

ROXGOLD INC.

Management's Discussion and Analysis of Financial Position and Results of Operations ("MD&A")

The following information, prepared as of September 25, 2008, should be read in conjunction with the unaudited consolidated financial statements of Roxgold Inc. (the "Company") for the nine months ended July 31, 2008, together with the Company's audited consolidated financial statements for the year ended October 31, 2007, and the accompanying management's discussion and analysis for the fiscal period then ended ("the Annual MD&A"). All amounts are expressed in Canadian dollars unless otherwise indicated and have been prepared in accordance with Canadian generally accepted accounting principles.

FORWARD-LOOKING STATEMENTS

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "suggests" and similar expressions.

This MD&A and in particular the "Outlook" section, contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Information concerning the interpretation of drill results may also be considered a forward-looking statement, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of September 25, 2008.
- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.
- The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and Uncertainties".

GENERAL

The Company is a junior natural resource company engaged in the acquisition, exploration and development of natural resource properties. The Company is yet to receive any revenue from its mineral exploration operations. Accordingly the Company has no operating income or cash flows. Its continued existence has relied almost exclusively upon equity financing activities, which is not expected to significantly change in the immediate future.

Name Change and Share Consolidation

On January 15, 2007, the Company received regulatory approval to change its name to Roxgold Inc. and to consolidate its shares on the basis of one new Roxgold Inc. share for every two old shares. On January 16, 2007, shares of the Company commenced trading on TSX Venture Exchange under the symbol ROG.

Roxgold Acquisition

On February 21, 2007, the Company completed the acquisition of a private company ("638654 B.C. Ltd") ("the Acquisition") that held the rights or title to the Gosico and the Tommy Jack mineral properties (collectively "the TJ Ridge Project"). In order to acquire the TJ Ridge Project, the Company issued 4,500,000 post-consolidation shares to the former shareholders of 638654 B.C. Ltd. In addition, the Company agreed to pay a 2% net smelter royalty to the underlying vendors of both the Gosico and Tommy Jack properties.

Alan Raven, the majority owner of 638654 B.C. Ltd, was appointed President and CEO of Roxgold immediately following the Company's Special Meeting of Shareholders held December 13, 2006, wherein the Company's shareholders approved the Acquisition. Upon completion of the terms of the agreement, Mr. Raven received 2,365,200 of the 4,500,000 post-consolidation shares issued.

Pursuant to the terms of the Acquisition, two further conditional share issuances may occur:

1. A second tranche of up to 1,000,000 shares are to be issued within a period of three years, such period ending January 23, 2010, upon the Company establishing, pursuant to a National Instrument 43-101 Report ("NI 43-101 Report") in respect to the TJ Ridge Project that the property contains a resource estimate of 1,000,000 ounces of gold equivalent. 500,000 shares will be issued on establishing a resource of 500,000 ounces of gold equivalent and an additional 100,000 shares for each additional 100,000 ounces established up to 1,000,000 ounces.

2. A third tranche of 1,500,000 shares will be issued within a period of five years such period ending January 23, 2012 upon the Company obtaining an NI 43-101 Report confirming a deposit in respect to the properties containing a minimum of 2,000,000 ounces of gold equivalent.

All shares issued are subject to an Exchange Surplus Security Escrow agreement.

For the purposes of the resource calculations associated with the second and third tranche share issuances, a "measured" ounce equates to 1.0 ounce; an "indicated" ounce equates to 0.75 ounces, and an "inferred" ounce equaling 0.5 ounces, as those terms are defined in the "Standards On Mineral Resources and Reserves, Definitions and Guidelines" published by the Canadian Institute of Mining, Metallurgy and Petroleum.

In addition, to acquire a 100% interest in the Tommy Jack property, the Company must make payments totaling \$120,000 and complete shares issuances totaling 400,000 shares over four years with an additional 200,000 shares to be issued upon commercial production.

On February 29, 2008, the Company and 638654 B.C. Ltd. were amalgamated.

TJ Ridge Project

Roxgold Inc.'s primary asset is the 10,000 hectare TJ Ridge Project located 95 kilometers north of Hazelton, B.C. which is comprised of the Gosico Property (Roxgold 100% subject to a 2% NSR), certain contiguous claims (Roxgold 100%), as well as the adjoining Tommy Jack Property (Roxgold has an option to acquire a 100% interest subject to a 2% NSR) (the "Property").

Geology

Prior to 2007, detailed geological mapping of the property was hindered by the heavy forest cover with outcrops generally confined to creek beds resulting in rock exposure of less than 1%. Select portions of the large property were explored during 2007 and 2008 using mechanized trenching and drilling which has led to a better geological understanding of the areas tested

The Property is primarily underlain by sediments of the Bowser Lake Group (fine to medium grained arkosic sandstone and intercalated siltstone, shale, argillite and minor conglomerate). On the western side of the property these sediments have been intruded by near vertical quartz-feldspar porphyry dacite to rhyolite dykes. On the Eastern side of the property, a older monzonite intrusive and penetrating the sediments while younger quartz feldspar porphyry ("QFP") dykes penetrate both the sediments and the monzonite. The altered and variably mineralized monzonite sills was intersected in the majority of the 2008 drill holes completed on the East Side has been subjected to retrograde alteration causing it to be kaolinized and strongly sericite altered. The cause of the alteration of the monzonite is hypothesized to be related to a series of the younger QFP dykes. The mineralization is believed to be associated with these younger QFP dykes with the monzonite forming an impermeable cap causing the mineralized solutions to pool below it.

Previous Exploration

Prior to 2007, exploration on the property was limited to soil sampling, prospecting and hand trenching. This initial work demonstrated the potential for high grade mineralization including 35 float samples, 18 of which assayed in excess of 10 g/t gold, with a high of 74.3 g/t gold. Similarly, 15 of the samples assayed in excess of 100 g/t silver, and a high of 2086 g/t silver.

Soil geochemistry has proven an effective exploration tool. Portions of some of the stronger anomalies were explored in 2007 and 2008 through trenching and drilling with both wide zones of low grade mineralization and narrow zones of high grade mineralization located. In general, gold mineralization appears primarily associated elevated arsenic, lead and bismuth soil sample values has a somewhat weaker associations with iron, zinc and antimony values.. Follow-up trenching and prospecting has indicated glacial till and / or high organic content due to flat marshy topography may have limited the effectiveness of the soil samples at the southern end of the surveyed area.

An airborne geophysical survey completed late in the 2007 season identified multiple EM conductors on the TJ Ridge. A strong correlation exists between the soil geochemistry and both structures evident in air photo imagery and airborne EM conductors. Follow up trenching of some of these EM conductors indicates most are related to lithology or graphite zones that are often associated with mineralization. Several higher priority outlying targets remain untested. A small IP survey completed during 2008 has located several IP resistivity / chargeability anomalies of interest on the margins of the EM conductors.

While there are some significant soil geochemistry anomalies and associated geophysical anomalies on the western side of the property, the anomalies on the eastern area, particularly those associated within QTP and monzonite, were the primary focus of 2008 exploration.

2008 Exploration

The Company has completed the field component of the 2008 \$2 million exploration program. This program was comprised of approximately 18,000 feet of diamonds drilling, several hundred meters of trenching and the construction of an access trail connecting the property to the Dumsalo Forest Service Road. Assays for the majority of the drill holes are still outstanding. Initial drill holes continued to intersect wide zones of low grade mineralization in the monzonite. Later drilling and trenching appears to have located a potentially significant zone of silver – gold- lead zinc mineralization for which assays are pending

Other

In August 2008, a member (“the Applicant”) of the Gwininitxw House of the Gitxsan First Nation filed an injunction application with the Supreme Court of British Columbia naming both the Company and the Province of British Columbia as defendants. The Applicant claimed aboriginal title on behalf of the Gwininitxw House and also claimed the Province and the

Company did not adequately consult with the Gwininitxw House with respect to an access trail and exploration program on the Company's TJ Ridge project. The Applicant sought an injunction restraining Roxgold from constructing the access trail.

The Company is vigorously defending the action through its legal counsel and is confident of its position.

On August 24, 2008, construction of the access trail passed from territory claimed by the Gwininitxw onto territory claimed by the Xsi Duutswit house of the Gitksan First Nation. As the construction activity no longer is on territory claimed by the Gwininitxw, the Company's position is that the basis for the injunction is now moot and should be withdrawn. The parties to the injunction application have agreed to an adjournment of the hearing to allow the Applicant to confirm the endpoint of the access trail.

Copper Frog Project

In May 2008 the Company announced it had agreed to terms to acquire a 100% interest in three mineral claims covering 1,875 hectares located 170 kilometres east-south-east of Dease Lake in the Liard mining district of northern British Columbia ("the Copper Frog property"). In order to earn a 100% interest in the property, subject to a 3% net smelter royalty ("NSR"), the Company must make cash payments totalling \$170,000 over five years, including \$10,000 in the first year (paid); make share issuances of up to 550,000 shares, including 50,000 shares in the first year (issued); and incur exploration expenditures of approximately \$60,000 per year. In the event the Company defines a resource equal to 200 million tonnes with a grade of 0.75% copper equivalent, the vendor will be entitled to a bonus payment of 500,000 shares. The Company has the right to reduce the NSR to 1% by making a payment at any time to the vendor in the amount of \$2 million.

The Company completed a small work program (approximately \$60,000) on the project during the 2008 field season in an effort to better understand the nature of the copper mineralization and determine whether the property has the potential to host a large tonnage copper porphyry deposit. Results are currently being interpreted to determine whether additional exploration is warranted during the 2009 field season.

QUARTERLY INFORMATION

The following is selected financial data from the Company's unaudited quarterly financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended July 31, 2008.

	Three Months Ended (\$)				Three Months Ended (\$)			
	July 31, 2008	April 30, 2008	Jan. 31, 2008	Oct. 31, 2007	July 31, 2007	April 30, 2007	Jan. 31, 2007	Oct. 31, 2006
Total Revenues	-	-	-	-	-	-	-	-
Net Income (Loss)	217,435	(102,829)	(103,230)	(38,387)	(29,778)	(247,642)	(48,878)	(69,124)
Net Loss Per Share (basic and diluted)	0.01	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)
Total Assets	5,705,490	5,451,834	5,606,218	3,843,004	3,357,865	1,243,129	1,200,676	429,512

In the quarters ended July 31, April 30, January 31, 2008, and October 31, July 31, and April 30, 2007, the reported results include a stock-based compensation charge in the amount of \$96,450, \$4,946, \$3,119, \$6,084, \$11,606 and \$371,569 respectively. In addition, during the quarters ended April 30, 2008, and October 31, July 31, and April 30, 2007, the Company recorded a write-off of mineral properties in the respective amounts of \$15,546, \$2,601, \$3,861 and \$29,837. Further, in the quarters ended July 31 and April 30, 2008, and October 31 and April 30, 2007 the Company recognized a future income tax recovery of \$424,000, \$62,000, \$57,500 and \$247,500 respectively. There were no similar charges in other quarters.

In the quarter ended July 31, 2007, the Company recorded other income in the amount of \$44,791 with respect to the net proceeds of payments pursuant to the Journey Option that exceeded the carrying value of the Musgrove Creek Gold Prospect.

In addition, in the quarter ended October 31, 2006 the Company recorded a credit to the statement of income in the amount of \$34,267 with respect to gain on settlement of debt. This accounting adjustment reflected efforts by the Company to settle past liabilities before moving forward with its current business plan.

Quarter-over-quarter changes in total assets reflect increases arising from the completion of financings in the respective period plus the issuance of securities to acquire mineral properties offset by operating losses including the write down or write-off of resource properties.

RESULTS OF OPERATIONS

Nine Months Ended July 31, 2008

The Company recorded net income of \$11,376 (\$0.00 per share) for the nine months ended July 31, 2008, as compared to a net loss of \$327,298 (\$0.02 per share) for the comparable period in 2007. The table below details certain non-cash and other transactions that for the purposes of this discussion have been adjusted out of the reported net income/loss to produce an adjusted net

loss that forms a better basis for comparing the period over period operating results of the Company.

	Nine months ended July 31,	
	2008	2007
Net income (loss) for the period as reported	\$ 11,376	\$ (327,298)
Amortization	14,255	709
Stock-based compensation	104,515	383,175
Loss on sale of marketable securities	9,037	331
Write-off/write-down of mineral properties	11,546	33,698
Future income tax recovery	(486,000)	(247,500)
Interest and other income	(47,237)	(66,029)
Adjusted net loss for the period	\$ (382,508)	\$ (222,914)

Comments regarding certain of these items are as follows:

- the stock-based compensation charge in the 2007 reporting period relates to a grant of options in that period that largely vested on grant while the charge in 2008 relates to a smaller number of options granted that have vesting terms over a one-year period;
- the loss on sale of marketable securities relates to the sale of the remaining common shares the Company held in Journey Resources Corp. which it had received pursuant to a mineral property option agreement;
- the write-off of mineral properties in the 2008 reporting period relates to expenditures on claims located in northern B.C. that had previously been included in the TJ Ridge Project costs but which in fact were not really connected to the project. The Company does not plan any further work on these claims and as such a write-off of the deferred exploration expenditures has been taken in the current reporting period. The write-down of mineral properties in the 2007 reporting period relates primarily to the Antoine claims that we sold during the third quarter of fiscal 2007 for \$1,000.
- the recovery of future income taxes arose as a result of the Company's accounting treatment of certain flow-through shares issued in prior periods and the corresponding renunciations of qualifying exploration expenditures to the subscribers of these shares. The renunciations occurred respectively during February 2008 and 2007.
- the decrease in interest and other income occurred because the fiscal 2007 period balance includes approximately \$45,000 of income recorded from mineral property option payments received whereas the current period has \$nil of other income. With respect to interest income, the Company had more surplus cash on hand during the nine months ended July 31, 2008 as compared to the same period in 2007 and as such recorded more interest income in the current period.

The increase to the adjusted net loss recorded in the current period as compared to the 2007 period is the net result of a number of different increases and decreases to various expenses recorded during the current period. Of note are the following items:

- accounting and audit fees (\$68,308 vs \$43,049) increased largely due to increased audit expense related to the fiscal 2007 audit that was not recorded until the current fiscal period as well as an increased provision in the current period with respect to the current year's audit;
- amortization (\$14,255 vs. \$709) increased simply because the Company owned more equipment during the current period as compared to the 2007 period;
- investor relations expense (\$66,454 vs. \$20,126) increased due to contractual agreements the Company had made with respect to such services. On March 28, 2007 the Company entered into an investor relations agreement with Marketsmart Communications Inc. ("Marketsmart"). Services to be provided included investor and shareholders communication services as well as assisting the Company in the development and distribution of marketing collateral. The agreement had a term of one year, and was cancelled by the Company effective March 31, 2008. Pursuant to the agreement Marketsmart was paid \$5,000 per month and was granted 130,000 options having a strike price of \$0.32. None of the options were exercised and all were forfeited on April 30, 2008.

On February 28, 2008, the Company entered into an agreement with BMK Partners Inc. ("BMK") for the provision of investor relations, corporate communications and marketing services to the Company. The agreement had an initial one-year term pursuant to which the Company paid a monthly fee of \$7,500. The Company also granted to BMK 150,000 stock options with an exercise price of \$0.25 per share and a two-year life. The Company terminated the agreement effective October 15, 2008;

- legal fees (\$8,802 vs. \$21,919) decreased primarily because during the first quarter of fiscal 2007 a significant amount of legal and securities work was incurred in connection with the corporate reorganization and name change that occurred at that time;
- management fees, salaries and benefits (\$97,991 vs. \$44,500) increased in the current period as they include the salary/fees paid to the President and a director who assists in administrative, financing and technical matters on a daily basis whereas in the comparable period such arrangement did not commence until January 1, 2007, and a significant portion of the President's salary/fee was charged to project costs where as in the current fiscal period 100% of his salary has been recorded as part of the administrative expenses. Further, the salary/fee paid to these two individuals was increased in the aggregate for from \$8,500 to \$10,500 per month effective January 1, 2008;

- during the current fiscal period \$19,502 was recorded for Part XII.6 income tax interest expense. This interest charge occurred because the Company did not expend all of the flow-through funds it raised in calendar 2006 by the end of February 2007. By law an interest fee was applied to the unexpended balance of these funds at the end of each month from March 2007 onward until such time as the funds had been fully expended, which was in August of 2007. A similar charge will arise with respect to the unexpended portion of flow-through funds raised in calendar 2007 and that are on hand for month ends beginning March 2008; and
- rent expense (\$18,823 vs \$7,983) increased because during the comparative period the Company only rented office space commencing January 1, 2007, whereas in the current period the Company rented office space for the whole nine-month period and moved to larger premises effective May 1, 2008 with a commensurate increase in monthly rental expense.

With respect to project expenditures incurred during the current fiscal period (\$1,360,154), these are all detailed on Schedule 1 to the accompanying unaudited interim financial statements for the nine months ended July 31, 2008. The costs reported are a combination of final expenditures from the 2007 field program and current expenditures related to the 2008 field program, which ramped up in June 2008. The field crew was demobed from the exploration site in the third week of September. Ongoing work includes assaying the final drill core and rock samples collected as well as compiling and modeling all of the technical data gathered in the current field season.

Three Months Ended July 31, 2008

After taking into account those adjustments to the operating results as described above for the nine months ending July 31, 2008, the adjusted net loss for the current quarter is \$119,804 as compared to \$93,997 for the quarter ended July 31, 2007. There are no reasons for changes in expense items that differ from those described in the section dealing with the results of operations for the six months ended April 30, 2008.

FINANCING ACTIVITIES AND CAPITAL EXPENDITURES

On December 5, 2007 the Company completed a private placement of 4,000,000 units at \$0.43 per unit for gross proceeds of \$1,720,000. Each unit is comprised of one flow-through common share and one-half of one non-flow-through common share purchase warrant. Each whole warrant entitles the holder thereof to purchase an additional non-flow-through common share at \$0.75 per share for a period of two years from the closing date. The agent for the placement received a commission consisting of \$108,790 cash and 67,000 non-flow-through units of the Company carrying identical terms and conditions as those issued in the private placement except that the units were comprised of non-flow-through shares (ascribed value \$28,810). In addition, the Company issued warrants to the agent entitling it to purchase 320,000 common shares of the Company at \$0.55 per share for a period of two years from the closing.

On December 7, 2007 the Company completed a private placement of 1,000,000 flow-through units at \$0.43 per flow-through unit for gross proceeds of \$430,000. Each flow-through unit is comprised of one flow-through common share and one-half of one non-flow-through common share purchase warrant. Each whole warrant entitles the holder thereof to purchase an additional non-flow-through common share at \$0.75 per share for a period of two years from the closing date. A finder's fee of \$25,456 cash was paid in connection with the offering.

Other financing was realized from the sale of certain marketable securities (\$54,588) and from the exercise of 10,000 stock options at \$0.20 per share.

With respect to the nine months ended July 31, 2007, and as noted earlier, on January 15, 2007, the Company received regulatory approval to change its name to Roxgold Inc. and to consolidate its shares on the basis of one new Roxgold Inc. share for every two old shares.

In May 2007 the Company completed a non-brokered private placement of 2,000,000 units at a price of \$0.32 per unit for proceeds of \$640,000. Each unit is comprised of one share and one share purchase warrant. Each share purchase warrant entitles the holder to acquire an additional common share at a price of \$0.35 per share until May 22, 2008 and at a price of \$0.40 per share thereafter until expiry on May 22, 2009. The Company paid a finder's fee in connection with the financing comprised of 200,000 units and issued an agent's warrant entitling the finder to purchase an additional 200,000 units at a price of \$0.32 per share for a period of two years, each unit being identical to those issued pursuant to the financing.

Also during the nine months ending July 31, 2007, 1,536,745 outstanding warrants were exercised generating gross proceeds of \$339,024.

In September 2008 the Company announced it had agreed to terms with respect to a private placement of up to 1 million units at \$0.12 per unit for gross proceeds of \$120,000. Each unit is comprised of one flow-through common share and one non-flow-through common share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to purchase one non-flow-through common share at \$0.15 per share for a period one year following closing. The offering is subject to regulatory approval.

The project expenditures of the Company during the current period and comparable period consisted almost entirely of expenditures related to exploring the TJ Ridge Project.

LIQUIDITY AND CAPITAL RESOURCES

The Company's operations consumed approximately \$331,000 of cash (before working capital items) for the nine months ended July 31, 2008 (2007 - \$182,000) with an additional approximate \$905,000 (2007 - \$405,000) utilized on mineral property acquisitions and deferred exploration expenditures. The cash requirement during the current period was fulfilled largely from private placement financings completed during the period and from cash on hand at the beginning of the period.

The Company's aggregate operating, investing and financing activities during the current period resulted in a net increase in its cash balance (including cash equivalents) from approximately \$646,000 at October 31, 2007 to \$1,195,000 at July 31, 2008. The Company's working capital increased by approximately \$275,000 correspondingly during the same period, and stood at \$830,000 at July 31, 2008.

Aside from property acquisition payments and exploration commitments described under the Resource Properties note to the financial statements, the Company does not have any commitment for material capital expenditures over the near term or long term and none are presently contemplated in excess of normal operating requirements.

The Company has not as yet put into commercial production any of its mineral properties and as such has no operating revenues or cash flows. Accordingly, the Company is dependent on the equity markets as its sole source of operating working capital, and the Company's capital resources are largely determined by the strength of the junior resource capital markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. While there are presently no known specific trends, events or uncertainties that are likely to result in the Company's liquidity decreasing in any material way over the next twelve-month period, it is unlikely that cash will be generated from operations over this period. Since the Company is unlikely to have cash flow, it will have to continue to rely upon equity and debt financing during such period.

There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to it.

TRANSACTIONS WITH RELATED PARTIES

The Company incurred the following expenditures charged by directors and officers of the Company, and companies with common directors.

	Three months ended July 31,		Nine months ended July 31,	
	2008	2007	2008	2007
Accounting fees	\$ 7,530	\$ 7,500	\$ 35,980	\$ 34,800
Management fees	10,500	25,950	29,500	44,950
Mineral property costs				
Camp	84,952	-	84,952	-
Field costs	44,654	-	108,854	12,600
Exploration expenditure advances	(2,834)	-	47,166	-
	<u>\$ 144,802</u>	<u>\$ 33,450</u>	<u>\$ 306,452</u>	<u>\$ 92,350</u>

These expenditures were measured by the exchange amount which is the amount agreed upon by the transacting parties.

Included in accounts payable and accrued liabilities as at July 31, 2008 is \$102,489 (October 31, 2007: \$74,317) due companies controlled by directors of the Company and a former director of the Company.

CRITICAL ACCOUNTING ESTIMATES

The Company's financial statements are impacted by the accounting policies used, and the estimates and assumptions made, by management during their preparation. The Company's accounting policies are described in Note 2 to both the unaudited financial statements for the nine months ended July 31, 2008, as well as the audited financial statements for the year ended October 31, 2007. The accounting estimates considered to be significant to the Company include the carrying values of mineral properties and deferred exploration; the computation of stock-based compensation expense; and the computation of future income tax assets and liabilities.

Management reviews the carrying values of its mineral properties and deferred exploration on at least an annual basis to determine whether an impairment of carrying value should be recognized. In addition, capitalized costs related to abandoned properties are written off in the period of abandonment. Capitalized costs in respect of the Company's mineral claims amounted to \$4,370,394 as at July 31, 2008. These costs may not be recoverable and there is a risk that these costs may be written down in future quarters. During the current period the Company recorded a charge to the statement of operations in the amount of \$15,546 (2007 - \$36,698) with respect to a write-off/write-down of mineral properties.

The Company uses the fair-value method of accounting for stock-based compensation related to incentive stock options granted, modified or settled. Under this method, compensation cost attributable to all incentive stock options granted is measured at fair value at the grant date and expensed over the vesting period with a corresponding increase to contributed surplus. In determining the fair value, the Company makes estimates of the expected volatility of the stock as well as an estimated discount rate. Changes to these estimates could result in the fair value of the stock-based compensation being less than or greater than the amount recorded. During the nine months ended July 31, 2008, the Company recorded a stock-based compensation expense of \$104,515 (2007 - \$383,175).

Management computes the recovery of future income tax assets based on the amount of qualifying flow-through expenditures that have been renounced to investors during the fiscal year and after taking into account the estimated corporate income tax rate during such fiscal period and the availability of unrecorded income tax assets.

Similarly, management computed the future income tax liability associated with the Acquisition after taking into account the estimated corporate income tax rate during fiscal 2007 and the estimated tax value of the assets acquired from 638654 B.C. Ltd. as compared to the book value paid for such assets.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Effective November 1, 2007, the Company has adopted the following accounting standards recently issued by the CICA:

Capital Disclosures

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity, as well as cash and cash equivalents.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. As at July 31, 2008, the Company has not entered into any debt financing.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects.

The Company is not subject to any capital requirements imposed by a regulator.

Financial Instruments – Disclosure and Presentation

As of July 31, 2008, the Company's carrying values of cash and cash equivalents, GST and accounts receivable, and accounts payable and accrued liabilities approximate their fair values.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, GST and other receivables, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value.

Foreign Exchange Risk

As at July 31, 2008, all of the Company's cash and cash equivalents were held in Canadian dollars, the Company's functional currency. The Company has no operations in foreign jurisdictions outside of Canada at this time and as such has no currency risk associated with its operations.

Credit Risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is held with a large Canadian bank.

Interest Rate Risk

Included in the loss for the period in these interim financial statements is interest income on Canadian dollar cash and cash equivalents. If interest rates throughout the six-month period had been 10 basis points (0.1%) lower (higher) then net loss would have been approximately \$900 higher (\$900 lower).

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are current.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market prices of gold and silver.

Future accounting changes

Inventory

In June 2007, the CICA issued Section 3031, "Inventories", which replaces Section 3030, "Inventories" and harmonizes the Canadian standards related to inventories with International Financial Reporting Standards.

Effective for interim and annual financial statements beginning on or after January 1, 2008, this section provides more extensive guidance on the determination of cost, narrows the permitted cost formulas, requires impairment testing, and expands the disclosure requirements to increase transparency. The Company does not anticipate that the adoption of this standard will significantly impact its financial results.

IFRS

In January 2006, the CICA Accounting Standards Board ("ACSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by the end of 2011. The Company continues to monitor and assess the impact of the convergence of Canadian GAAP and IFRS.

Other

Effective February 29, 2008, 638654 B.C. Ltd. and the Company were amalgamated as one company, Roxgold Inc., with the effect that all of the assets and liabilities of 638654 B.C. Ltd. are now part of the Company's assets and liabilities. This transaction had no effect on the reported results of the Company.

OUTSTANDING SHARE DATA

- a) Authorized:
Unlimited common shares without par value.
- b) Issued and outstanding:
27,003,584 common shares as at July 31, 2008 for a net consideration of \$9,317,653.
- c) Outstanding warrants and options as at July 31, 2008:

Type of Security	Number	Exercise Price	Expiry Date
Share purchase warrants	2,280,000	\$0.20	September 20, 2008
Share purchase warrants	600,000	\$0.28	November 07 2008
Share purchase warrants	84,900	\$0.22	January 16, 2009
Share purchase warrants	3,485,355	\$0.30	January 16, 2009
Share purchase warrants	200,000	\$0.32	May 22, 2009
Share purchase warrants	2,400,000	\$0.35	May 22, 2009
Share purchase warrants	2,033,500	\$0.75	December 05, 2009
Share purchase warrants	320,000	\$0.55	December 05, 2009
Share purchase warrants	500,000	\$0.75	December 07, 2009
Stock options	10,000	\$0.40	February 12, 2009
Stock options	10,000	\$0.30	March 17, 2010
Stock options	1,300,000	\$0.30	March 21, 2012
Stock options	150,000	\$0.30	March 25, 2012
Stock options	150,000	\$0.25	February 28, 2013
Stock options	600,000	\$0.30	July 7, 2013
Stock options	<u>100,000</u>	\$0.25	July 7, 2013

INTERNAL CONTROL OVER FINANCIAL REPORTING

In connection with Exemption Orders issued in November 2007 by each of the British Columbia Securities Commission and Ontario Securities Commission, the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the interim consolidated financial statements for the nine months ended July 31, 2008, and this accompanying MD&A.

In contrast to the certificate under Multilateral Instrument 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) ("MI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in MI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company on SEDAR at www.sedar.com]

RISKS AND UNCERTAINTIES

Certain risks are faced by the Company which could affect its financial position. In general they relate to the availability of equity capital to finance the acquisition, exploration and development of existing and future exploration and development projects. The availability of equity capital to junior resource companies is affected by commodity prices, global economic conditions and economic conditions and government policies in the countries of operation, among other things. These conditions are beyond the control of the management of the Company and have a direct effect on the Company's ability to raise capital.

The Company's working capital and liquidity fluctuate in proportion to its ongoing equity financing activities. The Company requires a certain amount of liquid capital in order to sustain its operations and in order to meet various obligations as specified under the its resource property acquisition agreements. Should the Company fail to obtain future equity financing due to reasons as described above, it will not be able to meet these obligations and may lose its interests in the properties covered by the agreements. Further, should the Company be unable to obtain sufficient equity financing for working capital, it may be unable to meet its ongoing operational commitments.

All of the Company's resource properties are in the exploration stage and without known reserves. Exploration and development of natural resources involve substantial expenditures and a high degree of risk. Few properties which are explored are ultimately developed into producing properties. Accordingly, the Company has no material revenue, writes off its mineral properties from time to time, and operates at a loss. Continued operations are dependent upon ongoing equity financing activities.

OUTLOOK

The Company's primary focus for the foreseeable future will be on advancing the exploration and development of the TJ Ridge Project. The ability of the Company to do so is contingent upon its ongoing ability to raise the risk capital necessary to advance the projects.

OTHER 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.