

TORONTO, Nov. 16, 2015 /CNW/ - [Roxgold Inc.](#) ("Roxgold" or "the Company") (TSX.V: ROG) today reported its financial results for the three and nine-month periods ended September 30, 2015, including development highlights from its Yaramoko project in Burkina Faso, West Africa.

For complete details of the unaudited Condensed Interim Consolidated Financial Statements and associated Management's Discussion and Analysis please refer to the Company's filings on SEDAR (www.sedar.com) or the Company's website (www.roxgold.com). All figures are expressed in Canadian dollars except where otherwise indicated.

THIRD QUARTER 2015 HIGHLIGHTS

Over the third quarter of 2015, Roxgold made significant progress on developing its Yaramoko project. The following are highlights from the quarter ended September 30, 2015:

- Mobilization of engineering, procurement, and construction ("EPC") and underground mining contractors;
- Further construction progress at the Yaramoko project with approximately US\$33 million spent to September 30, 2015, of the overall US\$110.8 million cost estimate, and on track for first gold pour in the second quarter of 2016;
- Receipt of approved Mining Convention under the 2003 Burkina Faso Mining Code;
- First project finance drawdown of US\$30 million (\$40.4 million) as part of the credit agreement of US\$75 million (the "Credit Facility") with BNP Paribas and Société Générale Corporate and Investment Banking;
- Closing of US\$5 million (\$6.3 million) investment by the underground mining contractor;
- Closing of an \$18.4 million investment by the International Finance Corporation ("IFC");
- Completion of the 55 Zone infill drilling program supporting the feasibility resource model;
- Extension of QV1 mineralization at Bagassi South including 13.7 grams of gold per tonne ("gpt") over 7.2 meters.

John Dorward, CEO and President of Roxgold, states "We are extremely pleased with construction progress of the Yaramoko Project during the third quarter of 2015. With a strong cash balance and fully funded through to production in Q2 2016, we remain optimistic that the Project will remain on budget and schedule."

DEVELOPMENT ACTIVITIES

A. Construction Update

Camp Construction and Bulk Earthworks

The construction of the 190 person accommodation camp continued to advance during the third quarter of 2015. It was completed subsequent to the end of the third quarter and occupancy had begun.

Bulk earthworks are well advanced and are approximately 95% complete. The Water Storage Facility has been completed and has collected an estimated 170,000 m³ of water during the current wet season. In addition, the Tailings Storage Facility embankment has been completed. Both of these structures have been constructed as per the project design and budget, and the lining of the Tailings Storage Facility is currently being installed.

Mine Development

On July 6, 2015, the underground mining contractor, a subsidiary of African Underground Mining Services ("AUMS"), mobilized to the Yaramoko project. The mining services contract (the "Mining Contract") entered into with AUMS has an initial term of four years and includes the provision of a mining fleet and skilled labour force. As previously announced, Roxgold also has the option (the "Mining Contract Option") to settle up to US\$10 million (\$13.3 million) in payments under the Mining Contract in the form of the Company's common shares (the "Payment Shares") which it anticipates utilizing in 2016 as part of the financing package for the development of the Yaramoko project. The subscription price for each Payment Share will be based on a 5% discount to the volume weighted average price of Roxgold shares on the TSX Venture Exchange for the five trading days following the date of the particular invoice. The proceeds of the sale of the Subscription Shares (defined below) and the value of services to be provided in exchange for the Payment Shares together represent approximately 50% of the anticipated pre-production underground development capital expenditures.

For more information please refer to the Company's July 6, 2015 press release available on SEDAR at www.sedar.com.

AUMS is now established on site with continuing development of the permanent surface mining infrastructure, including workshops, offices and the power station.

During the third quarter of 2015, the underground ramp development advanced 30 metres from the mine portal and the installation

of the Armtec tunnel continued, on schedule, with 80% of its steelwork erected. Subsequent to the end of the third quarter, the installation of the tunnel was completed and underground ramp development advanced to approximately 300 metres.

Processing Plant

Construction of the processing plant is approximately 37% complete, with key structures, including the Semi Autogenous Grinding ("SAG") mill pedestals and carbon-in-leach ("CIL") tank ring beams completed. The gold room and reclaim tunnel are also well advanced. Process plant civil works have commenced and are approximately 40% complete.

The EPC contractor, the DRA/Group Five Joint Venture, has completed all design and long lead procurement contracts. Platework began arriving on site in September while structural steel was fabricated in Europe and shipped in October.

Although some minor delivery delays were experienced in September due to the political situation in Burkina Faso, (see "Trends") the processing plant is forecasted to be completed both on time and on budget.

B. Permitting

New Mining Code in Burkina Faso

On July 16, 2015, a new mining code was ratified by the interim president of Burkina Faso.

The mining convention for the Yaramoko project signed on July 13, 2015 and the mining decree granted on February 2, 2015 were both issued in accordance with the 2003 Burkina Faso Mining Code and as such the Yaramoko project is subject to a corporate tax rate of 17.5%.

A copy of the Convention is available on SEDAR at www.sedar.com.

C. Financing Update

In July 2015, the Company completed the execution of the Hedging Program in connection with the above mentioned Credit Facility. The Hedging Program totals forward sales of 65,000 ounces at an average price of US\$1,052 per ounce, which are to be settled on a monthly basis from January 2017 to March 2021. The execution of the Hedging Program was a key condition precedent associated with the Credit Facility.

On July 20, 2015, the Company closed a US\$5 million (\$6.3 million) private placement to AUMS in connection with its mobilization. The private placement consisted of the issuance of 8,979,286 Roxgold common shares (the "Subscription Shares") at a price of \$0.70 per share, for gross proceeds of approximately \$6,284,000. AUMS holds approximately 3% of the issued and outstanding common shares of the Company on an undiluted basis.

On September 9, 2015, Roxgold closed a non-brokered private placement to IFC. IFC's investment consists of 25,783,352 units (the "Units") at a price of \$0.7136 per Unit, for gross proceeds of \$18.4 million. Each Unit consists of one common share and one-half of one common share purchase warrant. Each full warrant will be exercisable for one additional common share of the Company, at a conversion price equal to \$0.90 per share, for a period of two years following the date of issuance of the Units. All common shares and warrants that comprise the Units and any common shares issued on exercise of the warrants are subject to a four month hold period, expiring on January 10, 2016. IFC holds approximately 8% of the issued and outstanding common shares of the Company on an undiluted basis.

On September 14, 2015, the Company completed its first project finance drawdown of US\$30 million (\$40.4 million) under the US\$75 million (\$100.1 million) 6-year senior secured Credit Facility. The Credit Facility is jointly provided by Société Générale Corporate & Investment Banking and BNP Paribas. The availability of the remainder of the Credit Facility for drawdown is subject to, among other things, a number of customary conditions precedent for facilities of this nature, including a funding ratio of Yaramoko project costs funded by the Company as compared to project costs funded by the Credit Facility as of the date of each subsequent drawdown.

With the private placements to AUMS and IFC, respectively, the balance of the Credit Facility of US\$45 million and a further US\$10 million available from AUMS in exchange for pre-production underground mining services, it is anticipated Roxgold is fully funded to complete the Yaramoko Gold Project.

D. Regional Exploration Program

Roxgold discovered a new mineralized domain, called the QV1 extension, at Bagassi South during the second quarter of 2015. By

the end of the third quarter, the Company had defined a strike length of 230 metres on the QV1 extension and had traced it to the south where the mineralization was crosscut by a late dolerite dyke. Drilling on the south side of the dyke commenced late in June 2015 and was completed in July 2015. This program tested the continuation of the mineralization encountered to the north of the dyke and increased the strike length of the QV1 extension in excess of another one hundred metres to the south of the dyke. Further testing of the down plunge and strike potential will be carried out during the last quarter of 2015.

Highlights from this program at Bagassi South included (all intervals are reported uncut)*:

- 14.5 gpt gold over 6.05 metres in diamond drill hole YRM-15-DD-BGS-095;
- 13.7 gpt gold over 7.2 metres including 13.7 gpt over 1.5 metres and 40.3 gpt over 1.5 metres in diamond drill hole YRM-15-DD-BGS-090;
- 11.0 gpt gold over 7.5 metres including 33.7 gpt over 0.8 metres and 19.4 gpt over 1.7 metres in diamond drill hole YRM-15-DD-BGS-089.

*True widths for QV1 intersections are estimated to be between 85% and 90% of reported core intervals.

For more information please refer to the Company's press releases dated August 11, 2015 available on SEDAR at www.sedar.com.

E. Political Situation in Burkina Faso

On September 16, 2015, elements of the Presidential Regiment (RSP), a select group from within the Burkina Faso military, attempted a Coup d'état in Burkina Faso affecting the country for two weeks. The situation was resolved on September 29, 2015. Roxgold employees and non-essential personnel were not harmed and there were no security issues noted on Roxgold sites during the political unrest. A new election date has been set for November 29, 2015. There was no material disruption to the Company's activities and construction at Yaramoko continued as planned.

EVENTS SUBSEQUENT TO SEPTEMBER 30, 2015

Completion of the 55 Zone infill program

The Company received the results for the remaining 48 holes from the 55 Zone infill drilling program. The entire program totalled 75 holes for a total of approximately 6,900 metres of diamond drilling, to depths of up to 150 metres. The results encountered within the program were encouraging and consistent with expectations and will be incorporated into modeling providing more detailed resolution to the upper hundred metres of the deposit prior to start-up of mining activities.

The highlights from the results are listed below (all intervals are reported uncut):

- 73.9 gpt gold over 5.5 metres (4.4 metres estimated true width) in diamond drill hole YRM-15-DD-368a;
- 91.2 gpt gold over 2.6 metres (2.1 metres estimated true width) in diamond drill hole YRM-15-DD-375;
- 20.4 gpt gold over 6.0 metres (5.2 metres estimated true width) in diamond drill hole YRM-15-DD-352;
- 13.5 gpt gold over 8.8 metres (7.3 metres estimated true width) in diamond drill hole YRM-15-DD-354; and
- 24.3 gpt gold over 4.4 metres (3.6 metres true width) including 107.0 gpt over 1.0 metres (0.8 metres true width) in diamond drill hole YRM-15-DD-328.

For more information please refer to the Company's press releases dated October 8, 2015 available on SEDAR at www.sedar.com.

NEAR TERM CORPORATE OBJECTIVES¹

In the near term, planned corporate objectives include:

- Continue to advance construction at the Yaramoko project with first production scheduled for Q2 2016;
- Continue to develop the systems and procedures to transition to the operational phase; and
- Further exploration work at the promising Bagassi South prospect.

REVIEW OF FINANCIAL RESULTS

	Three-month period ended September 30, 2015	Three-month period ended September 30, 2014	Nine-month period ended September 30, 2015	Nine-month period ended September 30, 2014
Cost of operations				
General and administrative expenses	765,000	1,044,000	2,520,000	3,379,000
Depreciation	58,000	56,000	186,000	150,000
Share-based payments	1,083,000	139,000	1,834,000	883,000
Operating loss for the period	1,906,000	1,239,000	4,540,000	4,412,000
Other expenses (income)				
Interest income	(3,000)	(90,000)	(66,000)	(189,000)
Standby fees	457,000	-	457,000	
Change in fair value of derivative instrument	7,234,000	-	7,234,000	
Unrealized foreign exchange gain	(1,670,000)	(322,000)	(3,621,000)	(213,000)
Indirect tax	45,000	-	138,000	-
	6,063,000	(412,000)	4,142,000	(402,000)
Loss before income taxes	7,969,000	827,000	8,682,000	4,010,000
Deferred Income tax expense	33,000	84,000	1,731,000	141,000
Net loss for the period	8,002,000	911,000	10,413,000	4,151,000
Loss per share (basic and diluted)	0.03	0.01	0.04	0.02

¹Certain elements of Near Term Corporate Objectives are forward-looking. For more information see the "Cautionary note regarding forward-looking statements".

THIRD QUARTER OF 2015 VS. THIRD QUARTER OF 2014

General and administrative expenses decreased compared to the same period in 2014. The net decrease is due to several non-recurring consulting expenditures incurred in 2014, as part of the Company's corporate reorganization and taxation planning, among other initiatives, in preparation for project financing. Additionally, there was a reduction in expenditures on investor relations in 2015. In addition, 2015 costs relating to the Credit Facility were capitalized whereas during the same period in 2014 not all of these costs were capitalized.

Share-based payment costs of \$1,083,000 in the third quarter of 2015 include \$125,000 (2014: \$55,000) of costs associated with the vesting of stock options, a gain of \$92,000 (2014: (\$33,000)) related to the fluctuation of the value of deferred share units ("DSU") granted under the initial DSU plan and expenses totalling \$930,000 for the annual grant of DSUs to directors, and

costs of \$120,000 (2014: \$117,000) related to the restricted share units ("RSU") granted under the RSU plan.

The other expenses during the three-month period ended September 30, 2015 are mainly due to the change in the fair value of the gold forward sale contracts which was partially offset by a foreign exchange gain in relation to the Company's cash on hand during the period. The forward sale contracts were entered into as a condition precedent to be able to access funds available through the Credit Facility.

QUALIFIED PERSONS

Ben Pullinger P.Geol, 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 press release.

Craig Richards P.Eng, Principal Mining Engineer for [Roxgold Inc.](#), a Qualified Person within the meaning of National Instrument 43-101, has verified and approved the technical disclosure contained in this press release.

ABOUT ROXGOLD

Roxgold is a gold exploration and development company with its key asset, the high grade Yaramoko Gold Project, located in the Houndé greenstone region of Burkina Faso, West Africa. The Company is currently advancing Yaramoko's 55 Zone through development and expects to commence production in the first half of 2016. Roxgold trades on the TSX Venture Exchange under the symbol ROG.

"Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release."

These statements are based on information currently available to the Company and the Company provides no assurance that actual results will meet management's expectations. In certain cases, forward-looking information may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Forward-looking information contained in this MD&A is based on certain factors and assumptions regarding, among other things, the estimation of mineral resources and reserves, the realization of resource and reserve estimates, gold metal prices, the timing and amount of future exploration and development activities and expenditures (including without limitation planned activities at the Yaramoko project, future drilling activities and the completion of the Tailings Storage Facility and processing plant), the estimation of initial and sustaining capital requirements, the estimation of labour and operating costs, the Company's intention to exercise the Mining Contract Option (as defined below), the availability of necessary financing (including the availability of amounts to be drawn down under the Credit Facility (as defined herein)) and the Company's proposed use of proceeds from past financings, the availability of materials to continue to explore and develop the Yaramoko project in the short and long-term, the progress and interpretation of exploration and development activities, and assumptions with respect to currency fluctuations, environmental risks, title disputes or claims, and other similar matters. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters and expenditures as plans continue to be redefined including the possibility that mining operations may not commence at the Yaramoko project and other planned future exploration and/or development activities may not proceed as planned, risks relating to variations in mineral resources and reserves, grade or recovery rates resulting from current exploration and development activities, risks relating to changes in gold prices and the worldwide demand for and supply of gold, risks related to increased competition in the mining industry generally, risks related to current global financial and general economic conditions, uncertainties inherent in the estimation of mineral resources and reserves and other assumptions and estimates contained in the Preliminary Economic Assessment entitled "NI 43-101 Preliminary Economic Assessment for the Yaramoko Project, Burkina Faso" and dated October 29, 2013 ("PEA") and in the Feasibility Study entitled "Technical Report for the Yaramoko Gold Project, Burkina Faso" (each of which are available on SEDAR at www.sedar.com), access and supply risks, reliance on key personnel, operational risks inherent in the conduct of mining activities, including the risk of accidents, labour disputes, increases in capital and operating costs and the risk of delays or increased costs that might be encountered during the construction and development process, regulatory risks, including risks relating to the acquisition of the necessary licenses and permits, financing and access to capital, including risks relating to the, currency fluctuations, capitalization and liquidity risks, including the risk that the financing necessary to fund the exploration and development activities at the Yaramoko project may not be available on satisfactory terms, or at all, risks related to disputes concerning property titles and interest, political uncertainty and changes in legal or social conditions in the countries in which the Company operates (including without limitation political uncertainty relating to the attempted coup d'etat in Burkina Faso that occurred in September 2015 and the elections scheduled to be held in November 2015), difficulty in obtaining required equipment, supplies and services in a timely manner, changes in labour laws, environmental risks and other risks and uncertainties unique to the Company or common to public companies, mining companies and companies doing business in multiple political jurisdictions. See "Risk Factors". This list is not exhaustive of the factors that may affect any of the Company's forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking information. The Company does not undertake to update any forward-looking

information that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

SOURCE [Roxgold Inc.](#)

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