

ROXGOLD INC.

(An Exploration Stage Company)

INTERIM FINANCIAL STATEMENTS

July 31, 2008

(unaudited)

**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

ROXGOLD INC.
(An Exploration Stage Company)
BALANCE SHEETS
(unaudited)

| | <u>ASSETS</u> | <u>July 31,</u> <u>2008</u> | <u>October 31,</u> <u>2007</u> |
|--|---------------|--------------------------------|-----------------------------------|
| Current | | | |
| Cash and cash equivalents | \$ | 1,194,682 | \$ 646,062 |
| Marketable securities | | - | 46,000 |
| GST and other receivables | | 87,358 | 93,762 |
| Prepaid expenses | | 21,166 | 18,135 |
| | | <hr/> | |
| | | 1,303,206 | 803,959 |
| Equipment – Note 4 | | 32,190 | 13,559 |
| Mineral properties – Note 5 and Schedule 1 | | 4,370,094 | 3,025,486 |
| | | <hr/> | |
| | \$ | 5,705,490 | \$ 3,843,004 |

LIABILITIES

| | | | |
|--|----|------------------|------------|
| Current | | | |
| Accounts payable and accrued liabilities – Note 11 | \$ | 473,224 | \$ 248,856 |
| Future income tax liability | | 716,000 | 508,000 |
| | | <hr/> | |
| | | 1,189,224 | 756,856 |

SHAREHOLDERS' EQUITY

| | | | |
|--|----|--------------------|--------------|
| Share capital – Notes 6 and 13 | | 9,317,653 | 8,440,409 |
| Contributed surplus – Note 7 | | 1,193,582 | 684,709 |
| Deferred financing costs | | - | (15,000) |
| Deficit | | (5,994,969) | (6,006,345) |
| Accumulated other comprehensive loss, net of tax | | - | (17,625) |
| | | <hr/> | |
| | | 4,516,266 | 3,086,148 |
| | | <hr/> | |
| | \$ | 5,705,490 | \$ 3,843,004 |

Nature of Operations – Note 1
Commitments – Notes 3, 5, 6 and 9

APPROVED BY THE DIRECTORS

| | | | |
|---|----------|-----------------------------------|----------|
| <u>“Robert McMorran”</u> Robert McMorran | Director | <u>“Alan Raven”</u> Alan Raven | Director |
|---|----------|-----------------------------------|----------|

SEE ACCOMPANYING NOTES

ROXGOLD INC.
(An Exploration Stage Company)
STATEMENTS OF OPERATIONS AND DEFICIT
for the nine months ended July 31, 2008 and 2007
(unaudited)

| | Three months ended July 31, | | Nine months ended July 31, | |
|--|-----------------------------|----------------|----------------------------|----------------|
| | 2008 | 2007 | 2008 | 2007 |
| General and administrative expenses | | | | |
| Accounting and audit fees – Note 11 | \$ 10,484 | \$ 7,500 | \$ 68,308 | \$ 43,049 |
| Amortization | 6,470 | 354 | 14,255 | 709 |
| Consulting fees | - | - | - | 2,970 |
| Donations | - | - | 1,500 | 10,000 |
| Filing fees | 1,743 | 3,636 | 23,699 | 26,859 |
| Interest and bank charges | 880 | 395 | 2,257 | 690 |
| Investor relations fees | 24,725 | 15,126 | 66,454 | 20,126 |
| Legal fees | 4,877 | 2,180 | 8,802 | 21,919 |
| Management fees, salaries and benefits – Note 11 | 35,266 | 25,500 | 97,991 | 44,500 |
| Office and miscellaneous | 22,984 | 6,690 | 46,934 | 21,420 |
| Part XII.6 income tax interest | - | - | 19,502 | - |
| Rent | 12,360 | 3,421 | 18,823 | 7,983 |
| Stock-based compensation – Note 6 | 96,450 | 11,606 | 104,515 | 383,175 |
| Transfer agent fees | 5,559 | 38 | 10,501 | 17,292 |
| Travel and accommodation | 973 | 4,012 | 1,009 | 5,752 |
| Loss for the year before other items | (222,771) | (80,458) | (484,550) | (606,444) |
| Other income (expense) items | | | | |
| Interest and other income | 16,159 | 54,541 | 47,237 | 66,029 |
| Write-off/write-down of mineral property | - | (3,861) | (15,546) | (33,698) |
| Loss on disposal of equipment | - | - | - | (354) |
| Loss on sale of marketable securities | - | - | (9,037) | (331) |
| General Exploration | 47 | - | (12,728) | - |
| Loss before income taxes | (206,565) | (29,778) | (474,624) | (574,798) |
| Future income tax recovery | 424,000 | - | 486,000 | 247,500 |
| Net income (loss) for the period | 217,435 | (29,778) | 11,376 | (327,298) |
| Deficit, beginning of the period | (6,212,404) | (5,939,180) | (6,006,345) | (5,641,660) |
| Deficit, end of the period | \$ (5,994,969) | \$ (5,968,958) | \$ (5,994,969) | \$ (5,968,958) |
| Basic and diluted loss per share | \$ 0.01 | \$ (0.00) | \$ 0.00 | \$ (0.02) |
| Weighted average number of shares outstanding | 26,997,062 | 21,211,905 | 26,330,671 | 16,508,286 |

SEE ACCOMPANYING NOTES

ROXGOLD INC.
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS
for the nine months ended July 31, 2008 and 2007
(unaudited)

| | Three months ended July 31, | | Nine months ended July 31, | |
|--|-----------------------------|--------------|----------------------------|--------------|
| | 2008 | 2007 | 2008 | 2007 |
| Operating Activities | | | | |
| Net income (loss) for the period | \$ 217,435 | \$ (29,778) | \$ 11,376 | \$ (327,298) |
| Add (deduct) items not involving cash: | | | | |
| Amortization | 6,470 | 355 | 14,255 | 709 |
| Stock-based compensation | 96,450 | 11,606 | 104,515 | 383,175 |
| Write-off/write-down of mineral property | - | 3,861 | 15,546 | 33,698 |
| Marketable securities received as other income | - | (25,500) | - | (25,500) |
| Loss on disposal of equipment | - | - | - | 354 |
| Loss on sale of marketable securities | - | - | 9,037 | 331 |
| Future income tax recovery | (424,000) | (247,500) | (486,000) | (247,500) |
| | (103,645) | (39,456) | (331,271) | (182,031) |
| Changes in non-cash working capital items related to operations: | | | | |
| GST and other receivables | (51,262) | (27,953) | 6,404 | (39,728) |
| Prepaid expense | (102,872) | (15,217) | (96,198) | (15,217) |
| Accounts payable and accrued liabilities | 355,271 | 107,597 | (129,583) | 121,949 |
| | 97,492 | (24,971) | (550,648) | (115,027) |
| Investing Activities | | | | |
| Deferred exploration expenditures | (548,138) | (299,974) | (904,536) | (405,378) |
| Option payments received and expenditure recoveries | - | 5,709 | - | 105,709 |
| Advances on resource property costs | - | (10,000) | - | (20,000) |
| Acquisition of equipment | (8,743) | (3,668) | (32,886) | (7,018) |
| Proceeds on disposal of equipment | - | - | - | 1,000 |
| Proceeds on sale of marketable securities | - | - | 54,588 | 17,009 |
| Acquisition of subsidiary (net of cash acquired) | - | - | - | (20,433) |
| Deposit in trust | - | - | - | (15,500) |
| | (556,881) | (287,933) | (882,834) | (344,611) |
| Financing Activities | | | | |
| Issuance of common shares, net | - | 641,274 | 1,982,102 | 1,768,024 |
| Increase in cash and cash equivalents during the period | (789,563) | 378,312 | 548,620 | 1,308,386 |
| Cash and cash equivalents, beginning of the period | 1,984,245 | 1,157,315 | 646,062 | 227,241 |
| Cash and cash equivalents, end of the period | \$ 1,194,682 | \$ 1,535,627 | \$ 1,194,682 | \$ 1,535,627 |
| Cash and cash equivalents consist of: | | | | |
| Cash | \$ 219,682 | - | \$ 219,682 | \$ 182,315 |
| Guaranteed Investment Certificates | \$ 975,000 | - | \$ 975,000 | \$ 975,000 |

Non-cash Transactions – Note 14

SEE ACCOMPANYING NOTES

ROXGOLD INC.
(An Exploration Stage Company)
STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
for the nine months ended July 31, 2008 and 2007
(unaudited)

| | Three months ended July 31, | | Nine months ended July 31, | |
|---|-----------------------------|--------------------|----------------------------|---------------------|
| | 2008 | 2007 | 2008 | 2007 |
| Net income (loss) for the period | \$ 217,435 | \$ (29,778) | \$ 11,376 | \$ (327,298) |
| Other comprehensive income in the period, net of tax | | | | |
| Unrealized gains on marketable securities | - | - | - | 23,465 |
| Realized loss on sale of marketable securities, included in net loss | - | - | (17,625) | - |
| Comprehensive income (loss) for the period | <u>\$ 217,435</u> | <u>\$ (29,778)</u> | <u>\$ (6,249)</u> | <u>\$ (303,833)</u> |

SEE ACCOMPANYING NOTES

ROXGOLD INC.
(An Exploration Stage Company)
NOTES TO THE FINANCIAL STATEMENTS
July 31, 2008
(unaudited)

Note 1 Nature of Operations and Ability to Continue as a Going Concern

Roxgold Inc. (the “Company”) is a public company listed on the TSX Venture Exchange and is in the business of acquiring, exploring and evaluating mineral properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. At July 31, 2008, the Company was in the exploration stage and had interests in properties located in Canada.

The Company is currently exploring its mineral properties and has not yet determined the existence of economically recoverable reserves. The recoverability of amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves in its resource properties, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete their development, and the attainment and maintenance of future profitable production or disposition thereof.

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

Note 2 Significant Accounting Policies

These unaudited interim financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles, following accounting policies consistent with the Company’s audited financial statements and notes thereto for the year ended October 31, 2007, except as noted below. These financial statements do not include all the disclosures required by generally accepted accounting principles and should be read in conjunction with the most recent audited financial statements of the Company.

Recent Accounting Pronouncements

On November 1, 2007, the Company adopted three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. The requirements of these new standards are for disclosure purposes only and have not impacted the financial results of the Company.

Note 2 Significant Accounting Policies – (cont'd)

Recent Accounting Pronouncements – (cont'd)

a) Capital Disclosures

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. This new disclosure is summarized in Note 12.

b) Financial Instruments

The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. Note 13 provides the required disclosure under this new accounting standard.

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.

Goodwill

The CICA issued new Handbook Section 3064, "Goodwill and Intangible Assets", which will replace Section 3062, "Goodwill and Intangible Assets". The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. The Company is currently assessing the impact of these new accounting standards on its financial statements.

Roxgold Inc.
(An Exploration Stage Company)
Notes to the Financial Statements
July 31, 2008

Note 3 Acquisition of Mineral Assets

By an agreement dated November 3, 2006, effectively closed on January 17, 2008, the Company acquired (the "Acquisition") 100% of the outstanding shares of a private mineral exploration corporation ("638654 B.C. Ltd."), in consideration for the issuance of 4,500,000 common shares. In addition, two further conditional share issuances aggregating 2,500,000 common shares may occur in respect of the Acquisition: (i) up to 1,000,000 shares upon establishing a resource estimate of up to 1,000,000 measured ounces of gold equivalent on or before January 17, 2010 and (ii) a further 1,500,000 shares upon establishing a resource estimate of an additional 1,000,000 measured ounces of gold equivalent on or before January 17, 2012.

The conditional share issuances are considered contingent consideration, the outcome of which cannot be determined without reasonable doubt. Consequently, no amount is recognized for this portion of the acquisition until the contingency is resolved and the shares are issued or become issuable.

The transaction has been accounted for using the purchase method of accounting as an acquisition of assets by the Company. The allocation of the purchase price was based on net assets acquired at assigned values at the date of the acquisition. Allocation of the purchase price to the assets acquired and liabilities assumed was as follows:

| | |
|------------------------------|---------------------|
| Current assets | \$ 8,042 |
| Equipment | 8,892 |
| Mineral properties | 1,746,994 |
| Current liabilities | (38) |
| Future income tax liability | <u>(550,000)</u> |
| Value of net assets acquired | <u>\$ 1,213,890</u> |
| Consideration paid: | |
| Value of shares issued | \$ 1,192,500 |
| Cash advances | <u>21,390</u> |
| Total consideration paid | <u>\$ 1,213,890</u> |

Transactions undertaken by 638654 B.C. Ltd. are included in the comparative financial statements from the date of acquisition, January 17, 2007, to July 31, 2007.

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.

Roxgold Inc.
(An Exploration Stage Company)
Notes to the Financial Statements
July 31, 2008

Note 4 Equipment

| | July 31, 2008 | | | October 31, 2007 | | |
|-------------------|------------------|---------------------|------------------|------------------|---------------------|------------------|
| | <u>Cost</u> | <u>Accumulated</u> | | <u>Cost</u> | <u>Accumulated</u> | |
| | | <u>Amortization</u> | <u>Net</u> | | <u>Amortization</u> | <u>Net</u> |
| Office equipment | \$ 27,701 | \$ 5,005 | \$ 22,696 | \$ 10,372 | \$ 2,745 | \$ 7,627 |
| Computer software | 19,764 | 10,270 | 9,494 | 6,616 | 684 | 5,932 |
| | \$ 47,465 | \$ 15,275 | \$ 32,190 | \$ 16,988 | \$ 3,429 | \$ 13,559 |

Note 5 Mineral Properties – Schedule 1

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

TJ Ridge Property, B.C.

Pursuant to the Acquisition (Note 3) the Company acquired a 100% interest in certain mineral claims (“the Gosico mineral claims”) located 96 kilometers north of Hazelton, B.C. as well as an option (“the Tommy Jack Option”) to acquire a 100% interest in certain adjoining claims (“the Tommy Jack claims”), collectively referred to as the TJ Ridge Property.

Consideration to acquire a 100% interest in the Tommy Jack claims is as follows:

- a) making aggregate cash payments of \$120,000 to the vendor as to:
 - i) \$10,000 on or before October 15, 2006 (paid);
 - ii) an additional \$10,000 on or before October 15, 2007 (paid);
 - iii) an additional \$20,000 on or before October 15, 2008;
 - iv) an additional \$30,000 on or before October 15, 2009;
 - v) an additional \$50,000 on or before October 15, 2010; and
- b) issuing an aggregate of 400,000 shares of the Company to the vendor as to:
 - i) 50,000 shares on the date of closing of the Acquisition (issued);
 - ii) an additional 50,000 shares on or before October 15, 2007 (issued);
 - iii) an additional 100,000 shares on or before October 15, 2008;
 - iv) an additional 100,000 shares on or before October 15, 2009;
 - v) an additional 100,000 shares on or before October 15, 2010;

Note 5 Mineral Properties – Schedule 1 – (cont'd)

TJ Ridge Property, B.C. – (cont'd)

The vendor also retained a net smelter royalty of 2% on all mineral products extracted from the property. The Company has the right to repurchase 50% of the net smelter royalty (1%) for \$1,000,000. Further, upon the Company having vested as to its 100% interest in the property, the Company has agreed to make advance royalty payments of \$5,000 per year for a period of ten years commencing on the earlier of the one year anniversary date from the date on which the vesting occurred and October 15, 2011.

The Company must pay the vendor an additional 200,000 common shares upon the commencement of Commercial Production.

The Gosico mineral claim is subject to a net smelter royalty of 2% on all mineral products extracted from the property. The Company has the right to repurchase 50% of the royalty (1%) as follows:

- a) \$500,000 for each 25% interest in and to the royalty purchased on or before a date that is six years from February 21, 2007; and
- b) \$1,000,000 for each 25% interest in and to the royalty which is purchased on or after a date which is six years from February 21, 2007.

Copper Frog Property, B.C.

Pursuant to an agreement dated April 15, 2008 the Company acquired the right to earn 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”).

The Company may earn a 100% interest in the Copper Frog property, subject to a 3% net smelter royalty (“NSR”), by paying consideration is as follows:

- a) making aggregate cash payments of \$170,000 to the vendor as to:
 - i) \$10,000 on execution of the agreement (paid);
 - ii) an additional \$25,000 on or before April 15, 2009;
 - iii) an additional \$35,000 on or before April 15, 2010;
 - iv) an additional \$50,000 on or before April 15, 2011;
 - v) an additional \$50,000 on or before April 15, 2012;
- b) issuing an aggregate of up to 550,000 shares of the Company to the vendor as to:
 - i) 50,000 shares on the date of regulatory approval (issued);
 - ii) an additional 100,000 shares on or before April 15, 2009;
 - iii) an additional 100,000 shares on or before April 15, 2010;
 - iv) an additional 100,000 shares on or before April 15, 2011;
 - v) an additional 200,000 shares on or before April 15, 2012; and
- c) incurring exploration expenditures of approximately \$60,000 per year.

Roxgold Inc.
(An Exploration Stage Company)
Notes to the Financial Statements
July 31, 2008

Note 5 Mineral Properties – Schedule 1 – (cont'd)

Copper Frog Property, B.C. – (cont'd)

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. Further, the Company must make advance royalty payments of \$20,000 per annum on April 15th of each year from 2013 to 2023 inclusive.

Note 6 Share Capital – Note 3

a) Authorized:

Unlimited common shares without par value

b) Issued and Outstanding:

| | <u>Number</u> | <u>Amount</u> |
|---|-------------------|---------------------|
| Balance, October 31, 2007 | 21,876,584 | \$ 8,440,409 |
| Issued during the period | | |
| For cash pursuant to private placement of units | 5,000,000 | 1,798,000 |
| Less: Issue costs – other | | (241,898) |
| – shares | 67,000 | - |
| For cash on exercise of options | 10,000 | 2,000 |
| Pursuant to resource property agreement | 50,000 | 8,500 |
| Transfer from contributed surplus on exercise of options (Note 7) | - | 4,642 |
| Less: Future income tax on flow-through shares | - | (694,000) |
| Balance, July 31, 2008 | <u>27,003,584</u> | <u>\$ 9,317,653</u> |

c) Financings:

During the nine months ended July 31, 2008, the Company completed financings as follows:

i) December 5, 2007

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. A value of \$286,000 (\$0.143 per whole warrant) has been attributed to these warrants using the Black-Scholes option pricing model and has been credited to contributed surplus in shareholders' equity. The assumptions used in the option pricing model are as follows: risk-free interest rate – 3.6%; expected life – 2.0 years; expected volatility – 104%; and expected dividends – nil.

Note 6 Share Capital – Note 3 – (cont'd)

c) Financings i): – (cont'd)

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. The fair value of these agent's warrants (\$0.178 per warrant; aggregate value \$57,000) as estimated using the Black-Scholes option pricing model was charged to share issue costs and credited to contributed surplus (Note 7).

The assumptions used in the pricing model are as follows: risk-free interest rate – 3.5%; expected life – 2.0 years; expected volatility – 130.4%; and expected dividends – nil. Legal and other issue expenses in the amount of \$50,652 were also charged to issue costs.

ii) December 7, 2007

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 value of \$66,000 (\$0.132 per warrant) has been attributed to these warrants using the Black-Scholes option pricing model and has been credited to contributed surplus in shareholders' equity.

The assumptions used in the option pricing model are as follows: risk-free interest rate – 3.6%; expected life – 2.0 years; expected volatility – 105%; and expected dividends – nil.

A finder's fee of \$25,456 cash was paid in connection with the offering.

d) Commitments:

i) Stock-based Compensation Plan

The Company has a stock option plan whereby, the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant.

Roxgold Inc.
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Notes to the Financial Statements
July 31, 2008

Note 6 Share Capital – Note 3 – (cont'd)

d) Commitments: – (cont'd)

i) Stock-based Compensation Plan – (cont'd)

The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSX). Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Company and, in the case of death, expire within one year thereafter. Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option.

Changes in share purchase options during the nine-month period ended July 31, 2008 are as follows:

| | <u>Number of Options</u> | <u>Weighted Average Exercise Price</u> | <u>Weighted Average Life</u> |
|---------------------------------------|------------------------------|--|--------------------------------------|
| Balance outstanding, October 31, 2007 | 1,620,000 | \$0.30 | 4.31 |
| Granted | <u>850,000</u> | \$0.29 | |
| Exercised | (20,000) | \$0.43 | |
| Forfeited | <u>(130,000)</u> | \$0.32 | |
| Balance outstanding, July 31, 2008 | <u>2,320,000</u> | \$0.30 | 4.07 |
| Balance exercisable, July 31, 2008 | <u>2,157,500</u> | \$0.30 | |

At July 31, 2008, the following share purchase options were outstanding entitling the holder thereof the right to purchase one common share for each option held:

| <u>Number</u> | <u>Exercise Price</u> | <u>Expiry Date</u> |
|------------------|---------------------------|--------------------|
| 10,000 | \$0.40 | February 12, 2009 |
| 10,000 | \$0.30 | March 17, 2010 |
| 1,300,000 | \$0.30 | March 21, 2012 |
| 150,000 | \$0.30 | March 25, 2012 |
| 150,000 | \$0.25 | February 27, 2013 |
| 600,000 | \$0.30 | July 7, 2013 |
| <u>100,000</u> | \$0.25 | July 7, 2013 |
| <u>2,320,000</u> | | |

Roxgold Inc.
(An Exploration Stage Company)
Notes to the Financial Statements
July 31, 2008

Note 6 Share Capital – Note 3 – (cont'd)

d) Commitments: – (cont'd)

i) Stock-based Compensation Plan – (cont'd)

During the nine months ended July 31, 2008, the Company recorded a stock-based compensation expense of \$104,515 (2007: \$371,569). The weighted fair value of share purchase options granted during the nine months ended July 31, 2008 of \$0.121 (2007: \$0.21) per option was estimated using the Black-Scholes option pricing model with the following assumptions.

| | <u>2008</u> | <u>2007</u> |
|------------------------------------|---------------------------|--------------------|
| a) average risk-free interest rate | 3.05% to 3.45% | 3.97% to 3.98% |
| b) expected life | 2 to 5 years | 3 to 5 years |
| c) expected volatility | 103.89% to 105.64% | 116.25% to 123.18% |
| d) expected dividends | Nil | Nil |

ii) Share Purchase Warrants

Changes in share purchase warrants during the nine months ended July 31, 2008 are as follows:

| | <u>Number of Warrants</u> | <u>Weighted Average Exercise Price</u> | <u>Weighted Average Life</u> |
|---------------------------|-------------------------------|--|--------------------------------------|
| Balance, October 31, 2007 | 9,050,255 | \$0.29 | 1.22 |
| Issued | <u>2,853,500</u> | \$0.73 | |
| Balance, July 31, 2008 | <u>11,903,755</u> | \$0.39 | 1.89 |

At July 31, 2008, the following share purchase warrants were outstanding entitling the holder thereof the right to purchase one common share for each warrant held:

Roxgold Inc.
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Note 6 Share Capital – Note 3 – (cont'd)

d) Commitments: – (cont'd)

i) Warrants – (cont'd)

| <u>Number</u> | <u>Exercise Price</u> | <u>Expiry Date</u> |
|-------------------|-----------------------|--------------------|
| 2,280,000 | \$0.20 | September 20, 2008 |
| 600,000 | \$0.28 | November 07, 2008 |
| 84,900 | \$0.22 | January 16, 2009 |
| 3,485,355 | \$0.30 | January 16, 2009 |
| 200,000 | \$0.32 | May 22, 2009 |
| 2,400,000 | \$0.35 | May 22, 2009 |
| 2,033,500 | \$0.75 | December 5, 2012 |
| 320,000 | \$0.55 | December 5, 2012 |
| <u>500,000</u> | \$0.75 | December 7, 2012 |
| <u>11,903,755</u> | | |

e) Flow-through Shares

During the nine months ended July 31, 2008, private placements included the issue of 5,000,000 flow-through common shares at \$0.43 per share for proceeds of \$2,150,000. This amount will not be available to the Company for future deduction from taxable income. As at July 31, 2008, the Company has incurred approximately \$1,148,000 of qualifying flow-through expenditures and must incur an additional \$1,002,000 on or before December 31, 2008. Subsequent to July 31, 2008, the Company incurred such expenditures.

Note 7 Contributed Surplus

The following table reconciles the Company's contributed surplus for the nine months ended July 31, 2008:

| | |
|--|---------------------|
| Balance, October 31, 2007 | \$ 684,709 |
| Value attributed to stock options granted during a prior period | 104,515 |
| Value attributed to broker warrants issued during the period (Note 6 (c) (i)) | 57,000 |
| Value attributed to warrants issued during the period (Notes 6 (c) (i) and (ii)) | 352,000 |
| Stock options exercised during the period (Note 6 (b)) | <u>(4,642)</u> |
| Balance, July 31, 2008 | <u>\$ 1,193,982</u> |

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Note 8 Accumulated Comprehensive Loss

The following table reconciles the Company's accumulated other comprehensive income (loss) for the nine months ended July 31, 2008:

| | |
|--|--------------------|
| Balance, October 31, 2007 | \$ (17,625) |
| Other comprehensive income in the period, net of tax | |
| Realized loss on sale of marketable securities, included in net loss | <u>17,625</u> |
| Balance, July 31, 2008 | <u><u>\$ -</u></u> |

Note 9 Commitments

The Company has commitments under certain field equipment rental agreements as follows:

| | |
|--------------------------------------|--------------------------|
| Three months ended, October 31, 2008 | \$ 18,000 |
| Year ended, October 31, 2009 | 72,000 |
| Year ended October 31, 2010 | <u>48,000</u> |
| | <u><u>\$ 138,000</u></u> |

By agreements effective January 1, 2008, the Company will pay \$3,500 and \$2,500 per month for management and administration services to companies with common directors. These agreements may be renewed for such period and under such terms as agreed to by the parties.

Note 10 Segmented Information

The Company operates in one reportable operating segment, being the exploration of mineral properties located in Canada.

Note 11 Related Party Transactions – Note 9

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> |

Note 11 Related Party Transactions – Note 9 – (cont'd)

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.

Note 12 Management Of Capital

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.

Note 13 Financial Instruments

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.

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Note 13 Financial Instruments – (cont'd)

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 nine-month period had been 10 basis points (0.1%) lower (higher) then net loss would have been approximately \$1,100 greater (\$1,100 less).

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.

Note 14 Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flows. During the nine months ended July 31, 2008 the following transactions were excluded from the statement of cash flows:

| | <u>Three months ended July 31,</u> | | <u>Nine months ended July 31,</u> | |
|---|------------------------------------|------|-----------------------------------|-------------|
| | 2008 | 2007 | 2008 | 2007 |
| Agent's warrants issued pursuant to financings | - | - | (57,000) | (85,100) |
| Units issued to agents or as finder's fees pursuant to financings | - | - | (28,810) | (101,356) |
| Shares issued pursuant to mineral property agreement | (8,500) | - | (8,500) | - |
| Shares issued pursuant to the Acquisition | - | - | - | (1,192,500) |
| Cost of the Acquisition included in future income tax liability | - | - | - | (550,000) |
| Unrealized gains on marketable securities recorded to comprehensive income | - | - | - | 23,465 |
| Reversal of unrealized loss (on sale of marketable securities) recorded to other accumulated comprehensive income | - | - | (17,625) | - |

Note 15 Subsequent Event

Private Placement Financing

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.

Legal Action

In August 2008, a member (“the Applicant”) of the Gwininitxw House of the Gitksan 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.

Note 16 Comparative Figures

Certain of the prior years’ comparative figures have been reclassified to conform to the presentation adopted in the current period.

Schedule 1

ROXGOLD INC.
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SCHEDULE OF MINERAL PROPERTIES
for the nine months ended July 31, 2008
 (unaudited)

| | <u>TJ Ridge</u> <u>BC, Canada</u> | <u>Other</u> <u>BC, Canada</u> | <u>Total</u> |
|------------------------------------|--------------------------------------|-----------------------------------|---------------------|
| Balance, October 31, 2007 | \$ 3,025,486 | \$ - | \$ 3,025,486 |
| Acquisition costs | | | |
| Option Payments | 1,921 | 19,454 | 21,375 |
| Staking | 456 | - | 456 |
| | <u>2,377</u> | <u>19,454</u> | <u>21,831</u> |
| Deferred exploration costs | | | |
| Assaying | 2,427 | - | 2,427 |
| Camp | 168,029 | - | 168,029 |
| Communications | 1,564 | - | 1,564 |
| Consulting | 112,328 | - | 112,328 |
| Core storage | 5,567 | - | 5,567 |
| Drilling | 272,337 | - | 272,337 |
| Field expenses and other – Note 11 | 392,280 | - | 392,280 |
| Geochemical | (162) | - | (162) |
| Geophysical | 46,771 | - | 46,771 |
| Geological maps and data | 20,114 | - | 20,114 |
| Meals | 1,199 | - | 1,199 |
| Recording fees | 1,100 | - | 1,100 |
| Soil sampling | 1,220 | - | 1,220 |
| Travel and accommodation | 28,908 | - | 28,908 |
| Trenching | 164,925 | - | 164,925 |
| | <u>1,218,607</u> | <u>-</u> | <u>1,218,607</u> |
| Mineral property written-off | (15,546) | - | (15,546) |
| Reclamation bond | 26,550 | - | 26,550 |
| Exploration expenditure advances | 93,166 | - | 93,166 |
| | <u>4,350,640</u> | <u>19,454</u> | <u>4,370,094</u> |
| Balance, July 31, 2008 | <u>\$ 4,350,640</u> | <u>\$ 19,454</u> | <u>\$ 4,370,094</u> |