



Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2020 and 2019

(Expressed in U.S. Dollars)

(Unaudited)

Roxgold Inc.

Consolidated Statements of Income

(Unaudited)

(Expressed in thousands of U.S. Dollars)

For the three-month periods ended March 31,	Notes	2020	2019
Mine operations			
Revenues – Gold sales		48,045	39,823
Mine operating expenses	11	(16,912)	(13,551)
Royalties		(2,883)	(1,834)
Depreciation	6	(13,350)	(11,802)
Mine operating profit		14,900	12,636
Other expenses			
General and administrative		(1,291)	(1,452)
Sustainability and other in-country costs		(368)	(628)
Exploration and evaluation		(7,770)	(3,181)
Share-based payments	10	(239)	(382)
Depreciation	6	(222)	(218)
Operating profit		5,010	6,775
Financial expenses			
Financing costs		(1,127)	(1,491)
Change in fair value of derivative financial instruments	8	(1,109)	(634)
Foreign exchange gain (loss)		1,032	(636)
Other expenses		(377)	(698)
Income before income taxes		3,429	3,316
Income tax expense			
Current income tax expense		(1,167)	(1,175)
Deferred income tax expense		(351)	(212)
Net income		1,911	1,929
Attributable to:			
Roxgold shareholders		864	962
Non-controlling interest		1,047	967
Earnings per share			
Basic		0.00	0.00
Diluted		0.00	0.00
Weighted average number of common shares outstanding - Basic		371,925,240	374,117,439
Weighted average number of common shares outstanding - Diluted		391,080,520	395,308,674

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Approved on May 12, 2020 on behalf of the directors

/s/ John Dorward

/s/ John Knowles

Director

Director

Roxgold Inc.

Consolidated Statements of Comprehensive Income

(Unaudited)

(Expressed in thousands of U.S. Dollars)

For the three-month periods ended March 31,	2020	2019
Net income	1,911	1,929
Other item that may be reclassified subsequently to the consolidated statement of income		
Currency translation adjustment	(3,390)	424
Comprehensive income	(1,479)	2,353
Attributable to:		
Roxgold shareholders	(2,526)	1,386
Non-controlling interest	1,047	967
	(1,479)	2,353

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Roxgold Inc.

Consolidated Statements of Cash Flow

(Unaudited)

(Expressed in thousands of U.S. Dollars)

For the three-month periods ended March 31,	Notes	2020	2019
Operating activities			
Net income		1,911	1,929
Adjustments for operating activities:			
Depreciation	6	13,572	12,020
Share-based payments	10	239	382
Change in fair value of derivative financial instruments	8	1,109	634
Asset retirement obligation accretion	9	84	77
Long-term debt accretion	7	249	357
Current income tax expense		1,167	1,175
Deferred income tax expense		351	212
Contract liability		-	2,803
Settlement of hedge contract	8	(1,343)	(647)
Unrealized foreign exchange (gain) loss		(1,629)	643
		15,710	19,585
Changes in non-cash working capital	12	(8,426)	(4,487)
		7,284	15,098
Financing activities			
Repayment of long-term debt	7	(3,600)	(3,600)
Proceeds of revolving credit facility	7	15,000	-
Payment of lease obligations	14	(2,017)	(1,639)
Restricted share unit cash settlement	10	-	(24)
NCIB share buyback	10	-	(3,130)
		9,383	(8,393)
Investing activities			
Deposit – Séguéla Acquisition		-	(2,000)
Additions to property, plant and equipment	6	(13,913)	(17,340)
Bagassi South pre-commercial production revenue	6	-	3,017
Bagassi South pre-commercial production expenses	6	-	(2,028)
		(13,913)	(18,351)
Net increase/(decrease) in cash		2,754	(11,646)
Effect of foreign exchange rates on cash		(369)	(344)
Cash and cash equivalents, beginning of period		41,780	59,833
Cash and cash equivalents, end of period		44,165	47,843
Interest paid		369	609

Refer to note 12 for supplemental cash flow information

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Roxgold Inc.

Consolidated Statements of Financial Position

(Unaudited)

(Expressed in thousands of U.S. Dollars)

As at	Notes	March 31 2020	December 31 2019
Assets			
Current assets			
Cash and cash equivalents	3	44,165	41,780
Taxes recoverable and other receivables	4	20,862	18,490
Prepaid expenses and deposits		3,620	2,444
Inventory	5	21,663	9,567
		90,310	72,281
Non-current assets			
Inventory	5	7,734	12,634
Property, plant and equipment	6	199,144	202,286
Restricted cash	9	1,551	1,551
Deferred tax asset		1,955	2,931
Total assets		300,694	291,683
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities		40,484	39,922
Current portion of lease obligations	14	5,828	7,845
Current portion of long-term debt	7	27,808	15,750
Current portion of derivative financial instruments	8	8,285	7,164
Current income tax liability		6,963	5,795
		89,368	76,476
Non-current liabilities			
Long-term debt	7	8,550	8,959
Derivative financial instruments	8	-	2,043
Asset retirement obligations	9	3,347	3,263
Deferred share units' liability	10	586	812
Deferred income tax liability		18,868	18,699
Total liabilities		120,719	110,252
Equity			
Share capital	10	208,803	208,491
Reserves	10	24,062	24,360
Accumulated other comprehensive income		9,726	13,116
Deficit		(77,188)	(78,061)
Equity attributable to Roxgold shareholders		165,403	167,906
Equity attributable to non-controlling interest	16	14,572	13,525
Total equity		179,975	181,431
Total liabilities and equity		300,694	291,683
Commitments	13		

Roxgold Inc.

Consolidated Statements of Equity

(Unaudited)

(Expressed in thousands of U.S. Dollars)

For the three-month periods ended March 31,	2020	2019
Share capital		
Balance – Beginning of year	208,491	208,940
Shares issued for exercise of options	-	590
Shares issued for exercise of share units	312	-
NCIB share buyback	-	(2,493)
Balance – End of period	208,803	207,037
Warrants¹		
Balance – Beginning of period	4,676	4,676
Balance – End of period	4,676	4,676
Options		
Balance – Beginning of period	12,307	12,838
Share-based payments	28	(9)
NCIB share buyback	(391)	-
Balance – End of period	11,944	12,829
Restricted, performance and deferred share units		
Balance – Beginning of period	7,377	6,232
Restricted, performance and deferred share units	65	351
Settlement of restricted share units	-	(614)
Balance – End of period	7,442	5,969
Accumulated other comprehensive income		
Balance – Beginning of period	13,116	12,475
Other comprehensive (loss) income	(3,390)	424
Balance – End of period	9,726	12,899
Deficit		
Balance – Beginning of period	(78,061)	(79,608)
Share buyback	9	(636)
Income attributable to Roxgold shareholders	864	962
Balance – End of period	(77,188)	(79,282)
Total equity attributable to Roxgold shareholders	165,403	164,128
Total equity attributable to non-controlling interests		
Balance – Beginning of period	13,525	10,045
Income attributable to non-controlling interest	1,047	967
Balance – End of period	14,572	11,012
Total Equity	179,975	175,140

Refer to note 10 for further information on changes to equity.

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

¹ This balance relates to warrants that have expired and were not exercised. There are no warrants outstanding as at March 31, 2020.

Roxgold Inc.

Notes to the Consolidated Financial Statements

(Unaudited)

(Tabular amounts in thousands of U.S. Dollars, except for shares and per share amounts)

1. Nature of operations

Roxgold Inc. (the "Company") is a Canadian-based gold mining company with its key asset, the Yaramoko Gold Mine, located in the Houndé greenstone belt of Burkina Faso, West Africa and advancing the development and exploration of Séguéla Gold Project located in Côte d'Ivoire. The Yaramoko Gold Mine consists of two high-grade underground gold mines: the 55 Zone and Bagassi South. The Company is a reporting issuer in all provinces and territories of Canada other than Quebec and its common shares are listed on the Toronto Stock Exchange under the symbol "ROXG" and on the OTCQX Market under the symbol "ROGFF". The Company has its corporate head office located at 360 Bay Street, Suite 500, Toronto, Ontario, M5H 2V6.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially led to an economic downturn.

Operations at Yaramoko were not materially impacted by COVID-19 with heightened preventative measures and response plans in place to mitigate and minimize any potential impacts from the virus. The Company is continually assessing the health and safety risks to the Company's personnel and contractors at its operations and offices. Whilst production has been maintained, a prolonged COVID-19 related interruption may have an impact on the Company's operations, financial position and liquidity.

2. Summary of significant accounting policies

A. Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments to fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

B. Statement of compliance

The Company's condensed interim consolidated financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of the interim statements, including IAS 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB").

The Company has consistently applied the accounting policies used in the preparation of its IFRS financial statements. The financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2019. The Board of Directors authorized the condensed interim consolidated financial statements for publication on May 12, 2020.

3. Cash and cash equivalents

As at March 31, 2020, cash on hand totalling \$44,165,000 (December 31, 2019: \$41,780,000) consisted of cash in bank chequing accounts. As at March 31, 2020, the Company's cash balance is comprised of \$14,701,000 US Dollars, and the West African Franc equivalent of €25,937,000 (\$28,491,000).

4. Taxes recoverable and other receivables

As at March 31, 2020, receivables were mainly related to VAT (value added tax) receivable in Burkina Faso. They are non-interest bearing and they are generally settled within twelve months although they could be collected beyond the twelve-month period.

As at	March 31 2020	December 31 2019
Opening Balance	18,490	25,778
Add: increase in taxes recoverable and other receivables	5,464	21,349
Deduct: Refund and sale of VAT	(3,092)	(28,637)
Ending balance	20,862	18,490

As at March 31, 2020, the Company sold VAT receivables in the amount of \$3,092,000 at a factor rate of 5%.

Roxgold Inc.

Notes to the Consolidated Financial Statements

(Unaudited)

(Tabular amounts in thousands of U.S. Dollars, except for shares and per share amounts)

5. Inventory

As at	March 31 2020	December 31 2019
Stockpiled ore	16,863	14,053
Gold-in-circuit	3,160	1,181
Doré bars	3,470	1,352
Consumables inventory	5,904	5,615
Total Inventory	29,397	22,201
Less: Current portion	(21,663)	(9,567)
Non-current Inventory	7,734	12,634

The amount of depreciation included within inventory at March 31, 2020 is \$6,747,000 (December 31, 2019: \$4,066,000). For the three-month period ended March 31, 2020, the Company recognised a net realizable value adjustment on low grade stockpiled ore of nil (December 31, 2019 - \$117,000).

The long-term inventory represents low grade stockpiled ore which the Company does not expect to process within the next twelve months.

Roxgold Inc.

Notes to the Consolidated Financial Statements

(Unaudited)

(Tabular amounts in thousands of U.S. Dollars, except for shares and per share amounts)

6. Property, plant and equipment

	Furniture, mining vehicles, and computer equipment	Processing plant	Underground mine	Acquisition, infrastructure, and other development costs	Mineral properties under development	E&E Asset	TOTAL
COST							
As at December 31, 2018	27,786	39,689	88,571	69,092	25,267	-	250,405
Additions	1,805	1,202	30,360	7,411	22,925	-	63,703
Séguéla acquisition	448	-	-	316	-	21,417	22,181
Addition as at January 1, 2019 from transition to IFRS 16	4,227	-	-	-	-	-	4,227
Transfer	1,471	10,912	28,780	3,735	(44,898)	-	-
Pre-production revenue	-	-	-	-	(14,173)	-	(14,173)
Pre-production expenses	-	-	-	-	10,879	-	10,879
Retirement of assets	(2,558)	-	-	-	-	-	(2,558)
Foreign exchange	37	-	-	194	-	33	264
As at December 31, 2019	33,216	51,803	147,711	80,748	-	21,450	334,928
Additions	63	30	10,657	3,009	-	10	13,769
Foreign exchange	(89)	-	-	(342)	-	(460)	(891)
As at March 31, 2020	33,190	51,833	158,368	83,415	-	21,000	347,806
ACCUMULATED DEPRECIATION							
As at December 31, 2018	(12,765)	(14,228)	(31,438)	(21,954)	-	-	(80,385)
Additions	(8,601)	(8,177)	(26,323)	(11,607)	-	-	(54,708)
Retirement of assets	2,558	-	-	-	-	-	2,558
Foreign exchange	(32)	-	-	(75)	-	-	(107)
As at December 31, 2019	(18,840)	(22,405)	(57,761)	(33,636)	-	-	(132,642)
Additions	(2,357)	(1,846)	(8,985)	(3,063)	-	-	(16,251)
Foreign exchange	58	-	-	173	-	-	231
As at March 31, 2020	(21,139)	(24,251)	(66,746)	(36,526)	-	-	(148,662)
NET BOOK VALUE							
Net book value as at December 31, 2018	15,021	25,461	57,133	47,138	25,267	-	170,020
Net book value as at December 31, 2019	14,376	29,398	89,950	47,112	-	21,450	202,286
Net book value as at March 31, 2020	12,051	27,582	91,622	46,889	-	21,000	199,144

Roxgold Inc.

Notes to the Consolidated Financial Statements

(Unaudited)

(Tabular amounts in thousands of U.S. Dollars, except for shares and per share amounts)

6. Property, plant and equipment (continued)

The net book value of the assets held in Canada, Burkina Faso and Cote D'Ivoire totalled \$175,000, \$177,254,000 and \$21,715,000 respectively, as at March 31, 2020 (December 31, 2019: \$243,000, \$179,790,000 and \$22,253,000 respectively). Included under mining equipment are right-of-use assets at a net book value of \$8,034,000 (December 31, 2019: \$9,926,000).

7. Long-term debt

As at	March 31 2020	December 31 2019
Opening balance	24,709	36,200
Add: revolving credit facility proceeds	15,000	-
Deduct: debt repayment	(3,600)	(12,750)
Add: accretion	249	1,259
Ending balance	36,358	24,709
Less: current portion	(27,808)	(15,750)
Non-current portion	8,550	8,959

The facility includes covenants customary for a transaction of this nature. As at March 31, 2020, the Company has maintained all covenants. In the three-month period ended March 31, 2020, the Company has made principal repayments totalling \$3,600,000 and interest and accretion totalling \$618,000 (March 31, 2019 -\$965,000) which were expensed in the Company's consolidated statement of income.

On March 31, 2020, the Company completed the drawdown of \$15,000,000 from its revolving credit facility. The repayment terms require four quarterly instalments of 25% commencing in the third quarter of 2020, with an interest rate of LIBOR plus 3.75%.

As at March 31, 2020, the Company is committed to minimum future principal and interest payments for the Amended Facility, as follows:

	Long-term debt
Remainder of the year ending December 31, 2020	24,838
Year ending December 31, 2021	13,217

Roxgold Inc.

Notes to the Consolidated Financial Statements

(Unaudited)

(Tabular amounts in thousands of U.S. Dollars, except for shares and per share amounts)

8. Derivative financial instruments

The execution of a hedging program was completed in July 2016 as a condition precedent to the drawdown of the Credit Facility (note 7). The hedging program comprised of the forward sale of 65,000 ounces of gold, at an average price of US\$1,052 per ounce, which is to be settled on a monthly basis from January 2017 to March 2021.

For the three months ended March 31, 2020, the Company recognized a change in the fair value of derivative financial instruments of \$1,109,000 loss (March 31, 2019 - \$634,000 loss) in its consolidated statement of income. During the three months ended March 31, 2020, the Company redeemed hedging contracts totalling \$2,031,000 (March 31, 2019 - \$966,000) of which \$1,343,000 (March 31, 2019 - \$647,000) were cash settled. The cash settlement is completed on the first business day of the following month. For the three months ended March 31, 2020, the Company has settled 3,822 ounces and as at March 31, 2020, 15,314 ounces are outstanding.

The fair value of instruments not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on the Company's specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2. As at March 31, 2020, the derivative financial instruments have been classified as Level 2 financial instruments according to the Company's fair value hierarchy. The fair value of these instruments is determined using discounted future cash flows based on the forward gold curve.

There were no transfers between Level 1, Level 2 and Level 3 during the three months ended March 31, 2020 and 2019.

For the periods ended,	March 31 2020	December 31 2019
Opening balance	9,207	8,441
Change in fair value of derivatives	1,109	5,974
Settlement of derivative financial instruments	(2,031)	(5,208)
Ending balance	8,285	9,207
Less: current portion	(8,285)	(7,164)
Non-current portion	-	2,043

9. Asset retirement obligations

The Company recognizes a provision related to its constructive and legal obligations in Burkina Faso to restore its Yaramoko property. The cost of these obligations is determined based on the expected future level of activity and costs related to decommissioning the mines and restoring the property. As at March 31, 2020, the Company has a provision for mine rehabilitation of \$3,347,000 (December 31, 2019 - \$3,263,000). A related accretion expense of \$84,000 (March 31, 2019 - \$77,000) was recorded in the consolidated statement of income. The provision is calculated at the net present value of the estimated future undiscounted cash flows using a discount rate of 10.25% (2019 - 10.25%), a remaining mine life of approximately four years based on reserves only and estimated future undiscounted liability of \$4,533,000.

The Company has a bank account in Burkina Faso which is restricted solely for the purpose of future restoration costs of its Yaramoko property. At March 31, 2020, the restricted cash balance was \$1,551,000.

	March 31 2020	December 31 2019
Opening balance	3,263	2,791
Additions: net	-	494
Add: accretion	84	(22)
Ending balance	3,347	3,263

Roxgold Inc.

Notes to the Consolidated Financial Statements

(Unaudited)

(Tabular amounts in thousands of U.S. Dollars, except for shares and per share amounts)

10. Share capital and reserves

For the three-month periods ended March 31,	2020	2019
Shares		
Balance – Beginning of year	371,562,306	374,380,795
Shares issued for exercise of share awards	428,922	472,500
Shares repurchased and cancelled	-	(4,949,000)
Balance – End of period	371,991,228	369,904,295

A. Authorized

The authorized share capital of the Company is comprised of an unlimited number of voting common shares.

B. Share issuances

During the three months ended March 31, 2020, the Company issued 428,922 shares pursuant to the Company's deferred share units ("DSU") plan for total net impact of \$312,000 (C\$420,000).

During the three months ended March 31, 2019, the Company issued 472,500 shares pursuant to the Company's restricted share units ("RSU") plan for total net impact of \$590,000 (C\$784,000).

C. Share cancellations

On June 3, 2019, the Company announced that a notice of intention to renew a Normal Course Issuer Bid ("NCIB") was filed and accepted by the TSX. The NCIB commenced on June 5, 2019 and will terminate on the earlier of i) June 4, 2020; and ii) the date in which the maximum number of Common Shares that can be acquired pursuant to the NCIB are purchased. The Company may purchase up to 10 million common shares under the NCIB.

In the three-month ended March 31, 2020, the Company did not repurchase and cancel any shares under the NCIB. During the three-month ended March 31, 2019, the Company repurchased and cancelled 4,949,000 shares at an average price of C\$0.84/share, for a total cost of \$3,130,000 (C\$4,157,000). To date the Company has not purchased any common shares under the renewed NCIB.

D. Share-based payments

A summary of the share-based payment expenses is detailed as follows:

For the three-month periods ended March 31,	2020	2019
Stock Options cost	28	(9)
Deferred unit costs – expensed	(166)	40
Performance share unit costs – expensed	31	93
Restricted share unit costs – expensed	346	258
Total share-based payments expensed	239	382

E. Stock options

A summary of the Company's stock option activities for the three months ended March 31, 2020 and for the year ended December 31, 2019 is presented below:

	Number of stock options	Weighted average exercise price \$ (CAD)
Balance as at December 31, 2018	7,683,055	0.87
Granted	450,000	0.91
Exercised	(1,604,999)	0.62
Forfeited/Expired	(1,269,445)	1.19
Balance as at December 31, 2019	5,258,611	0.88
Forfeited/Expired	(1,400,000)	0.70
Balance as at March 31, 2020	3,858,611	0.94

Roxgold Inc.

Notes to the Consolidated Financial Statements

(Unaudited)

(Tabular amounts in thousands of U.S. Dollars, except for shares and per share amounts)

10. Share capital and reserves (continued)

As at March 31, 2020, the Company had the following stock options outstanding:

Expiry date	Number of stock options outstanding	Number of stock options vested	Exercise price \$CAD	Weighted average number of years to expiry
April 2, 2020	100,000	100,000	0.59	0.01
August 13, 2020	150,000	150,000	0.72	0.37
January 4, 2021	2,001,667	2,001,667	0.69	0.76
May 18, 2021	175,000	175,000	1.20	1.13
June 9, 2021	100,000	100,000	1.41	1.19
January 19, 2022	881,944	881,944	1.50	1.80
March 31, 2024	450,000	-	0.91	4.00
	3,858,611	3,408,611	0.94	1.37

F. Deferred share units

The following table reflects the movement in deferred share units ("DSUs"):

	Number of instruments
Balance as at December 31, 2018	4,876,816
Granted	688,751
Balance as at December 31, 2019	5,565,567
Settled	(428,922)
Balance as at March 31, 2020	5,136,645

As at March 31, 2020, all DSUs have vested and 4,122,183 units had a dilutive impact as the remaining DSUs totalling 1,014,461 units are to be settled in cash and included as a liability on the Company's consolidated statement of financial position. The total intrinsic value of deferred share units for which the counterparty's right to cash had vested amounted to \$586,000.

G. Restricted share units

The following table reflects the movement in restricted share units ("RSU"):

	Number of instruments
Balance as at December 31, 2018	2,706,467
Granted	3,586,966
Forfeited	(750,187)
Settled	(75,904)
Balance as at December 31, 2019	5,467,342
Granted	3,129,219
Forfeited	(140,586)
Balance as at March 31, 2020	8,455,975

Expiry date	Number of instruments	Number of instruments vested	Weighted average number of years to expiry
December 1, 2020	537,772	537,772	0.67
December 1, 2021	1,781,514	1,208,690	1.67
December 1, 2022	2,849,219	992,076	2.67
January 1, 2023	180,723	-	2.76
December 1, 2023	3,106,747	-	3.67
Balance as at March 31, 2020	8,455,975	2,738,538	1.85

Roxgold Inc.

Notes to the Consolidated Financial Statements

(Unaudited)

(Tabular amounts in thousands of U.S. Dollars, except for shares and per share amounts)

10. Share capital and reserves (continued)**H. Performance share units**

The following table reflects the movement in PSUs for the period ended March 31, 2020:

	Number of instruments
Balance as at December 31, 2018	1,017,927
Granted	1,949,405
Forfeited	(403,676)
Balance as at December 31, 2019	2,563,656
Granted	2,061,799
Forfeited/Expired	(300,000)
Balance as at March 31, 2020	4,325,455

Expiry date	Number of instruments	Weighted average number of years to expiry
February 1, 2021	567,227	0.84
January 1, 2022	1,696,429	1.75
January 23, 2023	2,061,799	2.81
Balance as at March 31, 2020	4,325,455	2.14

11. Mine operating expenses

A summary of mine operating expenses is presented below:

For the three-month periods ended March 31,	2020	2019
Mining contractor	13,773	7,288
Salaries and benefits	2,622	2,143
Operating supplies and parts	3,100	2,407
Energy	1,543	1,020
Inventory adjustment	(4,126)	693
	16,912	13,551

12. Supplementary cash flow information

For the three-month periods ended March 31,	2020	2019
PP&E included in accounts payable and accrued liabilities	7,419	10,751
Depreciation included in Inventory	6,747	4,358

Changes in non-cash working capital for the three-month periods ended March 31,	2020	2019
Accounts receivable	(2,372)	(4,793)
Prepaid expenses and other expenses	(1,176)	105
Inventory	(4,515)	692
Accounts payable & other accrued liabilities	(363)	(491)
	(8,426)	(4,487)

Roxgold Inc.

Notes to the Consolidated Financial Statements

(Unaudited)

(Tabular amounts in thousands of U.S. Dollars, except for shares and per share amounts)

13. Commitments

The Company's financial commitments consist of lease agreements covering offices in Canada as well as contracts with service providers and consultants.

For the years ending December 31,	2020	2021	2022	2023+
Lease agreements	199	162	134	344
Service agreements	8,124	1,432	-	-
8,323	1,594	134	344	344

The Company entered into an agreement with a service provider wherein the Company could be subject to an early termination payment, which is reduced monthly over the remainder of the contract and, in certain conditions, could be subject to other payments that will be negotiated between the Company and the service provider. If the Company had terminated the agreement at March 31, 2020, it would have been subject to an early termination payment of \$4,922,000 (March 31, 2019: \$9,290,000).

The government of Burkina Faso retains a 10% carried interest in Roxgold SANU S.A. In Burkina Faso, all shipments with gold spot prices lower or equal to \$1,000 per ounce are subject to a royalty rate of 3%, a 4% rate is applied to all shipments with gold spot prices between \$1,000 and \$1,300 per ounce, and a 5% royalty rate is applied to all shipments with a gold spot price greater than \$1,300 per ounce. During the three-month period ended March 31, 2020, the Company was subject to royalty rates of 5%. For the three-month period ended March 31, 2020, government royalties amounting to \$2,883,000 (March 31, 2019: \$1,834,000) were incurred with the Government of Burkina Faso. The Company is also subject to a 1% contribution to the Mining fund for local development. This amounted to \$480,000 for the quarter ended March 31, 2020.

14. Lease obligations

The Company has a Mining Service Contract with African Underground Mining Services ("AUMS") and it was determined that based on the substance of the Mining Service Contract at the inception date, it contained leases with respect to the mining fleet to be provided by AUMS.

On August 13, 2018, the Company extended the contract ("Amended Contract") for Zone 55 and Bagassi South for a term of thirty months with an option of a twelve-month extension, renewable at the option of the Company. The imputed financing costs on the liability were determined based on the Company's incremental borrowing rate and similar finance leases to mining companies, which has been estimated at 6%.

As at	March 31 2020	December 31 2019
Opening balance	7,845	9,931
Add: new lease obligations	-	758
Add: IFRS 16 impact	-	4,227
Deduct: repayments	(2,017)	(7,071)
Total lease obligations	5,828	7,845
Less: current portion	(5,828)	(7,845)
Non-current obligations	-	-

Roxgold Inc.

Notes to the Consolidated Financial Statements

(Unaudited)

(Tabular amounts in thousands of U.S. Dollars, except for shares and per share amounts)

15. Segmented Reporting

The Company is conducting exploration and evaluation and mining operations activities in Burkina Faso and Côte d'Ivoire. The business segments presented reflect the management structure of the Company and the way in which the Company's chief operating decision maker reviews business performance. The Company evaluates the performance of its operating segments primarily based on segment operating income, as defined below.

For the three-month periods ended March 31, 2020	Mining Operations, Burkina Faso	Exploration and evaluation, Burkina Faso	Exploration and evaluation, Côte D'Ivoire	Corporate	Total
Revenue	48,045	-	-	-	48,045
Total mine operating expenses	(33,145)	-	-	-	(33,145)
Mine operating profit	14,900	-	-	-	14,900
General administrative expenses	-	-	-	(1,291)	(1,291)
Sustainability and other in-country costs	(368)	-	-	-	(368)
Exploration and evaluation	-	(1,977)	(5,793)	-	(7,770)
Depreciation	-	-	(77)	(145)	(222)
Share-based payments	-	-	-	(239)	(239)
Operating profit (loss)	14,532	(1,977)	(5,870)	(1,675)	5,010
Non-Operating expenses	(3,795)	10	(44)	730	(3,099)
Income (loss) for the period	10,737	(1,967)	(5,914)	(945)	1,911
Segmented total assets	253,367	2,705	24,506	20,116	300,694
Segmented total liabilities	(103,299)	(1,912)	(4,448)	(11,060)	(120,719)
Segmented capital expenditures	13,758	-	10	1	13,769

For the three-month periods ended March 31, 2019	Mining Operations, Burkina Faso	Exploration and evaluation, Burkina Faso	Corporate	Total
Revenue	39,823	-	-	39,823
Total mine operating expenses	(27,187)	-	-	(27,187)
Mine operating profit	12,636	-	-	12,636
General administrative expenses	-	-	(1,452)	(1,452)
Sustainability and other in-country costs	(628)	-	-	(628)
Exploration and evaluation	-	(3,181)	-	(3,181)
Depreciation	-	(5)	(213)	(218)
Share-based payments	-	-	(382)	(382)
Operating profit (loss)	12,008	(3,186)	(2,047)	6,775
Non-Operating expenses	(5,395)	(10)	559	(4,846)
Income (loss) for the period	6,613	(3,196)	(1,488)	1,929
Segmented total assets	240,732	3,214	39,240	283,186
Segmented total liabilities	93,224	4,655	10,167	108,046
Segmented capital expenditures	20,709	15	373	21,097

The Company's revenue is derived from one major customer. The Company is not economically dependent on a limited number of customers for the sale of gold because gold can be sold through numerous commodity market traders worldwide.

16. Non-Controlling interest

For the three months ended March 31, 2020, the non-controlling interest of the Government of Burkina Faso, which represents 10% in Roxgold SANU S.A. totalled \$1,047,000 (2019: \$967,000). The income attributable to the NCI for the three months ended March 31, 2020, totalling \$10,465,000 is based on the net income for Roxgold SANU SA, as determined using IFRS. This excludes all items within Other expenses and Financial expenses on the Company's consolidated statement of income (loss), except for sustainability and other in-country costs, interest expense, other expenses and any related foreign exchange gain (loss).