Management's Discussion and Analysis

For the three and six months ended June 30, 2020

Roxgold

TSX: ROXG

As at August 11, 2020

The following Management Discussion and Analysis ("MD&A") of Roxgold Inc. ("Roxgold", the "Company", "we" or "us") has been prepared as of August 11, 2020. This MD&A is intended to supplement the condensed interim consolidated financial statements ("Financial Statements") for the three and six-month period ended June 30, 2020, and related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and it should be read in conjunction with the Company's annual financial statements and MD&A for the year ended December 31, 2019.

Management is responsible for the preparation and integrity of its Financial Statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the Financial Statements and MD&A, is complete and reliable. All figures are expressed in U.S. dollars, except where otherwise indicated. The functional currency of the Canadian legal entities is the Canadian dollar and the US dollar is the functional currency for all the Company's foreign subsidiaries other than the Cote D'Ivoire entities, which utilizes the West African CFA franc. Refer to note 2 of the Financial Statements for the functional currency of the subsidiaries of the Company. The reporting currency of the Company is US dollar.

The Financial Statements and other information pertaining to the Company are available on SEDAR at www.sedar.com and on its website at www.roxgold.com.

This MD&A contains forward-looking statements that involve various risks, uncertainties and assumptions. See the "Caution on Forward-Looking Information" section. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements, as a result of a number of factors, including those set out in "Cautionary Note Regarding Forward Looking Statements" of this document as well as the risk factors described in the "Risk Factors" section of the Annual Information Form and MD&A for the year ended December 31, 2019.

The utilization of the "Company" or "Roxgold", refers to Roxgold Inc. or Roxgold Inc. and/or one or more or all its subsidiaries, as it may apply.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian and United States securities legislation, including, without limitation, financial and business prospects and financial outlooks, which may be forward-looking statements that reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may", "will," "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risks and uncertainties including those disclosed in the Annual Information Form and MD&A for the year ended December 31, 2019 and other Company public disclosure documents. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors management believes to be reasonable and relevant in the circumstances and at the date that such statements are made, management cannot assure that actual results will be consistent with these forward looking statements. Investors should not place undue reliance on forward-looking statements. Some of the assumptions underlying forward-looking statements contained in this MD&A include, without limitation, assumptions regarding the future price of gold, cash flow forecasts, projected capital and operating costs, availability of financing, mine life, recovery and production rates, as well as other assumptions set forth in the technical report prepared for the Yaramoko Gold Mine entitled "Technical Report for the Yaramoko Gold Mine, Burkina Faso" dated December 20, 2017 (the "Yaramoko Technical Report") and the technical report prepared for the Séguéla Gold Project entitled "NI 43-101 Technical Report, Séguéla Gold Project, Worodougou Region, Cote d'Ivoire" dated January 29, 2020 (the "Séguéla Technical Report" and together with the Yaramoko Technical Report, the "Technical Reports").

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

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

- the Company's goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic gold deposits;
- the focus of capital expenditures;
- future plans for the Yaramoko Gold Mine and the Séguéla Gold Project and other property interests held by the Company or which may be acquired on a going forward basis, if at all, including proposed exploration, development and drilling programs for 2020;
- anticipated production and cost guidance of the Company for 2020;
- the quantity of Mineral Resources and Mineral Reserves, including any upgrading or extensions thereof, or any conversion of Mineral Resources to Mineral Reserves, and the nature and timing of a proposed updated Mineral Resource model;
- the ability to realize estimated Mineral Resources and Mineral Reserves, the Company's expectations that the Yaramoko Gold Mine will be profitable with positive economics from mining, recoveries, grades and annual production, the receipt of all necessary permitting and approvals, and the parameters and assumptions underlying the Mineral Resource estimates, Mineral Reserve estimates and financing analysis;
- successful execution of the exploration and development plans set forth in the Technical Reports;
- management's outlook regarding future production, costs and trends;
- expectations regarding the Company's funding needs on a going forward basis, including with respect to anticipated cash flow to be generated from production at the Yaramoko Gold Mine and the Company's ability to fund its cash requirements, proposed debt and interest repayments and other activities for the next 12 months;
- the emergence of accretive growth opportunities;
- the Company's ability to benefit from the combination of growth opportunities and the ability to grow through the capital markets;
- expectations regarding the heightened risk of jihadist incursions near the Company's property interests;
- treatment under governmental, regulatory and environmental regimes and tax laws;
- the performance characteristics of the Company's mineral properties; and
- realization of the anticipated benefits of acquisitions and expansions, including with respect to the Séguéla Gold Project.

The Company has identified several risks and uncertainties relevant to its business and operations. These risks and uncertainties could materially affect the Company's future operating results, financial performance and the value of the Company's Shares, and are generally beyond the control of the Company. The following risk factors are not all inclusive, and it is possible that other factors will affect the Company in the future:

- general political, security and economic conditions in Canada, Burkina Faso, Cote d'Ivoire and globally;
- uncertainty regarding the assumptions, and estimates of Mineral Resources and Mineral Reserves derived from the Technical Reports;
- parameters and assumptions underlying Mineral Resource estimates, Mineral Reserve estimates, and financial analyses being incorrect;
- the risk factors included in the Technical Reports;
- the dependence on the Yaramoko Gold Mine and the Company's ability to meet its working capital needs at the current level in the short and long term;
- environmental liability;
- industry conditions, including fluctuations in the price of gold and other metals and minerals;
- governmental regulation of the mineral resource industry, including environmental regulation;
- fluctuation in foreign exchange, interest rates and fuel costs;
- liabilities inherent in mineral exploration and development;
- geological, technical and processing problems;
- interruption of business operations;
- failure to obtain third party permits, consents and approvals, when required, or at all;
- stock market volatility and market valuations;
- competition for, among other things, capital, acquisition of reserves, undeveloped land, and skilled personnel; and
- the other factors referred to in the "Risk Factors" section of the Annual Information Form and MD&A for the year ended December 31, 2019.

In addition, the profitability and operating cash flow of Roxgold are affected by various factors as described above. Many of these factors have been or may be influenced by the economic and business uncertainties caused by the COVID-19 pandemic and subsequent government actions. Roxgold seeks to manage the risks associated with its business operations; however, many of the factors affecting these risks are beyond the Company's control. For instance, commodity prices continue to be volatile as economies around the world continue to experience economic challenges along with political changes and uncertainties, including as a result of the impacts of the COVID-19 pandemic.

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

1. Description of business

Roxgold is a Canadian-based gold mining company with assets located in West Africa. The Company owns and operates the high-grade Yaramoko Gold Mine located on the Houndé greenstone belt in Burkina Faso and is also advancing the development and exploration of the 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. Roxgold trades on the TSX under the symbol ROXG and on the OTCQX Market under ROGFF.

Roxgold owns a 90% beneficial interest in Roxgold SANU S.A., which owns the Yaramoko exploitation permit including the Bagassi South expansion. The government of Burkina Faso retains a 10% carried interest. In addition, the Company has a 100% undivided interest in the Bagassi South, Houko, and Boussoura exploration properties. The Company currently owns 100% interest in 11 mineral exploration permits in Côte d'Ivoire which includes the Séguéla Gold Project ("Séguéla").

2. Q2 2020 highlights

	Three months ended June 30 2020	Three months ended June 30 2019	Six months ended June 30 2020	Six months ended June 30 2019
Gold ounces produced	32,812	34,354	65,192	68,006
Gold ounces sold[1]	36,279	33,102	66,405	65,900
Financial Data (in thousands of U.S. dollars)				
Gold sales[1]	62,107	42,949	110,153	85,789
Mine operating profit[2]	23,399	11,465	38,299	24,101
EBITDA[3]	25,480	11,975	43,015	28,131
Adjusted EBITDA[3]	29,034	15,677	48,808	33,952
Adjusted EBITDA margin[3]	47%	37%	44%	41%
Net income (loss)	7,467	(2,955)	9,378	(1,026)
Basic earnings per share attributable to shareholders	0.02	(0.01)	0.02	(0.01)
Adjusted net income[4]	11,021	747	15,170	4,795
Per share[4]	0.03	0.00	0.04	0.01
Cash flow from mining operations[5]	33,281	21,814	58,104	45,227
Per share[5]	0.09	0.06	0.16	0.12
Return on equity[6]	16%	11%	11%	11%
Cash on hand end of period	44,783	19,413	44,783	19,413
Total assets	303,829	278,813	303,829	278,813
Statistics (in dollars)				
Average realized selling price (per ounce)	1,712	1,304	1,659	1,305
Cash operating cost (per tonne processed)[7]	151	156	148	152
Cash operating cost (per ounce produced)[7]	586	518	576	493
Total cash cost (per ounce sold)[8]	696	580	678	554
Sustaining capital cost (per ounce sold)[9]	245	206	290	193
Site all-in sustaining cost (per ounce sold)[10]	940	785	969	749
All-in sustaining cost (per ounce sold)[10]	983	836	1,017	806

[1] For the three and six-month period ended June 30, 2019, gold ounces sold, and gold sales include pre-commercial production ounces sold of 2,485 ounces and 4,790 ounces respectively, and revenues of $3.3 million and $6.3 million respectively. The pre-commercial production gold sales and mine operating expenses were accounted against Property, Plant and Equipment.
[2] For the three and six-month period ended June 30, 2019, mine operating profit includes $0.5 million and $1.3 million respectively relating to Bagassi South pre-production revenue net of expenses related to the 2,485 ounces and 4,790 ounces sold respectively.
[3] Earnings before interest, taxes and depreciation and amortization ("EBITDA"), adjusted EBITDA and adjusted EBITDA margin are non-IFRS financial performance measures with no standard definition under IFRS. See "Non-IFRS financial performance measures".
[4] Adjusted net income and adjusted net income per share are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A for all non-IFRS financial performance measures.
[5] Cash flow from mining operations and cash flow from mining operations per share are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.
[6] Return on equity is calculated using adjusted net income divided by average shareholders equity for the period. The figure is calculated as a rolling twelve-month period. See the "Non-IFRS financial performance measures" section of this MD&A.
[7] Cash operating cost is a non-IFRS measure with no standard definition under IFRS and is calculated using ounces produced and tonnes processed. See the "Non-IFRS financial performance measures" section of this MD&A.
[8] Total cash cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the mine operating expenses and the government royalties per ounce sold. See the "Non-IFRS financial performance measures" section of this MD&A.
[9] Sustaining capital cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the investment in underground development per ounce sold. See the "Non-IFRS financial performance measures" section of this MD&A.
[10] Site all-in sustaining cost and all-in sustaining cost are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.

During the three and six-month period ended June 30, 2020, the Company:

Safety

- ✓ Continued a strong safety record with no lost time injuries over the last twelve months;
- ✓ Management of the current global COVID-19 crisis is ongoing with operations at Yaramoko not materially impacted with heightened preventative measures and response plans in place to mitigate and minimize any potential impacts. The Company is continually assessing the health and safety risks to the Company's personnel and contractors at its operations and offices;

Operations

- ✓ Produced 32,812 ounces of gold at an average grade of 8.2 grams per tonne in Q2 2020, totalling 65,192 ounces produced for YTD 2020;
- ✓ Reported quarterly plant throughput of 1,399 tonnes per day ("tpd") for a total of 127,309 tonnes which exceeded increased nameplate capacity of 1,100 tpd by approximately 27%;
- ✓ Reduced cash operating costs[11] by 3% to $151 per tonne processed compared to $156 per tonne processed in Q2 2019;
- ✓ Maintained upper end of annual gold production guidance between 120,000 and 130,000 ounces subject to existing operating conditions being maintained;

Financial

- ✓ Sold 36,279 ounces of gold[12] for a total of $62.1 million in gold sales[12] (33,102 ounces[12] and $42.9 million[12] respectively in Q2 2019) and 66,405 ounces for $110.2 million YTD 2020 (65,900 ounces and $85.8 million respectively YTD 2020);
- ✓ Achieved an adjusted EBITDA[13] and adjusted EBITDA margin[13] of $29.0 million and 47% respectively in 2020 compared to $15.7 million and 37% in Q2 2019;
- ✓ Generated record cash flow from mining operations[14] totalling $33.3 million for cash flow from mining operations per share[14] of $0.09 (C$0.12/share);
- ✓ Adjusted net income[15] of $11.0 million ($0.03 per share) compared to $0.7 million ($0.00 per share) in Q2 2019;
- ✓ Produced a mine operating margin[16] of $1,016 per ounce in Q2 2020 and a return on equity[17] of 16%;
- ✓ Executed the refinancing of its existing Yaramoko Facility and secured an additional $20 million as a revolving credit facility to provide increased liquidity and financial flexibility;

Growth

- ✓ Delivered a PEA for Séguéla Gold Project in April 2020 with after-tax NPV of $268 million and 66% IRR at a gold price of $1,450 per ounce and NPV of $548 million and 121% IRR at a gold price of $2,000 per ounce;
- ✓ Multiple high grade results in Ancien deposit at Séguéla including: 10 metres ("m") at 59.4 grams per tonne gold ("g/t Au") in drill hole SGRD705 from 207m and 20 metres at 28.0 g/t Au in drill hole SGRC730 from 28m;
- ✓ Encouraging drill results at Fofora deposit at Boussoura including: 61m at 2.5 g/t Au in drill hole BSR-20-RC-FFR-037 from 28m including 30m at 3.1 g/t Au from 28m including 6m at 9.6 g/t Au from 32m and 1m at 17.7 g/t from 54m.

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

[12] For the three and six-month period ended June 30, 2019, gold ounces sold, and gold sales include pre-commercial production ounces sold of 2,485 ounces and 4,790 ounces respectively, and revenues of $3.3 million and $6.3 million respectively. The pre-commercial production gold sales and mine operating expenses were accounted against Property, Plant and Equipment

[13] Adjusted EBITDA and adjusted EBITDA margin are non-IFRS financial performance measures with no standard definition under IFRS. See "Non-IFRS financial performance measures".

[14] Cash flow from mining operations and cash flow from mining operations per share are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.

[15] Adjusted net income and adjusted net income per share are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A for all non-IFRS financial performance measures.

[16] Mine operating margin is a non-IFRS measure with no standard definition under IFRS and is calculated by subtracting total cash cost per ounce sold from the average realized selling price per ounce sold. See the "Non-IFRS financial measures" section of this MD&A.

[17] Return on equity is calculated using adjusted net income divided by average shareholders equity for the period. The figure is calculated as a rolling twelve-month period. See the "Non-IFRS financial performance measures" section of this MD&A.

3. Outlook

2020 PRODUCTION GUIDANCE AND COSTS

- Gold production between 120,000 and 130,000 ounces;
- Cash operating cost[18] between $520 and $580/ounce;
- All-in sustaining cost[19] between $930 and $990/ounce;
- Non-sustaining capital spend of $5-$10 million
- Growth spend (includes Exploration and Séguéla study spend) of $15-$20 million.

As noted earlier this year, AISC is expected to be relatively higher compared to prior years due to increased projected capital spend as the Bagassi South decline development is completed in 2020 along with enhanced security infrastructure investment. Growth spend has been maintained at $15-$20 million as the accelerated drilling program at Séguéla and Boussoura follow recent exploration successes at these projects.

Guidance Update
Based upon Q2 production results, Roxgold is on track to deliver at the upper end of annual gold production guidance from Yaramoko. Although the COVID-19 pandemic has not materially impact Roxgold's operations during the first half of 2020, a prolonged COVID-19 related interruption may have an impact on production and cost guidance.

Development expenditure is forecast to decrease in the 2nd half of 2020 as the Bagassi South decline development is expected to be completed in Q3 2020.

4. Key economic trends and the COVID-19 pandemic

A. COVID-19 pandemic

As previously announced on April 8, 2020, management of the current global COVID-19 crisis is ongoing. 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.

The Company strengthened its liquidity position in the quarter following the refinancing of its existing Yaramoko Facility and secured an additional $20 million as a revolving credit facility to provide increased liquidity and financial flexibility given the volatile and uncertain financial market conditions. In addition, the Company continues to make regularly scheduled gold shipments from the Yaramoko Gold Mine.

B. Gold price

The market price of gold is a significant factor determining the Company's financial results. As such, cash flow from operations and the Company's development and exploration activities may, in the future, be significantly adversely affected by a decline in the price of gold. The gold price fluctuates and is affected by factors beyond the control of the Company, such as the US dollar and other foreign currency exchange rates, the confidence in the global monetary system along with the expectations of global political or economic events or conditions.

During the three-month period ended June 30, 2020, the price of gold, based on the London Gold Fix PM, fluctuated from a low of $1,577 to a high of $1,772 per ounce. The average market gold price based on the London Bullion Market Association PM Fix was $1,711 per ounce of gold. During this period, the Company's average realized selling price was $1,712 per ounce sold, compared to $1,304 per ounce sold in the comparable period.

During the six-month period ended June 30, 2020, the price of gold, fluctuated from a low of $1,474 to a high of $1,772 per ounce. The average market gold price in the first six months of 2020 was $1,645 per ounce representing an increase of $338 per ounce of gold. During this period, the Company's average realized gold price for the period was $1,659 per ounce sold compared to $1,305 per ounce sold in the comparable period.

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

C. Currency

The U.S. dollar is the Company's reporting currency. The Company's revenue is denominated in U.S. dollars as gold is priced in U.S. dollars. The Company's main sources of foreign exchange exposure are the Canadian dollar, United States dollar and the Euro, which have a direct impact on the Company's Canadian activities and mining activities in Burkina Faso where the local currency is fixed against the Euro.

During the three-month period ended June 30, 2020, the US dollar was weaker relative to both the Euro and the Canadian dollar. Therefore, the average foreign exchange had a negative impact on our total cash cost[23] and all-in sustaining cost[25]. For the six-month period ended June 30, 2020, the US dollar was weaker relative to the Euro and stronger compared to the Canadian dollar.

Apart from these trends and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

5. Mine operating activities

	Three months ended June 30 2020	Three months ended June 30 2019	Six months ended June 30 2020	Six months ended June 30 2019
Operating Data				
Ore mined (tonnes)	112,523	109,840	246,995	207,980
Ore processed (tonnes)	127,308	113,866	253,188	220,682
Head grade (g/t)	8.2	9.0	8.4	9.5
Recovery (%)	98.0	98.2	98.0	98.3
Gold ounces produced	32,812	34,354	65,192	68,006
Gold ounces sold[20]	36,279	33,102	66,405	65,900
Financial Data (in thousands of dollars)				
Gold sales[20]	62,107	42,949	110,153	85,789
Mine operating expenses[21]	(21,507)	(17,285)	(38,419)	(32,722)
Government royalties[21]	(3,730)	(1,904)	(6,613)	(3,880)
Depreciation and depletion[21]	(13,471)	(11,835)	(26,822)	(23,778)
Statistics (in dollars)				
Average realized selling price (per ounce)	1,712	1,304	1,659	1,305
Cash operating cost (per tonne processed)[22]	151	156	148	152
Cash operating cost (per ounce produced)[22]	586	518	576	493
Total cash cost (per ounce sold)[23]	696	580	678	554
Sustaining capital cost (per ounce sold) [24]	245	206	290	193
Site all-in sustaining cost (per ounce sold)[25]	940	785	969	749
All-in sustaining cost (per ounce sold)[25]	983	836	1,017	806

[20] For the three and six-month period ended June 30, 2019, gold ounces sold, and gold sales include pre-commercial production ounces sold of 2,485 ounces and 4,790 ounces respectively, and revenues of $3.3 million and $6.3 million respectively. The pre-commercial production gold sales and mine operating expenses were accounted against Property, Plant and Equipment.

[21] For the three and six-month period ended June 30, 2019, mine operating profit includes capitalized pre-commercial production costs of $2.5 million mine operating expenses, $0.1 million royalty costs and $0.2 million depreciation related to the 2,485 ounces sold, $4.4 million mine operating expenses, $0.3 million royalty costs and $0.3 million depreciation related to the 4,790 ounces sold, respectively.

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

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

[24] Sustaining capital cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the investment in underground development per ounce sold. See the "Non-IFRS financial performance measures" section of this MD&A.

[25] Site all-in sustaining cost and all-in sustaining cost are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.

A. Health and safety performance

There were no Lost Time Injury ("LTI") incidents in the second quarter of 2020.

B. Operational performance

The Company's gold production in Q2 2020 was 32,812 ounces at a head grade of 8.2 g/t compared to 34,354 ounces at 9.0 g/t in Q2 2019.

Mining operations at the 55 Zone and Bagassi South saw notable improvement through the quarter, as mined grades at Bagassi South averaged a record 10.6 g/t in the quarter, while 55 Zone reported higher grades at depth with an average mined grade of 11.6 g/t in June 2020.

There was a total of 112,523 tonnes of ore mined at a grade of 8.83 g/t (includes marginal ore mined totalling 11,582 tonnes at a grade of 2.2 g/t) and 1,121 metres of waste development. This compares with 109,840 tonnes of ore at 9.3 g/t and 1,562 metres of waste development in Q2 2019. The 55 Zone mine produced 72,826 tonnes at 7.9 g/t and the Bagassi South mine contributed 39,698 tonnes at a grade of 10.6 g/t.

The mining tonnage increase was attributable to the ramping up of stoping activities at the Bagassi South mine in Q2, with stoping operations expanding as more development levels were completed. During Q2 2020, approximately 72% of ore produced came from stoping activities and 28% from development.

Decline development at the 55 Zone mine reached the 4734 level, approximately 580 metres below surface. Ore development continued down to 4754 level and on the eastern extensions of the 4845, 4862 and 4879 levels. The development of the Bagassi South decline reached the 5061 level and ore development commenced on the 5078 level, which is approximately 240 metres below surface. Good progress on ore development has seen the Bagassi South mine largely developed, providing additional stoping access for the remainder of the year.

Mine reconciliation performance between the Mineral Reserve and Grade Control model was 98% for tonnes and 106% for grade in the second quarter of 2020.

The plant processed 127,308 tonnes at an average head grade of 8.2 g/t in Q2 2020 compared to 113,866 tonnes of ore at 9.0 g/t in Q2 2019. There was an increase in the processing of stockpiled material to supplement the mined ore as Yaramoko operated with reduced personnel due to COVID-19 travel restrictions and isolation protocols in Q2 2020.

The processing plant availability was 96.7% in the quarter compared to 97.6% in Q2 2019 and reported an average throughput rate of 1,399 tonnes per day exceeding nameplate capacity by approximately 27%. Plant recovery was 98.0% in Q2 2020 compared to 98.2% for the comparative quarter.

The Yaramoko Gold Mine continued to maintain a low cash operating cost[26] of $151 per tonne processed driven by increased throughput and strong cost control.

C. Financial performance

i) Second quarter of 2020 vs second quarter of 2019

Gold sales in Q2 2020 totalled $62.1 million from 36,279 ounces of gold. The Company's average realized gold price was $1,712 per ounce sold, 31% higher than the average realized gold price in Q2 2019.

The Company continued to maintain a low cash operating cost[26] per tonne processed of $151 per tonne. The cash operating cost[26] per ounce produced totalled $586 per ounce for the period compared to $156 per tonne and $518 per ounce in the prior.

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

The total cash cost[27] per ounce sold of $696 in Q2 2020 was higher compared to $580 per ounce sold in Q2 2019. This was primarily impacted by the processing of lower grade stockpiled material which had an impact of $40 per ounce sold, the higher gold price in Q2 2020 which increased royalty payments by $20 per ounce sold and the commencement of the 1% contribution to the Mining fund for local development increasing royalties by $17 per ounce sold.

As a result, the Company achieved a site all-in sustaining cost[28] of $940 per ounce sold and an all-in sustaining cost[28] of $983 per ounce sold in the three-month period in 2020 compared to $785 per ounce and $836 per ounce sold, respectively in the comparable 2019 period. The higher all-in sustaining cost in the quarter is attributed to the higher cash cost per ounce sold and ongoing decline development at Bagassi South which is weighted towards the first half of the year.

The Company generated a mine operating margin[29] of $1,016 per ounce in 2020 which was 40% higher than in 2019 mainly due to the higher average gold sales price.

The Company invested $5.4 million in underground mine development at the 55 Zone and $3.5 million at Bagassi South in the second quarter of 2020.

The Company generated strong cash flow from mining operations[30] of $33.3 million in Q2 2020, for cash flow from mining operations per share[30] of $0.09 (C$0.12/share). Comparatively, the Company generated cash flow from mining operations[30] of $21.8 million and $0.06 cash flow from mining operations per share[30] in Q2 2019.

ii) First six months of 2020 vs first six months of 2019

The Company sold 66,405 ounces of gold resulting in revenue from gold sales[31] totalling $110.2 million compared to 65,900 ounces[31] and $85.8 million[31], respectively in the comparable period in 2019. During this period, the Company's average realized gold price was $1,659 per ounce sold compared to an average realized gold price of $1,305 per ounce in Q2 2019.

During the six-month period ended June 30, 2020, the maintained a low cash operating cost[32] per tonne processed of $148 per tonne, which compared to $152 per tonne achieved during the comparable period in 2019. The cash operating cost[32] per ounce produced totalled $576 per ounce for the period compared to $493 per ounce in the prior year mainly driven by the processing of lower grade stockpiled material which had an impact of $22 per ounce sold, the higher gold price in 2020 which increased royalty payments by $18 per ounce sold and the commencement of the 1% contribution to the Mining fund for local development increasing royalties by $17 per ounce sold.

The total cash cost[27] per ounce sold of $678 in six-month ended period ended June 30, 2020 was higher compared to $554 per ounce sold in the same period in 2019. As a result, the Company achieved a site all-in sustaining cost[28] of $969 per ounce sold and an all-in sustaining cost[28] of $1,017 per ounce sold for YTD 2020 compared to $749 per ounce and $806 per ounce sold, respectively in the same period in 2019.

The Company has invested $11.5 million in underground development at 55 Zone for the six-month period compared to $12.7 million for the comparable period in 2019. The comparable period also included $12.0 million invested in pre-commercial production underground mine development at the Bagassi South mine.

[27] Total cash cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the mine operating expenses and the government royalties per ounce sold. See the "Non-IFRS financial performance measures" section of this MD&A.
[28] Site all-in sustaining cost and all-in sustaining cost are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.
[29] Mine operating margin is a non-IFRS measure with no standard definition under IFRS and is calculated by subtracting total cash cost per ounce sold from the average realized selling price per ounce sold. See the "Non-IFRS financial measures" section of this MD&A.
[30] Cash flow from mining operations and cash flow per share are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A.
[31] For the three and six-month period ended June 30, 2019, gold ounces sold, and gold sales include pre-commercial production ounces sold of 2,485 ounces and 4,790 ounces respectively, and revenues of $3.3 million and $6.3 million respectively. The pre-commercial production gold sales and mine operating expenses were accounted against Property, Plant and Equipment.
[32] Cash operating cost is a non-IFRS measure with no standard definition under IFRS and is calculated using ounces produced and tonnes processed. See the "Non-IFRS financial performance measures" section of this MD&A.

6. Exploration activities

i) ***Séguéla Gold Project***

Exploration activities have continued to progress with the objective of delineating additional mineral resources within close proximity to Antenna. The current targets, including Agouti, Boulder and Ancien, are within 6 kilometres of the Antenna deposit (Figure 1).

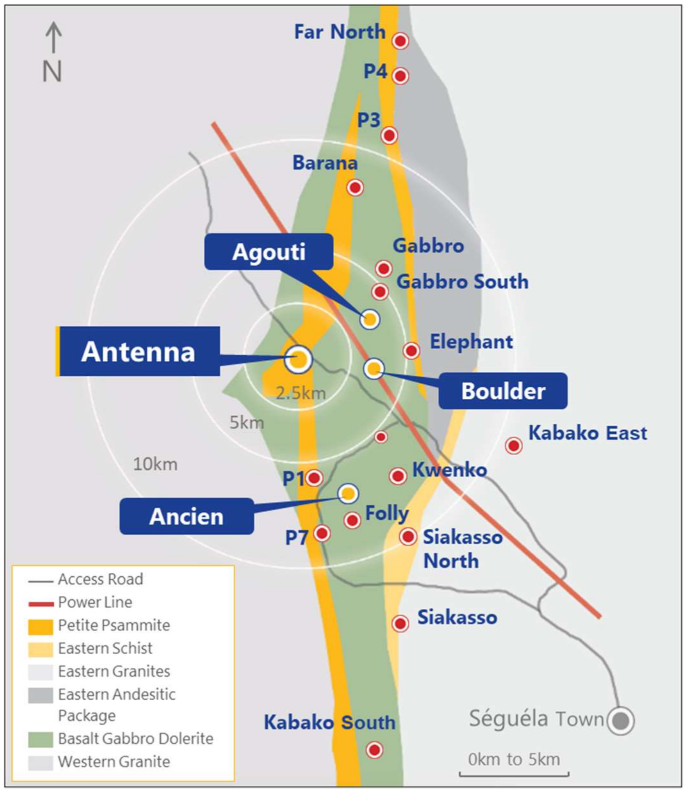

Figure 1: Séguéla location plan

Séguéla Satellite Prospects
Significant progress was made on defining and extending mineralization at Boulder, Agouti and Ancien with 4 RC/diamond core rigs active throughout the second quarter of 2020, along with concluding geotechnical drilling in support of the feasibility study.

<u>Ancien</u>
Infill and extension drilling continued during the quarter with two RC/ diamond core drill rigs completing 18 holes, bringing to a total of 81 holes which have been completed at Ancien since the drillhole data cut-off date (February 12 2020) used to support the Inferred Mineral Resource estimate in the PEA of 261,000 ounces (refer to Company press release dated April 14, 2020). These most recent results reflect the two objectives of the current programs, namely a dedicated infill program for geostatistical support of the very high grade and continuous nature of the core Ancien mineralization and targeting depth and strike extensions to the high-grade core beyond the PEA US$1550 conceptual shell.

The results from the six holes of the high grade infill program reinforce the broad nature of the high grade intervals previously intersected (Figure 2), both along strike as well as across the mineralized zone, and correlate well with the high levels of visible gold logged in the samples. These close-spaced infill results support the high grade tenor of the deposit and provide a strong degree of confidence in the geostatistical and geological continuity of the high grade core.

In addition to the infill drilling of the high grade zone, drilling in an area previously modelled as waste in the conceptual pit, returned 10m at 3.9 g/t Au from SGRC745 and 5m at 2.5 g/t Au from SGRC744, extending mineralization a further 25m to the south and where it remains open.

Extension drilling below the conceptual pit base included high grade results such as 35m at 5.5 g/t from SGDD066 and 14m at 4.3 g/t Au from SGRD723, one of the deepest holes drilled to date. Also, a high grade hanging wall lens has been identified and includes grades such as 7m at 28.8 g/t Au.

Highlights from the most recent drilling at Ancien include:

<u>Infill Drilling</u>

- 14 metres ("m") at 13.3 grams per tonne gold ("g/t Au") in drill hole SGRD732 from 71m including
  - 4m at 24.5 g/t Au from 71m and
  - 2m at 18.8 g/t Au from 82m
- 5m at 35.6 g/t Au in drill hole SGRD731 from 61m including
  - 3m at 54.8 g/t Au from 63m
- 9m at 2.2 g/t Au in drill hole SGRD735 from 78m and
  - 13m at 5.6 g/t Au from 95m
- 12m at 2.3 g/t Au in drill hole SGRD734 from 73m
- 35m at 5.5 g/t Au in drill hole SGDD066 from 136m including
  - 3m at 23.1 g/t Au from 137m and
  - 3m at 23.4 g/t Au from154m
- 20m at 1.0 g/t Au in drill hole SGRC738 from 172m

<u>Extension Drilling</u>

- 10m at 3.9 g/t Au in drill hole SGRC745 from 61m
- 5m at 2.5 g/t Au in SGRC744 from 32m

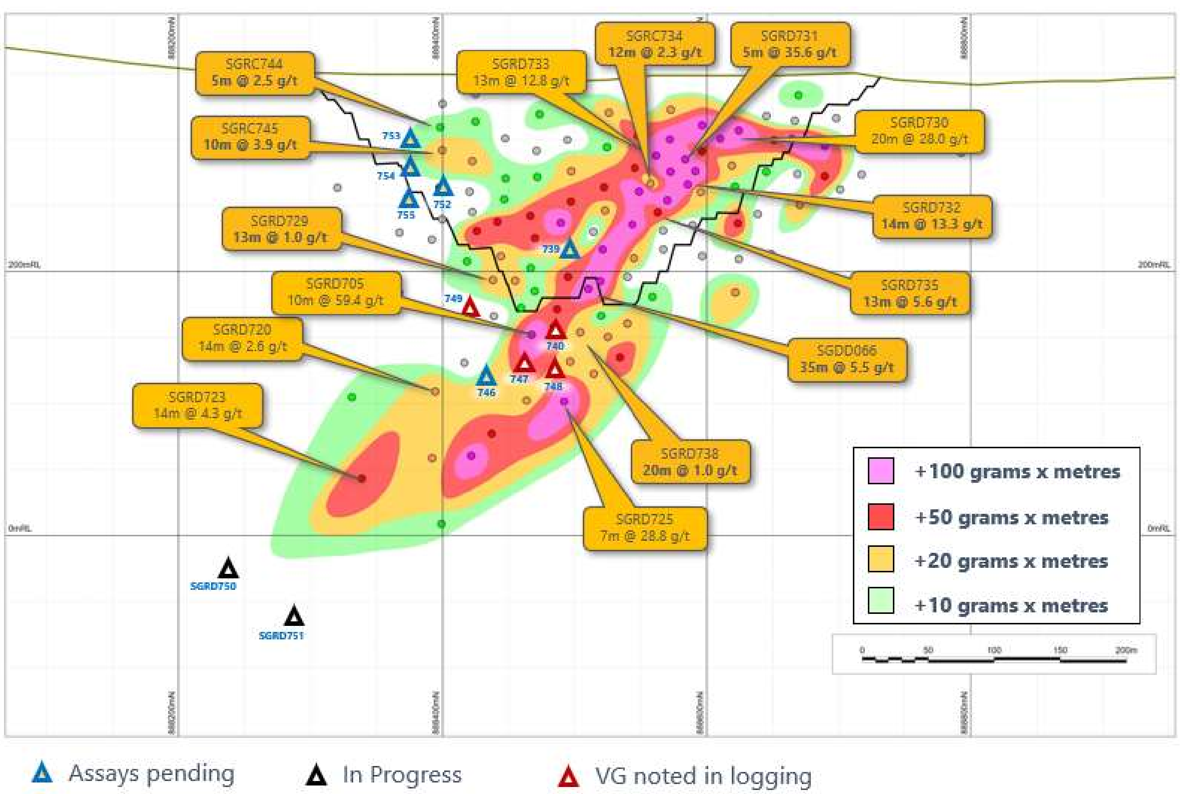

Figure 2: Ancien Longsection highlights

<u>Antenna North</u>

An infill program designed to upgrade the drill spacing of the Antenna North deposits to Indicated spacing has been completed, with encouraging shallow results including:

- 15m at 2.8 g/t Au in drill hole SGRC807 from 15m
- 7m at 3.0 g/t Au in drill hole SGRC812 from 26m
- 3m at 5.4 g/t Au in drill hole SGRC813 from 19m
- 5m at 7.5 g/t Au in drill hole SGRC815 from 20m
- 4m at 6.8 g/t Au in drill hole SGRC816 from 24m

<u>Agouti</u>

Two RC/diamond core rigs have started infill and extension drilling at Agouti with the objective of increasing the current resource at depth and along strike, with these results to be incorporated into an upgraded resource model in Q3.

<u>Séguéla Regional Reconnaissance</u>

Mapping and reconnaissance sampling at Séguéla support the regional prospectivity with several prospects identified (Figure 3) and where rock chip samples also recorded several instances of visible gold. In addition to ongoing detailed field mapping, auger drilling is underway targeting the southern extensions of key favourable structural corridors that host the Antenna, Ancien-Boulder-Agouti, and Elephant-Kwenko North mineralization. Follow up scout RC drilling is planned in the second half of the year across these prospects.

Figure 3. Séguéla regional reconnaissance sampling program (note: values are g/t Au)

ii) ***Boussoura Project***

Located approximately 190km south of Yaramoko, RC and core drilling at the Boussoura project has led to a new high grade discovery at Galgouli, and excellent results following up historic drilling at Fofora (refer to Company press releases dated February 3 and 20, 2020 and July 29, 2020). The Boussoura project is located in the southern portion of the Hounde Greenstone Belt in southern Burkina Faso.

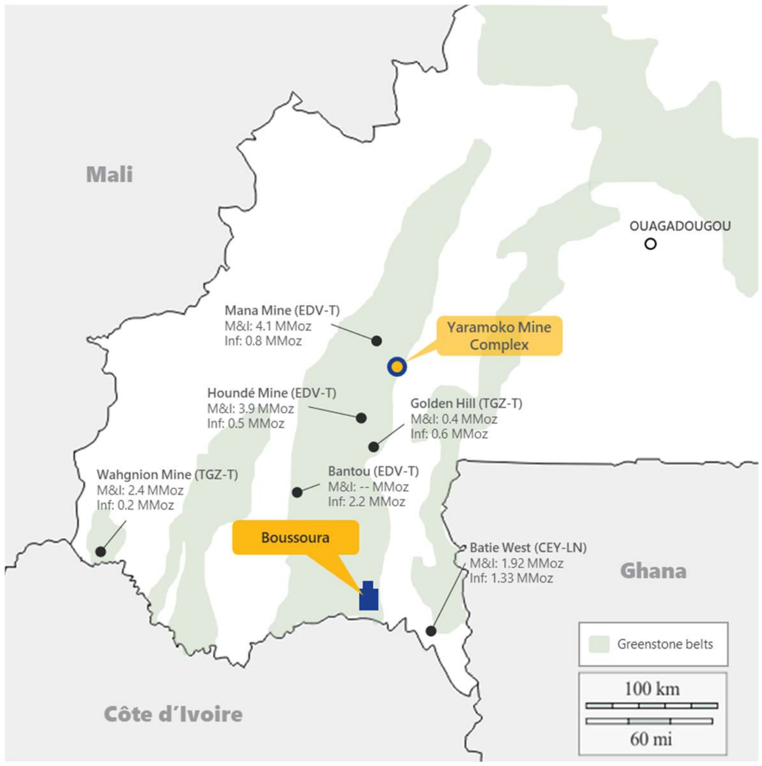

Figure 4. Boussoura Project Location on Houndé Belt

<u>Fofora</u>
Drilling resumed at Boussoura in early May after a pause to assess the potential impact of the coronavirus. The program restarted with an RC/DD rig moving to scout drilling testing three vein sets with coincident artisanal workings, geophysical and geochemical targets within 1km west of the Fofora vein. These targets form part of the large and active 3km by 3km artisanal field and are very similar in appearance to the high grade Fofora vein, consisting of a series of parallel north to north-west striking quartz veins and associated shear zones with surface strike expressions of up to 1000m.

Highlights from the most recent drilling at Fofora include:

- 61m at 2.5 g/t in drill hole BSR-20-FFR-037 from 28m including
  - 30m at 3.1 g/t Au 7 from 28m including
  - 6m at 9.6 g/t Au from 32m and
  - 1m at 17.7 g/t from 54m
- 28m at 1.9g/t Au from 61m including
  - 7m at 6.9 g/t Au from 69m
- 18m at 2.4 g/t Au in drill hole BSR-20-RC-FFR-032 from 12m including
  - 8m at 4.5 g/t Au from 22m
- 20m at 4.4 g/t Au in drill hole BSR-20-RC-FFR-047 from 88m including
  - 1m at 66 g/t Au from 95m
- 6m at 2.2 g/t Au in drill hole BSR-20-RC-FFR-033 from 32m and
  - 1m at 11.2 g/t Au from 36m
- 2m at 5.6 g/t Au in drill hole BSR-20-RC-FFR-034 from 62m

Scout drilling is continuing on several additional nearby targets with final results and follow-up drilling scheduled for late Q3.

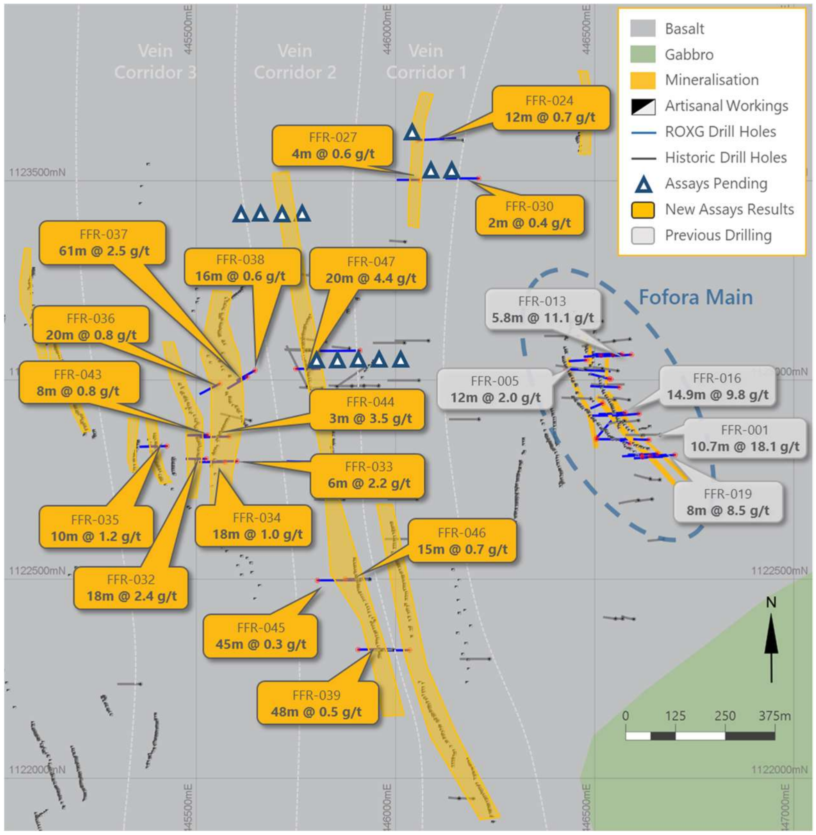

Figure 5. Assay results from scout drill program at Fofora

<u>Galgouli</u>

Exploration activities at Galgouli during the quarter focussed on extending Auger drilling and soil geochemistry sampling across a 5km by 7km grid, extending along strike to the south east of the high grade Galgouli vein. Auger drilling is continuing, however, results to date have highlighted several elongate 1-2km long anomalies with similar strike orientations to the north-west striking Galgouli vein, with peak results >500ppb. These auger geochemistry results highlight the potential strike extensions of the Galgouli mineralization. This program will continue, weather depending, with follow-up scout RC drilling planned for late Q3.

iii) **2020 Exploration Program**

At Yaramoko, a 14,000 metre infill resource drilling program from the 4700m RL in the 55 Zone is scheduled to commence in H2 2020, with the results to form the basis of an updated Yaramoko mineral resource estimate planned for Q1 2021.

Exploration activities at Séguéla will focus on potential resource growth at Ancien, Agouti and Boulder to support the upcoming feasibility study, while also advancing other satellite opportunities. Additional target generation activities will also continue at Séguéla.

The Boussoura program will focus on Galgouli and Fofora, as well as testing other high priority targets associated with artisanal mining activities and targets generated from soil geochemistry programs.

Regional work on the remaining properties in Côte d'Ivoire will involve interpretation of the airborne magnetic surveys, BLEG, auger, soil geochemistry and termite mound sampling the results of which will be ranked for further work.

7. Review of Q2 2020 financial results

A. Mine operating profit

During the quarter ended June 30, 2020, revenues totalled $62.1 million (2019 - $39.7 million) while mine operating expenses and royalties totalled $21.5 million (2019 - $14.8 million) and $3.7 million (2019 - $1.8 million), respectively. The increase in sales is primarily due to the 31% increase in the average realized gold price and the 10% increase in ounces sold. During the quarter, the Company achieved total cash cost[33] per ounce sold of $696 and a mine operating margin[34] of $1,016 per ounce sold.

During the six-month period ended June 30, 2020, revenues totalled $110.2 million (2019 - $79.5 million) while mine operating expenses and royalties totalled $38.4 million (2019 - $28.4 million) and $6.6 million (2019 - $3.6 million), respectively. The increase in revenue is primarily due to the 27% increase in the average realized gold price. During the six-month ended June 30, 2020, the Company achieved total cash cost[33] per ounce sold of $678 and a mine operating margin[34] of $981 per ounce sold.

For more information on the cash operating costs[35] see the financial performance of the Mine Operating Activities section of this MD&A.

During the three and six-month period ended June 30, 2020, depreciation totalled $13.5 million and $26.8 million compared to $11.6 million and $23.4 million in 2019. The increase in depreciation is a result of the Company's continued investment in the underground development of 55 Zone and Bagassi South combined with higher throughput.

B. General and administrative expenses

General and administrative expenses for the three and six-month period were $1.1 million and $2.4 million compared to $1.2 million and $2.6 million for respective periods.

C. Sustainability and other in-country costs

Sustainability and in-country costs totalled $0.4 million and $0.8 million for the three and six-month ended June 30, 2020, respectively compared to $0.5 million and $1.1 million in the comparative period. The decrease in expenditures primarily relates to timing of community investments in 2020. These expenditures are incurred as part of Roxgold's commitment to responsible operations in Burkina Faso including several sustainability and community projects.

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

Exploration and evaluation expenses totalled $4.3 million and $12.0 million for the three and six-month ended June 30, 2020, respectively compared to $4.1 million and $7.3 million in the comparative period. The significant increase in exploration and evaluation activities was primarily due to advancing the PEA at the Séguéla Gold Project which was released in a press release on April 14, 2020. There was also drilling at the Boussoura project in Burkina Faso.

E&E expenses totalled $8.9 million at the Séguéla Gold Project and $3.1 million for Boussoura and Yaramoko for the six-month end June 30, 2020. Expenditures at the Séguéla Gold Project included $5.5 million in drilling costs with $3.5 million of exploration drilling primarily at Ancien and $2.0 million relating to infill drilling at Boulder and Agouti. The Company has spent an additional $1.3 million on PEA and feasibility study costs.

Drilling expenses totalled $1.7 million for YTD 2020 at the Boussoura permit and $0.3 million spent related to regional drilling at Yaramoko.

E. Share-based payments

Share-based payments totalled $1.7 million and $2.0 million for the three and six-month ended June 30, 2020, respectively compared to 0.7 million and $1.1 million in the comparative period. The increase is primarily due to the timing of the deferred share units (DSU") grant and the Company's higher share price.

[33] Total cash cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the mine operating expenses and the government royalties per ounce sold. See the "Non-IFRS financial performance measures" section of this MD&A.
[34] Mine operating margin is a non-IFRS measure with no standard definition under IFRS and is calculated by subtracting total cash cost per ounce sold from the average realized selling price per ounce sold. See the "Non-IFRS financial measures" section of this MD&A.
[35] Cash operating cost is a non-IFRS measure with no standard definition under IFRS and is calculated using ounces produced and tonnes processed. See the "Non-IFRS financial performance measures" section of this MD&A.

F. Financial expenses

Financial expenses totalled $4.3 million and $5.9 million for the three and six-month ended June 30, 2020, respectively compared to $5.5 million and $9.0 million in the comparative period. The decrease is mainly attributed to the favourable movement in foreign exchange gain (loss) of $2.1 million along with a decrease in financing costs and other expenses of $1.1 million.

G. Current and deferred income tax expense

The current income tax expense for the three and six-month ended June 30, 2020 periods has increased with the comparable period in 2019 due to higher mine operating profits. The higher effective tax rate is also driven by the significant increase in exploration expenditures in 2020 incurred in Burkina Faso and Cote d'Ivoire not being tax effected due to the Company's status under the mining regulations.

H. Net income & EBITDA

The Company's net income was $7.5 million for the three-month ended June 30, 2020 and $9.4 million for the six-month ended June 30, 2020 compared to net loss of $3.0 million and $1.0 million respectively in the comparative 2019 period.

The Company's EBITDA[36] was $25.5 million for the three-month ended June 30, 2020 and $43.0 million for the six-month ended June 30, 2020, respectively compared to $12.0 million and $28.1 million, respectively in the comparative 2019 period.

Net income increased significantly compared to prior period primarily as a result of higher average realized gold sales price, offset by its focus on growth with significant investments in exploration and evaluation at Séguéla and Boussoura and higher depreciation.

I. Income Attributable to Non-Controlling Interest

For the three and six-month period ended June 30, 2020, the income attributable to the non-controlling ("NCI") interest was $1.5 million and $2.5 million, respectively. The Government of Burkina Faso holds a 10% carried interest in Roxgold SANU SA and as such is considered Roxgold's NCI. The NCI attributable income is based on IFRS accounting principles and does not reflect dividend payable to the minority shareholder of the operating legal entity in Burkina Faso.

8. Other comprehensive income

During the three and six-month period ended June 30, 2020, the Company reported other comprehensive income of $0.8 million and loss of $2.6 million, respectively compared to other comprehensive income of $0.1 million and $0.6 million for the comparable period in 2019. The variation between periods primarily relates to the effects of the foreign exchange rate of USD to Canadian dollars at the end of the reporting period.

[36] Earnings before interest, taxes and depreciation and amortization ("EBITDA"), is a non-IFRS financial performance measures with no standard definition under IFRS. See "Non-IFRS financial performance measures".

9. Cash flows

The following table summarizes cash flow activities:

For the six-month periods ended June 30,	**2020**	2019
($ thousands)		
Operations	36,961	36,376
Changes in non-cash working capital	(13,828)	(4,011)
Operating activities	23,133	32,365
Proceeds of revolving credit facility	15,000	-
Repayment of long-term debt	(3,600)	(6,749)
NCIB share buyback	-	(3,130)
Other financing activities	(5,131)	(3,208)
Financing activities	6,269	(13,087)
Asset acquisition – Séguéla gold project	-	(21,612)
Addition to Bagassi South development	-	(15,468)
Addition to property, plant and equipment	(26,244)	(22,354)
Investing activities	(26,244)	(59,434)
Change in cash and cash equivalents during the period	**3,158**	**(40,156)**
Effect of foreign exchange rates on cash	(155)	(264)
Cash and cash equivalents, beginning of period	**41,780**	**59,833**
Cash and cash equivalents, end of period	**44,783**	**19,413**

Operating

During the six-month period ended June 30, 2020, the Company generated cash flow from mining operations[37] and operating cash flow before changes in non-cash working capital of $58.1 million and $37.0 million respectively, compared to $45.2 million and $36.4 million respectively in the comparative period.

The unfavourable movement in working capital is due to a reduction in payables due to reduced operating activity in Q2 2020 and the timing of VAT refunds. In Q2 2020, the Company sold VAT receivables in the amount of $3.1 million compared to VAT refunds received of $2.4 million in 2019.

The Company disbursed $3.7 million for the settlement of hedging contracts in 2020, compared to $1.6 million in 2019. As at June 30, 2020, the Company had 11,492 ounces of gold forwards outstanding.

Financing

On March 31, 2020, the Company completed a drawdown of $15.0 million and also made $3.6 million in loan repayments in the six-month period of 2020 and $6.7 million in the comparable 2019 period. Payments totalling $4.0 million pertaining to the lease obligation embedded within the African Underground Mining Services ("AUMS") mining services agreement were also made in 2020 compared to $3.2 million for the comparable period in 2019.

Investing

During the six-month period ended June 30, 2020, the Company invested $26.2 million (2019 - $39.5 million) in property, plant and equipment including $19.3 million in underground mine development at the Yaramoko Gold Complex (2019 - $12.7 million at 55 Zone and $15.4 million of Bagassi South development costs).

[37] Cash flow from mining operations and cash flow from mining operations per share are non-IFRS financial performance measures with no standard definition under IFRS. See "Non-IFRS financial performance measures".

10. Financial position

At June 30, 2020, the Company had $44.8 million in cash and cash equivalents with $35.7 million of long-term debt. The restricted cash totalling $1.5 million relates to funds restricted for the purposes of future restoration costs of the Yaramoko Gold Mine. The Company's current assets exceeds its current liabilities by $30.0 million.

With the existing cash balance and the forecasted cash flows from operations, the Company is well positioned to fund its cash requirements for the next twelve months which relate primarily to the following activities:

- Underground development at the 55 Zone and Bagassi South
- Exploration programs at Séguéla and Boussoura
- Principal debt and interest repayments

The Company manages its capital structure and adjusts when necessary in accordance with its objectives and changes in economic conditions. During the quarter, the Company completed the refinancing of its existing credit facility by consolidating the outstanding principal amount of the original credit facility as well as the revolving credit facility into a single credit facility with an outstanding principal balance of $37,050,000.

The Company secured an additional $20 million as a revolving credit facility to provide increased liquidity and financial flexibility.

As at (in thousands)	**June 30 2020**	**December 31 2019**
Cash and cash equivalents	44,783	41,780
Other current assets	48,893	30,501
Total current assets	**93,676**	**72,281**
Property, plant and equipment ("PP&E")	174,421	180,823
Exploration and evaluation assets ("E&E")	21,703	21,463
Other non-current assets	14,029	17,116
Total assets	**303,829**	**291,683**
Total current liabilities	**63,708**	**76,476**
Long-term debt	26,764	8,959
Derivative financial instruments	-	2,043
Deferred income tax liability	19,176	18,699
Other non-current liabilities	5,240	4,075
Total liabilities	**114,888**	**110,252**
Equity attributable to equity shareholders	172,876	167,906
Non-controlling interests	16,065	13,525
Total Equity	**188,941**	**181,431**
Total Liabilities and Equity	**303,829**	**291,683**

The Company's total assets as at June 30, 2020 has increased by $12.1 million when compared to December 31, 2019. This is mainly driven by the continuing investment in property, plant and equipment and the acquisition of the Séguéla Gold Project, offset by depreciation during the year.

11. Financial risk factors

The Company's risk exposure and impact on the Company's financial instruments are one of the Company's risk factors summarized in note 21 of its annual consolidated financial statements for the year ended December 31, 2019.

12. Commitments

Significant 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	174	163	134	344
Service agreements	5,839	1,716	-	-
	6,013	**1,879**	**134**	**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 June 30, 2020, it would have been subject to an early termination payment of $3.9 million (June 30, 2019: $8.2 million).

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 six-month period ended June 30, 2020, the Company was subject to royalty rates of 5%. For the six-month period ended June 30, 2020, government royalties amounting to $5.5 million (June 30, 2019: $3.6 million) were incurred with the Government of Burkina Faso. The Company is also subject to a 1% contribution to a Mining fund for local development. This amounted to $1.1 million for the six-month period ended June 30, 2020.

13. Critical accounting estimates and judgements

The Company's critical accounting estimates and judgments are summarized in note 3 of its annual consolidated financial statements for the year ended December 31, 2019 filed on SEDAR at www.sedar.com on March 5, 2020.

The Company does not have any off-balance sheet arrangements.

14. Non-IFRS financial performance measures

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

A. Cash operating cost

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

Cash operating cost and total cash cost figures are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is the accepted standard of reporting cash cost of production in North America. Adoption of the standard is voluntary, and the cost measures presented may not be comparable to other similarly titled measures of other companies. Other companies may calculate these measures differently. Cash operating cost per ounce produced and tonne processed are derived from mining operating costs such as mining, processing, mine site general and administrative expenses. Total cash cost represents mining operations expenses plus royalties and selling expenses divided by ounces sold.

The table below shows a reconciliation of cash operating cost per ounce produced and tonne processed as well as the total cash cost per ounce sold.

Per tonne processed	**Three months ended June 30 2020**	**Three months ended June 30 2019**	**Six months ended June 30 2020**	**Six months ended June 30 2019**
Tonnes of ore processed	**127,308**	113,866	**253,188**	220,682
(in thousands of dollars except per ounce)				
Mine operating expenses (excluding royalties)	**21,507**	14,827	**38,419**	28,378
Pre-production operating expenses	**-**	2,458	**-**	4,344
Selling expenses	**(288)**	(74)	**(384)**	(157)
Effects of inventory adjustments (doré)	**(1,998)**	601	**(492)**	1,101
Inventory NRV adjustment	**-**	-	**-**	(117)
Operating cost (tonnes processed)	**19,221**	17,812	**37,543**	33,549
Cash operating cost (per tonne processed)	**151**	156	**148**	152

Per ounce produced	**Three months ended June 30 2020**	**Three months ended June 30 2019**	**Six months ended June 30 2020**	**Six months ended June 30 2019**
Gold ounces produced	**32,812**	34,354	**65,192**	68,006
(in thousands of dollars except per ounce)				
Mine operating expenses (excluding royalties)	**21,507**	14,827	**38,419**	28,378
Pre-production operating expenses	**-**	2,458	**-**	4,344
Selling expenses	**(288)**	(74)	**(384)**	(157)
Effects of inventory adjustments (doré)	**(1,998)**	601	**(492)**	1,101
Inventory NRV adjustment	**-**	-	**-**	(117)
Operating cost (ounces produced)	**19,221**	17,812	**37,543**	33,549
Cash operating cost (per ounce produced)	**586**	518	**576**	493

B. Site all-in sustaining costs and All-in sustaining cost

In June 2013, the World Gold Council, a non-regulatory association of the world's leading gold mining companies established to promote the use of gold to industry, consumers and investors, provided guidance for the calculation of the measure "Site all-in sustaining cost per ounce" and "All-in sustaining cost per gold ounce", which have no standard meaning under IFRS. These standards became effective January 1, 2014. Management believes that the all-in sustaining cost per gold ounce measure provides additional insight into the costs of producing gold by capturing all the expenditures required for the discovery, development and sustaining of gold production and allows the Company to assess its ability to support capital expenditures to sustain future production from the generation of operating cash flows. Additionally, management also finds it beneficial to the readers to disclose site all-in sustaining costs per ounce which is calculated by removing sustaining and other in-country cost and corporate general and administrative expenses from the all-in sustaining cost per ounce metric. Management believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance. However, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS and is not necessarily indicative of cash flow from operations under IFRS or operating costs presented under IFRS. It should also be noted that the adoption of the standard is voluntary, and the cost measures presented may not be comparable to other similarly titled measures of other companies. Other companies may calculate these measures differently.

Consistent with guidance announced in 2013 by the World Gold Council, Roxgold defines all-in sustaining cost per ounce as the sum of total cash cost, underground development that is sustaining in nature, corporate general and administrative costs, in country and corporate social responsibility expenditures related to current operations, and reclamation liability accretion, all divided by the total gold ounces produced to arrive at a per ounce figure. As this measure intends to represent the cost of selling gold from current operations, it does not include capital expenditures attributable to development projects or mine expansions including economic evaluation for such projects, non-cash share-based payments, exploration expenses that are not sustainable in nature, income tax payments, working capital defined as current assets less current liabilities (except for inventory adjustments) or interest costs.

The table below shows a reconciliation of site all-in sustaining costs per ounce sold and all-in sustaining cost per ounce to costs as extracted from the consolidated financial statements:

Per ounce sold	**Three months ended June 30 2020**	**Three months ended June 30 2019**	**Six months ended June 30 2020**	**Six months ended June 30 2019**
Gold ounces sold[38]	**36,279**	33,102	**66,405**	65,900
(in thousands of dollars except per ounce)				
Mine operating expenses (excluding royalties)	**21,507**	14,827	**38,419**	28,378
Pre-production operating expenses	**-**	2,458	**-**	4,344
Royalties	**3,730**	1,755	**6,613**	3,589
Pre-production royalties	**-**	149	**-**	291
Inventory NRV adjustment	**-**	-	**-**	(117)
Total Cash Cost	**25,237**	19,189	**45,032**	36,458
Total cash cost per ounce sold	**696**	580	**678**	554
Investment in underground development	**8,880**	6,811	**19,287**	12,730
Inventory NRV adjustment	**-**	-	**-**	117
Site all-in sustaining cost	**34,117**	26,000	**64,319**	49,332
Site all-in sustaining cost per ounce sold	**940**	785	**969**	749
Sustaining and other in-country costs	**424**	497	**792**	1,125
Corporate and G&A expenses	**1,131**	1,175	**2,422**	2,627
All-in sustaining cost	**35,672**	27,672	**67,533**	53,084
All-in sustaining cost per ounce sold	**983**	836	**1,017**	806

[38] For the three and six-months periods ended June 30, 2019, gold ounces sold includes pre-commercial production ounces sold of 2,485 ounces and 4,790 ounces respectively.

C. Cash flow from mining operations

The following table sets forth a reconciliation of cash flow from mining operations, a non-IFRS measure which the Company believes to be relevant to assess the Company's ability to generate cash flow from operations.

(in thousands of dollars)	Three months ended June 30 2020	Three months ended June 30 2019	Six months ended June 30 2020	Six months ended June 30 2019
Cash flow from operating activities excluding changes in non-cash working capital items	**21,251**	16,791	**36,961**	36,376
Exploration and evaluation expenditures	**4,279**	4,110	**12,049**	7,291
Settlement of hedging contracts	**2,340**	913	**3,683**	1,560
Income tax payment	**5,411**	-	**5,411**	-
Cash flow from mining operations	**33,281**	21,814	**58,104**	45,227

D. Cash flow per share

The following table sets forth the calculation of the cash flow per share, a non-IFRS measure which the Company believes to be relevant to assess the Company's ability to generate cash flow from operations.

(in thousands of dollars except share and per share amounts)	Three months ended June 30 2020	Three months ended June 30 2019	Six months ended June 30 2020	Six months ended June 30 2019
Cash flow from mining operations	**33,281**	21,814	**58,104**	45,227
Weighted average number of common shares outstanding - basic	**372,065,679**	369,956,493	**371,997,852**	372,025,472
Cash flow per share	**0.09**	0.06	**0.16**	0.12
Cash flow per share in Canadian dollars[39]	**0.12**	0.08	**0.21**	0.16

E. Adjusted net income

The following table sets forth a reconciliation of adjusted net income, a non-IFRS measure which the Company believes to be relevant to assess the Company's profitability.

(in thousands of dollars)	Three months ended June 30 2020	Three months ended June 30 2019	Six months ended June 30 2020	Six months ended June 30 2019
Net income (loss)	**7,467**	(2,955)	**9,378**	(1,026)
Change in fair value of derivative financial instruments	**2,657**	2,909	**3,767**	3,543
Foreign exchange (gain) loss	**(239)**	334	**(1,272)**	970
Bagassi South pre-production revenue net of expenses	**-**	459	**-**	1,308
Non-recurring expenses				
Séguéla infill drilling and study expenditures	**1,136**	-	**3,298**	-
Adjusted net income	**11,021**	747	**15,171**	4,795

[39] Translated at average closing rates of USD/CAD rate of 1.3853 and 1.3639, respectively.

F. Adjusted earnings per share

The following table sets forth the calculation of the adjusted earnings per share, a non-IFRS measure which the Company believes to be relevant to assess the Company's profitability.

(in thousands of dollars except share and per share amounts)	Three months ended June 30 2020	Three months ended June 30 2019	Six months ended June 30 2020	Six months ended June 30 2019
Adjusted net income	**11,021**	747	**15,171**	4,795
Weighted average number of common shares outstanding - basic	**372,065,679**	369,956,493	**371,997,852**	372,025,472
Adjusted earnings per share	**0.03**	0.00	**0.04**	0.01
Adjusted earnings per share in Canadian dollars[40]	**0.04**	0.00	**0.06**	0.02

G. Return on Equity

The following table calculates the rolling twelve-month net income to calculate return on equity, a non-IFRS measure which the Company believes to be relevant to assess the Company's operating profitability.

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Twelve months ended June 30 2020
(thousands of dollars)					
Net income	7,467	1,911	4,761	1,928	**16,067**
Change in fair value of derivatives	2,657	1,109	968	1,463	**6,197**
Foreign exchange (gain) loss	(239)	(1,032)	(324)	1,313	**(282)**
Bagassi South pre-production revenue net expenses	-	-	-	1,985	**1,985**
Non-recurring expenses					
Séguéla feasibility expenditures	1,136	2,162	-	-	**3,298**
Tax settlement for FY 2015 and 2016	-	-	513	1,019	**1,532**
Development levy provision for FY 2017 and 2018	-	-	1,093	-	**1,093**
Adjusted net income	11,021	4,150	7,011	7,708	**29,890**
Shareholders equity	188,941	179,975	181,431	175,575	**181,481**[41]
Return on equity percentage					**16%**

	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Twelve months ended June 30 2019
(thousands of dollars)					
Net income	(2,955)	1,929	4,745	6,599	**10,318**
Change in fair value of derivatives	2,909	634	2,816	(2,570)	**3,789**
Foreign exchange loss	334	636	1,914	1,180	**4,064**
Bagassi South pre-production revenue net expenses	459	849	313	-	**1,621**
Adjusted net income	747	4,048	9,788	5,209	**19,792**
Shareholders equity	173,051	175,140	175,598	169,907	**173,424**[41]
Return on equity percentage					**11%**

[40] Translated at average closing rates of USD/CAD rate of 1.3853 and 1.3639, respectively.
[41] Average shareholders' equity for the rolling twelve-month period calculated as the average of each quarter.

H. Earnings before interest, taxes, depreciation and amortization ("EBITDA") and adjusted EBITDA

The following table sets forth the calculation of EBITDA, a non-IFRS measure which the Company believes to be relevant to assess the Company's operating performance.

	Three months ended June 30 2020	Three months ended June 30 2019	Six months ended June 30 2020	Six months ended June 30 2019
(in thousands of dollars)				
Net income (loss)	**7,467**	(2,955)	**9,378**	(1,026)
Interest expense	**479**	900	**1,013**	1,720
Income tax expense	**3,847**	2,191	**5,365**	3,578
Depreciation	**13,687**	11,839	**27,259**	23,859
EBITDA	**25,480**	11,975	**43,015**	28,131
Change in fair value of derivative financial instruments	**2,657**	2,909	**3,767**	3,543
Foreign exchange (gain) loss	**(239)**	334	**(1,272)**	970
Ségéla feasibility expenditures	**1,136**	-	**3,298**	-
Bagassi South pre-production revenue net of expenses	**-**	459	**-**	1,308
Adjusted EBITDA	**29,034**	15,677	**48,808**	33,952

15. Share capital information

The Company's authorized share capital is unlimited common shares without par value. As of August 11, 2020, there are 372,914,940 common shares outstanding. In addition, there are 19,926,208 common shares issuable on the exercise of 2,833,611 options, 8,344,832 RSUs, 4,381,635 PSUs and, 4,122,183 DSUs with dilutive impact.

16. Summary of Results[42]

The following information is derived from and should be read in conjunction with the unaudited condensed interim consolidated financial statements for each of the past eight quarters. All amounts are stated in thousands of U.S. dollars except for the income per share.

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Financial results ($ thousands)								
Revenue	62,107	48,045	60,208	50,154	42,949	39,823	31,956	37,890
Mine Operating profit	23,399	14,900	20,423	16,396	11,465	12,636	9,116	13,878
Operating profit	15,612	5,010	11,833	9,452	4,773	6,775	8,234	8,473
EBITDA[43]	25,480	17,535	24,743	16,536	11,975	16,156	13,447	16,932
Net income (loss)	7,467	1,911	4,761	1,928	(2,955)	1,929	4,745	6,599
Net income (loss) attributable to shareholders	5,974	864	3,621	1,104	(3,504)	962	4,092	5,893
Income (loss) per share - basic	0.02	0.00	0.01	0.00	(0.01)	0.00	0.01	0.02
Income (loss) per share - diluted	0.02	0.00	0.01	0.00	(0.01)	0.00	0.01	0.02
Adjusted net income[43]	11,021	4,150	7,011	7,708	747	4,048	9,475	5,209
Adjusted EPS[43]	0.03	0.01	0.02	0.02	0.00	0.01	0.03	0.01
Cash flow from mining operations[43]	33,281	25,364	30,660	21,143	21,814	23,413	13,690	18,593
Cash flow per share[43]	0.09	0.07	0.08	0.06	0.06	0.06	0.04	0.05
Operational results								
Ore mined (tonnes)	112,523	134,472	140,583	131,366	109,840	98,140	88,277	87,975
Ore processed (tonnes)	127,308	125,879	131,439	114,036	113,866	106,816	82,241	78,357
Head grade (g/t)	8.2	8.7	9.8	9.1	9.0	10.0	10.8	12.3
Recovery (%)	98.0	97.9	98.3	98.0	98.2	98.3	98.2	98.5
Gold ounce produced (oz)	32,812	32,380	41,162	33,036	34,354	33,652	25,844	30,532
Gold ounce sold (oz)[44]	36,279	30,126	40,700	34,200	33,102	32,798	26,260	31,400
Financial results per unit[43]								
Average realized selling price (oz)	1,712	1,595	1,479	1,481	1,304	1,307	1,229	1,207
Cash operating cost (tonne)	151	146	146	148	156	147	156	177
Cash operating cost (oz)	586	566	466	510	518	468	432	454
Total cash cost (oz)	696	657	576	586	580	527	490	499
Site all-in sustaining cost (oz)	940	1,003	845	781	785	711	740	734
All-in sustaining cost (oz)	983	1,058	914	834	836	775	836	788

[42] In accordance with the transition provision in IFRS 16, Leases, comparatives for the 2018 reporting periods have not been restated.
[43] Financial results per unit are non-IFRS financial performance measures with no standard definition under IFRS. See "Non-IFRS financial performance measures" section of this MD&A.
[44] Gold ounces sold includes pre-commercial production ounces sold of 10,144 ounces in 2019.

17. Risk factors

The operating results and financial condition of the Company are subject to a number of risks and uncertainties associated with its activities. Each of these risks could have a material adverse impact on the Company's future business, results of operations and financial condition, and could cause actual results to differ materially from those described in any forward-looking statements contained in this MD&A. For a comprehensive discussion on the risks and uncertainties the reader is directed to the Company's Annual Information Form and MD&A for the year ended December 31, 2019, which are filed on SEDAR at www.sedar.com and the Company's website at www.roxgold.com. Careful attention should also be paid to the section in this MD&A entitled "Cautionary Note Regarding Forward Looking Statements".

Coronavirus (COVID-19) and health crises
The current outbreak of novel COVID-19 and any future emergence and spread of similar pathogens will and could have an adverse impact on global economic conditions which may adversely impact the Company's operations, and the operations of its suppliers, contractors and service providers, the ability to obtain financing and maintain necessary liquidity, the demand for and ability to transport the Company's products and its ability to advance its projects and other growth initiatives.

The outbreak and its declaration as a global pandemic are causing companies and governments around the world to impose sweeping restrictions on the movement of people and goods, including social distancing measures and restrictions on group gatherings, isolation and quarantine requirements, closure of business and government offices, travel advisories and travel restrictions. The duration of these measures, and the related business, social and government disruptions and financial impacts, cannot be reasonably estimated at this time. The Company cannot estimate whether or to what extent these measures, and the resulting impacts, may adversely impact the Company's business, financial condition and results of operations.

18. Internal control over financial reporting and disclosure controls and procedures

Disclosure Controls and Procedures
The Company's management, with the participation of its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), have evaluated the effectiveness of the Company's disclosure controls and procedures ("DC&P") as such term is defined under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"). Based upon the results of that evaluation, the Company's CEO and CFO have concluded that, during the period ended June 30, 2020, the Company's DC&P were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting
The Company's management, with the participation of its CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR") as such term is defined under NI 52-109. Under the supervision of the CEO and CFO, the Company's ICFR has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. During the period ended June 30, 2020, there have been no changes in the Company's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Limitations of Controls and Procedures
The Company's management, including the CEO and CFO, believe that any DC&P and ICFR, no matter how well designed, can have inherent limitations and may not prevent or detect all misstatements and fraud. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

19. Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets quarterly with management and quarterly with the Company's independent auditors to review the scope and results of the annual audit and quarterly reviews, respectively, and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders. The Board of Directors has approved the Financial Statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

20. Nature of securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

21. Qualified person

Paul Criddle, FAUSIMM, Chief Operating Officer for Roxgold Inc., a Qualified Person within the meaning of National Instrument 43-101, has verified and approved the scientific and technical disclosure contained in this MD&A.

Paul Weedon, MAIG, VP Exploration for Roxgold, a Qualified Person within the meaning of National Instrument 43-101, has verified and approved the scientific and technical disclosure contained in this MD&A. This includes the QA/QC, sampling, analytical and test data underlying this information. For more information on the Company's QA/QC and sampling procedures, please refer to the Technical Reports and Annual Information Form dated December 31, 2019, all available on SEDAR at www.sedar.com.

22. Additional information

Additional information related to the Company, including the Company's most recent Annual Information Form, is available for viewing on SEDAR at www.sedar.com and at the Company's website at www.roxgold.com.