

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 of 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 t 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. As well, both the French and Canadian government authorities, respectively, have issued warnings of heightened risk of jihadist incursions from Mali in certain areas within an 80 kilometre wide zone along the western border of Burkina Faso; while the Yaramoko Gold Mine is located approximately 120 kilometres from the border. 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 of 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.

23. 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.

24. 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.

25. 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.

26. Qualified person

Paul Criddle, FAUSIMM, 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.

Yan Bourassa, P.Geo, 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 March 28, 2018, and available on SEDAR at www.sedar.com.

27. 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.