



Condensed Interim Consolidated Financial Statements

For the three and nine-months ended September 30, 2020 and 2019

(Expressed in U.S. Dollars)

(Unaudited)

Roxgold Inc.

Consolidated Statements of Income (Loss)

(Unaudited)

(Expressed in thousands of U.S. Dollars)

For the three and nine-month periods ended September 30,	Notes	2020	2019	2020	2019
Mine operations					
Revenues – Gold sales		57,379	42,258	167,532	121,770
Mine operating expenses	3	(20,240)	(12,424)	(58,659)	(40,802)
Royalties		(3,439)	(2,105)	(10,052)	(5,694)
Depreciation	7	(11,573)	(11,333)	(38,395)	(34,777)
Mine operating profit		22,127	16,396	60,426	40,497
Other operating expenses					
General and administrative		(1,619)	(1,167)	(4,041)	(3,794)
Sustainability and other in-country costs		(484)	(652)	(1,276)	(1,777)
Exploration and evaluation		(8,078)	(4,081)	(20,127)	(11,372)
Share-based payments	12	(891)	(888)	(2,866)	(1,983)
Depreciation	7	(197)	(156)	(636)	(571)
Operating profit		10,858	9,452	31,480	21,000
Other income (expenses)					
Financing costs		(1,391)	(588)	(3,222)	(4,096)
Change in fair value of derivative financial instruments	10	(1,306)	(1,463)	(5,073)	(5,006)
Foreign exchange gain (loss)		927	(1,313)	2,198	(2,283)
Other expenses		(1,011)	(1,809)	(2,565)	(2,784)
Income before income taxes		8,077	4,279	22,818	6,831
Income tax expense					
Current income tax expense		(3,646)	(2,742)	(8,597)	(5,957)
Deferred income tax expense		1,175	391	761	28
Net income		5,606	1,928	14,982	902
Attributable to:					
Roxgold shareholders		4,169	1,104	11,005	(1,438)
Non-controlling interest	15	1,437	824	3,977	2,340
Earnings (loss) per share					
Basic		0.01	0.00	0.03	0.00
Diluted		0.01	0.00	0.03	0.00
Weighted average number of common shares outstanding -					
Basic		372,870,459	370,840,311	372,289,255	371,626,077
Diluted		392,405,248	388,790,701	391,824,044	371,626,077

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

Approved on November 10, 2020 on behalf of the directors

/s/ John Dorward
Director

/s/ John Knowles
Director

Roxgold Inc.

Consolidated Statements of Comprehensive Income (Loss)

(Unaudited)

(Expressed in thousands of U.S. Dollars)

For the three and nine-month periods ended September 30,	2020	2019	2020	2019
Net income	5,606	1,928	14,982	902
Other item that may be reclassified subsequently to the consolidated statement of income (loss)				
Currency translation adjustment	1,208	(476)	(1,396)	82
Comprehensive income	6,814	1,452	13,586	984
Attributable to:				
Roxgold shareholders	5,377	628	9,609	(1,356)
Non-controlling interest	1,437	824	3,977	2,340
Comprehensive income	6,814	1,452	13,586	984

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 nine-month periods ended September 30,	Notes	2020	2019
Operating activities			
Net Income (loss)		14,982	902
Adjustments for operating activities:			
Depreciation	7	39,031	35,348
Share-based payments	12	2,866	1,983
Change in fair value of derivative financial instruments	10	5,073	5,006
Asset retirement obligation accretion	11	250	230
Long-term debt accretion	9	527	981
Gain on modification of debt	9	(749)	-
Financing costs		856	-
Current income tax expense		8,597	5,957
Deferred income tax expense		(761)	(28)
Settlement of hedge contract	10	(6,727)	(2,982)
Payment of income tax		(6,832)	-
Unrealized foreign exchange (loss) gain		(3,909)	1,615
		53,204	49,012
Changes in non-cash working capital	13	(16,106)	5,674
		37,098	54,686
Financing activities			
Repayment of long-term debt	9	(3,600)	(9,300)
Proceeds of revolving credit facility	9	15,000	-
Financing costs		(856)	-
Payments of lease obligations	8	(5,503)	(5,051)
Share unit cash settlement	12	-	(124)
Proceeds from stock option exercise	12	612	833
NCIB share buyback	12	-	(3,130)
		5,653	(16,772)
Investing activities			
Asset Acquisition - Séguéla gold project		-	(21,380)
Asset Acquisition – cash acquired		-	221
Transaction costs		-	(453)
Additions to property, plant and equipment	7	(36,058)	(49,312)
Bagassi South pre-commercial production revenue	7	-	14,173
Bagassi South pre-commercial production expenses	7	-	(10,879)
		(36,058)	(67,630)
Net increase (decrease) in cash		6,693	(29,716)
Effect of foreign exchange rates on cash		1,635	(1,115)
Cash and cash equivalents, beginning of period		41,780	59,833
Cash and cash equivalents, end of period		50,108	29,002
Interest paid		859	1,670

Refer to note 15 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	September 30 2020	December 31 2019
Assets			
Current assets			
Cash and cash equivalents	4	50,108	41,780
Taxes recoverable and other receivables	5	25,492	18,490
Prepaid expenses and deposits		5,314	2,444
Inventory	6	15,005	9,567
		95,919	72,281
Non-current assets			
Inventory	6	12,912	12,634
Property, plant and equipment	7	213,906	202,286
Restricted cash		1,551	1,551
Deferred tax asset		2,973	2,931
Total assets		327,261	291,683
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities		35,930	39,922
Contract liability		3,732	-
Current portion of lease obligations	8	5,023	7,845
Current portion of long-term debt	9	12,919	15,750
Current portion of derivative financial instruments	10	6,446	7,164
Current income tax liability		7,387	5,795
		71,437	76,476
Non-current liabilities			
Long-term debt	9	22,968	8,959
Derivative financial instruments	10	-	2,043
Asset retirement obligations	11	3,513	3,263
Lease obligations	8	12,208	-
Deferred share units' liability	12	2,067	812
Deferred income tax liability		18,248	18,699
Total liabilities		130,441	110,252
Equity			
Share capital	12	209,715	208,491
Reserves	12	24,952	24,360
Accumulated other comprehensive income		11,720	13,116
Deficit		(67,069)	(78,061)
Equity attributable to Roxgold shareholders		179,318	167,906
Equity attributable to non-controlling interest		17,502	13,525
Total equity		196,820	181,431
Total liabilities and equity		327,261	291,683
Commitments	14		

Roxgold Inc.

Consolidated Statements of Equity

(Unaudited)

(Expressed in thousands of U.S. Dollars)

For the nine-month periods ended September 30,	2020	2019
Share capital		
Balance – Beginning of year	208,491	208,940
Shares issued for exercise of share awards	1,224	2,027
Share repurchase	-	(2,493)
Balance – End of period	209,715	208,474
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
Shares issued for exercise of options	(306)	(603)
Share buyback	(409)	-
Share-based payments	59	47
Balance – End of period	11,651	12,282
Restricted, performance and deferred share units		
Balance – Beginning of period	7,377	6,232
Restricted, performance and deferred share units	1,293	1,367
Settlement of restricted share units	(45)	(715)
Balance – End of period	8,625	6,884
Accumulated other comprehensive income		
Balance – Beginning of period	13,116	12,475
Other comprehensive income	(1,396)	82
Balance – End of period	11,720	12,557
Deficit		
Balance – Beginning of period	(78,061)	(79,608)
Share buyback	(13)	(637)
Income attributable to Roxgold shareholders	11,005	(1,438)
Balance – End of period	(67,069)	(81,683)
Total equity attributable to Roxgold shareholders	179,318	163,190
Total equity attributable to non-controlling interests		
Balance – Beginning of period	13,525	10,045
Income attributable to non-controlling interest	3,977	2,340
Balance – End of period	17,502	12,385
Total Equity	196,820	175,575

Refer to Note 12 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 September 30, 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, which continues to remain in place. 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. 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 November 10, 2020.

3. Mine operating expenses

A summary of mine operating expenses is presented below:

For the periods ended September 30,	Three-month 2020	Three-month 2019	Nine-month 2020	Nine-month 2019
Mining contractor	11,057	7,550	36,681	22,894
Salaries and benefits	2,609	2,297	8,080	6,616
Operating supplies and parts	3,923	1,959	9,627	7,297
Energy	1,917	982	5,162	2,976
Inventory adjustment	734	(364)	(891)	1,019
	20,240	12,424	58,659	40,802

4. Cash and cash equivalents

As at September 30, 2020, cash on hand totalling \$50,108,000 (December 31, 2019: \$41,780,000) consisted of cash in bank chequing accounts. The Company's cash balance is comprised of \$13,224,000 US Dollars, CAD\$4,613,000 (\$3,458,000 US Dollars), and the West African Franc equivalent of €28,384,000 (\$33,238,000).

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. Taxes recoverable and other receivables

As at September 30, 2020, receivables were mainly related to Value Added Tax ("VAT") receivable in Burkina Faso. They are non-interest bearing and generally settled within twelve months although they could be collected beyond the twelve-month period.

As at	September 30 2020	December 31 2019
VAT receivable	25,177	18,180
Other receivables	315	310
Ending balance	25,492	18,490

In the nine-month period ended September 30, 2020, the Company sold VAT receivables in the amount of \$5,908,000 at a factor rate of 5% and received reimbursements from the government in the amount of \$1,709,000.

6. Inventory

As at	September 30 2020	December 31 2019
Stockpiled ore	15,569	14,053
Gold-in-circuit	2,190	1,181
Doré bars	3,304	1,352
Consumables inventory	6,854	5,615
Total Inventory	27,917	22,201
Less: Current portion	(15,005)	(9,567)
Non-current Inventory	12,912	12,634

The amount of depreciation included within inventory at September 30, 2020 is \$7,710,000 (December 31, 2019: \$4,066,000). For the nine-month period ended September 30, 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)

7. Property, plant and equipment

COST	Furniture, mining vehicles, and computer equipment	Processing plant	Underground mine	Acquisition, infrastructure, and other development costs	Mineral properties under development	E&E Asset	TOTAL
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	15,292	32	28,742	9,256	-	10	53,332
Transfer	-	3,289	-	(3,289)	-	-	-
Foreign exchange	(22)	-	-	(106)	-	991	863
As at September 30, 2020	48,486	55,124	176,453	86,609	-	22,451	389,123
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	(6,688)	(5,089)	(23,459)	(7,335)	-	-	(42,571)
Foreign exchange	-	-	-	(4)	-	-	(4)
As at September 30, 2020	(25,528)	(27,494)	(81,220)	(40,975)	-	-	(175,217)
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 September 30, 2020	22,958	27,630	95,233	45,634	-	22,451	213,906

Roxgold Inc.

Notes to the Consolidated Financial Statements

(Unaudited)

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

7. Property, plant and equipment (continued)

The net book value of the assets held in Canada, Burkina Faso and Côte D'Ivoire totalled \$154,000, \$190,843,000 and \$22,909,000 respectively, as at September 30, 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 \$17,497,000 (December 31, 2019: \$9,926,000).

8. 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 1, 2020, the Company extended the mining contract ("Amended Contract") for Zone 55 and Bagassi South to AUMS which for accounting purposes is treated as a lease modification under IFRS 16 – Leases. This requires the Company to remeasure the existing lease obligation and adjust the right of use asset under the amended contract terms increasing the lease obligation by \$14,889,000.

The Amended Contract has a term of 41 months. 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 6.5%.

As at	September 30 2020	December 31 2019
Opening balance	7,845	9,931
Add: remeasurement of lease obligation	14,889	758
Add: IFRS 16 impact	-	4,227
Deduct: repayments	(5,503)	(7,071)
Total lease obligations	17,231	7,845
Less: current portion	(5,023)	(7,845)
Non-current obligations	12,208	-

9. Long-term debt

As at	September 30 2020	December 31 2019
Opening balance	24,709	36,200
Add: drawdown on revolving credit facility	15,000	-
Deduct: debt repayment	(3,600)	(12,750)
Gain on modification of debt	(749)	-
Add: accretion	527	1,259
Ending balance	35,887	24,709
Less: current portion	(12,919)	(15,750)
Non-current portion	22,968	8,959

The facility includes covenants customary for a transaction of this nature. As at September 30, 2020, the Company has maintained all covenants. In the nine-month period ended September 30, 2020, the Company has made principal repayments totalling \$3,600,000 and interest and accretion totalling \$1,791,000 (September 30, 2019 - \$2,651,000) 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.

On June 29, 2020, the Company completed the refinancing of its existing credit facility (the "Amended 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 Amended Facility is subject to a quarterly repayment schedule commencing in Q4 2020, with an interest rate of LIBOR plus 4.00% and a final maturity date at the end of Q4 2022.

Roxgold Inc.

Notes to the Consolidated Financial Statements

(Unaudited)

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

9. Long-term debt (continued)

As the change in future payment terms expected was determined not to be substantial, the amendment was recorded as a debt modification. In accordance with IFRS 9, the effective interest rate on the Credit Facility was recalculated at the amendment date based on the carrying value of the Amendment Facility, and its expected future payment terms, and a gain was recorded in the Company's consolidated statement of income.

The revised repayment schedule is based on a percentage of the Amended Facility as follows:

Repayment dates	% of total Amended Facility
December 31, 2020	4%
March 31, 2021	10%
June 30, 2021	11%
September 30, 2021	11%
December 31, 2021	12%
March 31, 2022	13%
June 30, 2022	13%
September 30, 2022	13%
December 30, 2022	13%

As at September 30, 2020, the Company is committed to minimum future principal and interest payments for the Facility, is as follows:

	Long-term debt
Remainder of the year ending December 31, 2020	2,223
Year ending December 31, 2021	17,491
Year ending December 31, 2022	19,748

10. 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 9). 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 nine-month ended September 30, 2020, the Company recognized a change in the fair value of derivative financial instruments of \$5,073,000 loss (September 30, 2019 - \$5,006,000 loss) in its consolidated statement of income. During the nine-month ended September 30, 2020, the Company redeemed hedging contracts totalling \$7,834,000 (September 30, 2019 - \$3,568,000) of which \$6,727,000 were cash settled. The cash settlement is completed on the first business day of the following month. For the nine-month period ended September 30, 2020, the Company has settled 11,466 ounces and as at September 30, 2020, 7,670 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 September 30, 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 nine-month ended September 30, 2020 and 2019.

For the periods ended,	September 30 2020	December 31 2019
Opening balance	9,207	8,441
Change in fair value of derivatives	5,073	5,974
Settlement of derivative financial instruments	(7,834)	(5,208)
Ending balance	6,446	9,207
Less: current portion	(6,446)	(7,164)
Non-current portion	-	2,043

Roxgold Inc.

Notes to the Consolidated Financial Statements

(Unaudited)

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

11. 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 September 30, 2020, the Company has a provision for mine rehabilitation of \$3,513,000 (December 31, 2019 - \$3,263,000). A related accretion expense of \$250,000 (September 30, 2019 - \$230,000) 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 September 30, 2020, the restricted cash balance was \$1,551,000.

	September 30 2020	December 31 2019
Opening balance	3,263	2,791
Additions	-	494
Add: accretion	250	(22)
Ending balance	3,513	3,263

12. Share capital and reserves

For the nine-month periods ended September 30,	2020	2019
Shares		
Balance – Beginning of year	371,562,306	374,380,796
Shares issued for exercise of share awards	1,527,634	2,105,511
Shares repurchased and cancelled	-	(4,949,000)
Balance – End of period	373,089,940	371,537,307

A. Authorized

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

B. Share issuances

During the nine-month period ended September 30, 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), 48,712 shares pursuant to the restricted share units ("RSU") plan for a total net impact of \$56,000 (C\$75,000) and 1,050,000 options were exercised at a weighted average price of \$0.78 per share, for total proceeds of \$612,000 (C\$818,000). At the time the options were exercised the weighted average share price was C\$1.52.

During the nine-month period ended September 30, 2019, the Company issued 525,511 shares pursuant to the Company's restricted share units ("RSU") plan for total net impact of \$590,000 (C\$784,000) and 1,580,000 exercise of stock options with a weighted average exercise price of C\$0.62 per share, for total net proceeds of \$741,000 (C\$980,000). At the time the options were exercised the weighted average share price was C\$1.17.

C. Share cancellations

In the nine-month ended September 30, 2020, the Company did not repurchase and cancel any shares under the NCIB. During the nine-month period ended September 30, 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.

On June 16, 2020, 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 19, 2020 and will terminate on the earlier of i) June 17, 2021; 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 NCIB.

Roxgold Inc.

Notes to the Consolidated Financial Statements

(Unaudited)

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

12. Share capital and reserves (continued)**D. Share-based payments**

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

For the periods ended September 30,	Three-month 2020	Three-month 2019	Nine-month 2020	Nine-month 2019
Stock Options cost	10	10	59	36
Deferred share unit costs – expensed	217	540	1,239	615
Performance share unit costs – expensed	190	57	390	309
Restricted share unit costs – expensed	474	281	1,178	1023
Total share-based payments expensed	891	888	2,866	1,983

E. Stock options

A summary of the Company's stock option activities for the nine-month ended September 30, 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
Granted	-	-
Exercised	(1,050,000)	0.78
Forfeited/Expired	(1,500,000)	0.69
Balance as at September 30, 2020	2,708,611	1.03

During the nine-month period ended September 30, 2020, the Company did not grant options that were specifically linked to performance-based metrics (2019 - 450,000).

As at September 30, 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
January 4, 2021	1,276,667	1,276,667	0.69	0.26
June 9, 2021	100,000	100,000	1.41	0.69
January 19, 2022	881,944	881,944	1.50	1.30
March 31, 2024	450,000	150,000	0.91	3.50
	2,708,611	2,408,611	1.03	0.86

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
Granted	598,068
Settled	(428,922)
Balance as at September 30, 2020	5,734,713

Roxgold Inc.

Notes to the Consolidated Financial Statements

(Unaudited)

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

12. Share capital and reserves (continued)

As at September 30, 2020, all DSUs have vested and 4,122,183 units had a dilutive impact as the remaining DSUs totalling 1,612,530 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 \$2,067,000.

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	3,241,579
Forfeited	(337,849)
Settled	(48,712)
Balance as at September 30, 2020	8,322,360

Expiry date	Number of instruments	Number of instruments vested	Weighted average number of years to expiry
December 1, 2020	517,772	492,772	0.17
December 1, 2021	1,736,697	1,108,550	1.17
December 1, 2022	2,757,949	980,171	2.17
January 1, 2023	180,723	-	2.25
December 1, 2023	3,129,219	-	3.17
Balance as at September 30, 2020	8,322,360	2,581,493	2.21

H. Performance share units

The following table reflects the movement in PSUs for the period ended September 30, 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	2,117,979
Forfeited/Expired	(300,000)
Balance as at September 30, 2020	4,381,635

Expiry date	Number of instruments	Weighted average number of years to expiry
February 1, 2021	567,227	0.34
January 1, 2022	1,696,429	1.25
January 23, 2023	2,117,979	2.31
Balance as at September 30, 2020	4,381,635	1.65

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. Supplementary cash flow information

For the nine-month periods ended September 30,	2020	2019
Property, plant and equipment (PP&E) included in accounts payable and accrued liabilities	9,948	7,734
Depreciation included in Inventory	7,710	2,729
IFRS 16 - right of use asset addition to PP&E	14,889	-
Changes in non-cash working capital for the nine-month periods ended September 30,	2020	2019
Accounts receivable	(7,002)	2,655
Prepaid expenses and other expenses	(2,870)	(907)
Inventory	(2,072)	(645)
Accounts payable & other accrued liabilities	(7,894)	4,571
Contract liability	3,732	-
	(16,106)	5,674

14. Commitments

The Company's financial commitments consist contracts with service providers and consultants.

For the years ending December 31,	2020	2021	2022	2023+
Lease agreements	2,523	6,144	5,875	5,867
Service agreements	8,074	2,554	-	-
	10,597	8,698	5,875	5,867

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 30 months 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 September 30, 2020, it would have been subject to an early termination payment of \$20,508,000 (September 30, 2019: \$7,116,000).

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 nine-month period ended September 30, 2020, the Company was subject to royalty rates of 5%. For the nine-month period ended September 30, 2020, government royalties amounting to \$8,377,000 (September 30, 2019: \$5,704,000) 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 \$1,675,000 for the nine-month period ended September 30, 2020.

15. Non-Controlling interest

For the nine-month period ended September 30, 2020, the non-controlling interest of the Government of Burkina Faso, which represents 10% in Roxgold SANU S.A. totalled \$3,977,000 (2019: \$2,340,000). The income attributable to the NCI for the nine-month period ended September 30, 2020, totalling \$39,833,000 is based on the net income for Roxgold SANU SA, as determined using IFRS. This excludes all items within their expenses and Financial expenses on the Company's consolidated statement of income, except for sustainability and other in-country costs, interest expense, other expenses and any related foreign exchange gain (loss).

Roxgold Inc.

Notes to the Consolidated Financial Statements

(Unaudited)

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

16. 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 September 30, 2020	Mining Operations, Burkina Faso	Exploration and evaluation, Burkina Faso	Exploration and evaluation, Côte D'Ivoire	Corporate	Total
Revenue	57,379	-	-	-	57,379
Total mine operating expenses	(34,827)	(425)	-	-	(35,252)
Mine operating profit	22,552	(425)	-	-	22,127
General administrative expenses	-	-	-	(1,619)	(1,619)
Sustainability and other in-country costs	(484)	-	-	-	(484)
Exploration and evaluation	-	(2,187)	(5,891)	-	(8,078)
Depreciation	-	-	(90)	(107)	(197)
Share-based payments	-	-	-	(891)	(891)
Operating profit (loss)	22,068	(2,612)	(5,981)	(2,617)	10,858
Non-Operating expenses	(6,827)	55	5	1,515	(5,252)
Income (loss) for the period	15,241	(2,557)	(5,976)	(1,102)	5,606
Segmented total assets	276,215	3,598	25,118	22,330	327,261
Segmented total liabilities	112,526	2,071	3,792	12,052	130,441
Segmented capital expenditures	27,854	-	23	592	28,469

For the three-month periods ended September 30, 2019	Mining Operations, Burkina Faso	Exploration and evaluation, Burkina Faso & Côte D'Ivoire	Corporate	Total
Revenue	42,258	-	-	42,258
Total mine operating expenses	(25,862)	-	-	(25,862)
Mine operating profit	16,396	-	-	16,396
General administrative expenses	-	-	(1,167)	(1,167)
Sustainability and other in-country costs	(652)	-	-	(652)
Exploration and evaluation	-	(4,081)	-	(4,081)
Depreciation	-	(13)	(143)	(156)
Share-based payments	-	-	(888)	(888)
Operating profit (loss)	15,744	(4,094)	(2,198)	9,452
Non-Operating expenses	(1,355)	55	(6,224)	(7,524)
Income (loss) for the period	14,389	(4,039)	8,422	1,928
Segmented total assets	244,172	24,876	13,041	282,089
Segmented total liabilities	(90,599)	(3,329)	(12,586)	(106,514)
Segmented capital expenditures	14,676	187	7	14,870

Roxgold Inc.

Notes to the Consolidated Financial Statements

(Unaudited)

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

16. Segmented Reporting (continued)

For the nine-month periods ended September 30, 2020	Mining Operations, Burkina Faso	Exploration and evaluation, Burkina Faso	Exploration and evaluation, Côte D'Ivoire	Corporate	Total
Revenue	167,532	-	-	-	167,532
Total mine operating expenses	(106,681)	(425)	-	-	(107,106)
Mine operating profit	60,851	(425)	-	-	60,426
General administrative expenses	-	-	-	(4,041)	(4,041)
Sustainability and other in-country costs	(1,276)	-	-	-	(1,276)
Exploration and evaluation	-	(5,336)	(14,791)	-	(20,127)
Depreciation	-	-	(250)	(386)	(636)
Share-based payments	-	-	-	(2,866)	(2,866)
Operating profit (loss)	59,676	(5,761)	(15,041)	(7,293)	31,480
Non-Operating expenses	(18,457)	70	(44)	1,933	(16,498)
Income (loss) for the period	41,118	(5,691)	(15,085)	(5,360)	14,982
Segmented total assets	276,215	3,598	25,118	22,330	327,261
Segmented total liabilities	112,526	2,071	3,792	12,052	130,441
Segmented capital expenditures	52,546	-	130	656	53,332

For the nine-month periods ended September 30, 2019	Mining Operations, Burkina Faso	Exploration and evaluation, Burkina Faso & Côte D'Ivoire	Corporate	Total
Revenue	121,770	-	-	121,770
Total mine operating expenses	(81,273)	-	-	(81,273)
Mine operating profit	40,497	-	-	40,497
General administrative expenses	-	-	(3,794)	(3,794)
Sustainability and other in-country costs	(1,777)	-	-	(1,777)
Exploration and evaluation	(417)	(10,955)	-	(11,372)
Depreciation	-	(67)	(504)	(571)
Share-based payments	-	-	(1,983)	(1,983)
Operating profit (loss)	38,303	(11,022)	(6,281)	21,000
Non-Operating expenses	(12,421)	6	(7,683)	(20,098)
Income (loss) for the period	25,882	(11,016)	(13,964)	902
Segmented total assets	244,172	24,876	13,041	282,089
Segmented total liabilities	(90,599)	(3,329)	(12,586)	(106,514)
Segmented capital expenditures	51,183	22,392	380	73,955

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.