Roxgold Reports 2019 First Quarter Financial Results; Delivered Solid Quarterly Performance and on Track to Meet Production and Cost Guidance

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TORONTO, May 14, 2019 - Roxgold Inc. ("Roxgold" or the "Company") (TSX: ROXG) (OTC: ROGFF) today reported its first quarter financial results for the period ended March 31, 2019.

For complete details of the unaudited Condensed Consolidated Financial Statements and associated Management's Discussion and Analysis please refer to the Company's filings on SEDAR (www.sedar.com) or the Company's website (www.roxgold.com). All amounts are in U.S. dollars unless otherwise indicated.

1. Highlights

During the quarter ended March 31, 2019, the Company:

Safety

- Continued a strong safety record with no lost time injuries recorded in Q1 2019 with a 12-month rolling lost time injury frequency rate ("LTIFR") of 0.39 per one million hours worked;

Operations

- Achieved solid production results of 33,652 ounces (Q1 2018- 40,452 ounces);
- Sold 32,798 ounces of gold[1] for a total of $42.8 million in gold sales[1] (40,050 ounces and $53.2 million respectively in Q1 2018);
- Cash operating cost[2] of $468 per ounce produced and all-in sustaining cost[2] of $775 per ounce sold were in line with guidance;
- Operating costs[2] of $147 per tonne processed were 32% lower than Q1 2018 as a result of increased throughput and improved efficiencies;
- Mined 98,140 tonnes and achieved a record quarterly throughput of 106,816 tonnes which exceeded increased nameplate capacity of 1,100 tonnes per day by approximately 8%;

Financial

- Achieved an EBITDA[2] of $16.2 million EBITDA margin[2] of 38% in Q1 2019 compared to $28.8 million and 54% respectively in Q1 2018;
- Generated cash flow from mining operations[2] totalling $23.4 million for cash flow from mining operations per share[2] of $0.06 (C$0.08/share);
- Maintained a strong balance sheet with a net cash position[2] of $13 million;
- Generated a strong return on equity[2] of 16%;
- Repurchased and cancelled 4,949,000 shares at an average price of C$0.84/share, for a total cost of $3.1 million (C$4.2 million);

Growth

- Announced the completion of the Séguéla gold project acquisition from Newcrest Mining in April 2019 and commenced RC drilling on the Antenna deposit on April 24th;
- First stoping ore mined at Bagassi South Mine at the end of April 2019.

"Yaramoko delivered another solid performance producing 33,652 ounces of gold during the quarter resulting in strong EBITDA margins of 38% and a return on equity of 16%, one of the highest in the industry. Operating costs per tonne have decreased markedly over the past 12 months and at Bagassi South, development ramp-up advanced well with first stoping ore mined in April, and we expect to see commercial production begin in the near future. With grades and tonnes expected to be higher in the second half of the year, we are well-positioned to meet our production guidance of 145,000 to 155,000 ounces and costs for 2019," said John Dorward, President & CEO. "We remain focused on adding accretive value to shareholders through our active drilling program at Yaramoko and our recently completed Séguéla Gold Project acquisition where we have begun an initial 28,000 metre drilling program."

2. 2019 outlook

- Gold production between 145,000 and 155,000 ounces;
- Cash operating cost[2] between $440 and $470/ounce;
- All-in sustaining cost[2] between $765 and $795/ounce;
- Exploration budget of $10-$12 million;
- Bagassi South pre-commercial production development spend of $12-$15 million.

In 2019, Yaramoko is expected to produce stronger quarters in Q3 and Q4 due to the Bagassi South mine commencing stoping operations during Q2 2019.

3. Mine Operating Activities

	Three months ended March 31 2019	Three months ended March 31 2018
Operating Data		
Ore mined (tonnes)	98,140	88,607
Ore processed (tonnes)	106,816	71,576
Head grade (g/t)	10.0	16.8
Recovery (%)	98.3	99.0
Gold ounces produced	33,652	40,452
Gold ounces sold[1]	32,798	40,050
Financial Data (in thousands of dollars)[3]		
Revenues – Gold sales[1]	42,840	53,226
Mine operating expenses[4]	(15,437)	(15,388)
Government royalties[4]	(1,976)	(2,662)
Depreciation and depletion[4]	(11,942)	(9,632)
Statistics (in dollars)		
Average realized selling price (per ounce)	1,307	1,329
Cash operating cost (per ounce produced)[2]	468	381
Cash operating cost (per tonne processed)[2]	147	216
Total cash cost (per ounce sold)[2]	527	451
Sustaining capital cost (per ounce sold)[2]	180	164
Site all-in sustaining cost (per ounce sold)[2]	711	615
All-in sustaining cost (per ounce sold)[2]	775	658

A. Health and safety performance

There were no Lost Time Injury ("LTI") incidents in the first quarter of 2019 and a 12-month rolling LTIFR of 0.39 per one million hours worked.

B. Operational performance

The Company's gold production in Q1 2019 was 33,652 ounces compared to 40,452 ounces in Q1 2018. The decrease in gold production was mainly driven by a lower head grade partially offset by higher tonnes processed in Q1 2019. The lower average head grade was primarily due to the ramp-up of the Bagassi South underground mine which is currently delivering development ore.

During the quarter, 98,140 tonnes of ore at 10.4 grams per tonne ("g/t") were extracted from the underground mine along with completing 2,264 metres of development compared to 88,607 tonnes of ore at 15.1 g/t and 1,437 metres of development in Q1 2018.

At the 55 Zone, 85,460 tonnes of ore were mined at 10.6 g/t Au and 1,272 metres of development were completed. During the quarter, approximately 80% of ore mined came from stoping activities as a result of extensive development in place at the 55 Zone. At Bagassi South, ramp-up activities continued with 992 metres of development completed.

In Q1 2019, decline development at the mine reached the 4879 level, approximately 440 metres below surface. Ore development was completed between the 4930 and 4896 levels. The mine continues to be well positioned to meet future production requirements with developed reserves for stoping in line with the Company's 18 months planned stoping objectives.

The plant processed a record 106,816 tonnes at an average head grade of 10.0 g/t in Q1 2019 compared to 71,576 tonnes of ore at 16.8 g/t in Q1 2018. The increase of 49% is due to the completion and successful commissioning of the plant expansion project and represents a unit throughput rate which is 8% above nameplate capacity. Plant availability was 95.4% and overall recovery was 98.3% in Q1 2019 compared to 97.9% and 99.0% respectively for the comparative quarter.

Cash operating costs[2] of $147 per tonne processed represented a 32% reduction compared to Q1 2018 driven by increased throughput and cost control.

C. Financial Performance

During the first quarter of 2019, a total of 32,798 ounces of gold[1] were sold resulting in revenue from gold sales[1] totalled $42.8 million. During this period, the Company's average realized gold price was $1,307 per ounce sold compared to an average realised gold price of $1,329 per ounce in the comparable period in 2018.

With the increase in nameplate capacity to 1,100 tonnes per day, the Company has continued to see reductions in cash operating cost[2] per tonne processed reduce by 32% from $216 in Q1 2018 compared to $147 in Q1 2019. The cash operating cost[2] per ounce produced totalled $468 per ounce for the period compared to $381 per ounce in the prior year mainly driven by the lower head grade.

The total cash cost[2] per ounce sold of $527 in Q1 2019 compared to $451 per ounce sold in Q1 2018. As a result, the Company achieved a site all-in sustaining cost[2] of $711 per ounce sold and an all-in sustaining cost[2] of $775 per ounce sold in Q1 2019 compared to $615 per ounce and $658 per ounce sold, respectively.

The Company generated a mine operating margin[2] of $780 which was 11% lower than Q1 2018. This is due to a 2% decrease in the average gold sales price and an increase in cash costs.

The Company invested $5.9 million in underground mine development at the 55 Zone mine during the first quarter of 2019 compared to $6.6 million for the comparable period in 2018. Additionally, the Company invested $6.0 million in pre-commercial production underground mine development at the Bagassi South mine.

The Company generated strong cash flow from mining operations[2] of $23.4 million in Q1 2019, for cash flow from mining operations per share[2] of $0.06 (C$0.08/share). Comparatively, the Company generated cash flow from mining operations[2] of $30.9 million and $0.08 (C$0.11/share) cash flow from mining operations per share[2] in the comparative period.

4. EVENTS SUBSEQUENT TO MARCH 31, 2019

On February 11, 2019, the Company entered into an agreement with Newcrest West Africa Holdings Pty Ltd ("Newcrest") to acquire a portfolio of 11 exploration permits in Côte d'Ivoire which includes the Séguéla gold project for a total consideration of $20 million, with $2 million deposit paid in Q1 2019. On April 18, 2019, the Company completed the acquisition with Newcrest.

5. REVIEW OF FINANCIAL RESULTS[3]

A. Mine operating profit

During the quarter ended March 31, 2019, revenues totalled $39.8 million (2018 - $53.2 million) while mine operating expenses and royalties totalled $13.6 million (2018 - $15.4 million) and $1.8 million (2018 - $2.7 million), respectively. The decrease in sales is primarily due to the decrease in production of 17% and a lower average realized gold price. During the quarter, the Company achieved total cash cost[2] per ounce sold of $527 and a mine operating margin[2] of $780 per ounce sold.

For more information on the cash operating costs[2] see the financial performance of the Mine Operating Activities section of the Company's Q1 2019 MD&A.

In Q1 2019 depreciation included in mine operating profit totalled $11.8 million compared to $9.6 million in Q1 2018. The increase in depreciation is a result of the Company's continued investment in the underground development combined with higher throughput.

B. General and administrative expenses

General and administrative expenses totalled $1.5 million for the quarter ended compared to $1.4 million for the comparative period.

C. Sustainability and other in-country costs

Sustainability and in-country costs totalled $0.6 million for the quarter compared to $0.4 million for the comparative period. The increase in expenditures correspond to the increased community projects associated with the Bagassi South project.

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

Exploration and evaluation expenses totalled $3.2 million for the quarter compared to $3.7 million in the comparative period.

Drilling costs totalling $2.2 million related to converting resources to reserves or to extend the existing resource body have been capitalized in accordance with the Company's accounting policy as future economic benefits are expected.

For more information on the Company's exploration program see the Exploration Activities section of the Company's Q1 2019 MD&A.

E. Share-based payment

Share-based payments totalled $0.4 million in the quarter compared to $0.2 million in the comparative period. The increase is consistent with the increase in share RSU and PSU outstanding and associated vesting schedules.

F. Financial income (expenses)

Net financial expense totalled $3.5 million in the quarter compared to $1.8 million in the comparative period. The increase is mainly attributed to the foreign exchange movement, with a foreign exchange loss of $0.6 million in Q1 2019 compared to a foreign exchange gain of $1.2 million in the comparable period in 2018.

G. Current and deferred income tax expense

All past cumulative losses were fully utilized in 2018 and has resulted in the recognition of current income tax expense in Q1 2019. The deferred income tax expense is due to the recognition of the deferred income tax liability as the Company is making a profit from its operations in Burkina Faso.

H. Net income & EBITDA

The Company's net income and EBITDA[2] in the first quarter of 2019 was $1.9 million and $16.2 million, respectively. The lower earnings were primarily due to lower gold sales, an unfavourable foreign exchange movement, and higher depreciation.

I. Income Attributable to Non-Controlling Interest

For the three months ended March 31, 2019, the income attributable to the non-controlling ("NCI") interest was $0.9 million. 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.

6. CONFERENCE CALL AND WEBCAST INFORMATION

A webcast and conference call to discuss these results will be held on Wednesday, May 15, 2019, at 8:30AM Eastern time. Listeners may access a live webcast of the conference call from the events section of the Company's website at www.roxgold.com or by dialing toll free 1-888-231-8191 within North America or +1-647-427-7450 from international locations.

An online archive of the webcast will be available by accessing the Company's website at www.roxgold.com. A telephone replay will be available for two weeks after the call by dialing toll free 1-855-859-2056 and entering passcode 7799100.

Notes:

[1] For the period ended March 31, 2019, gold ounces sold, and gold sales include pre-commercial production ounces sold of 2,305 ounces and revenues of $3.0 million. The pre-commercial production gold sales and mine operating expenses were accounted against Property, Plant and Equipment.

[2] 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. Please refer to note 17 "Non-IFRS financial performance measures" of the Company's MD&A dated May 14, 2019, available on the Company's website at www.roxgold.com or on SEDAR at www.sedar.com for reconciliation of these measures.

[3] In accordance with the transition provision in IFRS 16, Leases, the comparatives for the 2018 reporting periods have not been restated.

[4] For the period ended March 31, 2019, mine operating profit includes capitalized pre-commercial production costs of $1.9 million mine operating expenses, $0.1 million royalty costs and $0.1 million depreciation related to the 2,305 ounces sold.

Qualified Persons

Iain Cox, FAusIMM, Interim Chief Operating Officer for Roxgold Inc., a Qualified Person within the meaning of National Instrument 43-101, has verified and approved the technical disclosure contained in this news release.

Paul Weedon, MAIG, Vice-President, Exploration for Roxgold Inc., a Qualified Person within the meaning of National Instrument 43-101, has verified and approved the technical disclosure contained in this news release. 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 Company's Annual Information Form dated December 31, 2018, available on the Company's website at www.roxgold.com and on SEDAR at www.sedar.com.

For further information regarding the Yaramoko Gold Mine, please refer to the technical report dated December
20, 2017, and entitled "Technical Report for the Yaramoko Gold Mine, Burkina Faso" (the "Technical Report"), available on the Company's website at www.roxgold.com and on SEDAR at www.sedar.com.

About Roxgold

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. Roxgold trades on the TSX under the symbol ROXG and as ROGFF on OTC.

This press release contains "forward-looking information" within the meaning of applicable Canadian securities laws ("forward-looking statements"). Such forward-looking statements include, without limitation: statements with respect to Mineral Reserves and Mineral Resource estimates (including proposals for the potential growth, extension and/or upgrade thereof and any future economic benefits which may be derived therefrom), future production and life of mine estimates, production and cost guidance, anticipated recovery grades, and potential increases in throughput, the anticipated increased proportion of mill feed coming from stoping ore, future capital and operating costs and expansion and development plans including with respect to the 55 zone and Bagassi South, and the expected timing thereof (including with respect to the delivery of ore and future stoping operations), proposed exploration plans and the timing and costs thereof, the anticipated operations, costs, proposed funding, timing and other factors set forth in the Technical Report, and sufficiency of future funding. These statements are based on information currently available to the Company and the Company provides no assurance that actual results will meet management's expectations. In certain cases, forward-looking information may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Forward-looking information contained in this news release is based on certain factors and assumptions regarding, among other things, the estimation of Mineral Resources and Mineral Reserves, the realization of resource estimates and reserve estimates, gold metal prices, the timing and amount of future exploration and development expenditures, the estimation of initial and sustaining capital requirements, the estimation of labour and operating costs, the availability of necessary financing and materials to continue to explore and develop the Yaramoko Gold Project and other properties in the short and long-term, the progress of exploration and development activities as currently proposed and anticipated, the receipt of necessary regulatory approvals and permits, and assumptions with respect to currency fluctuations, environmental risks, title disputes or claims, and other similar matters, as well as assumptions set forth in the Company's technical report dated December 20, 2017, and entitled "Technical Report for the Yaramoko Gold Mine, Burkina Faso" available on the Company's website at www.roxgold.com and SEDAR at www.sedar.com. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include: changes in market conditions, unsuccessful exploration results, possibility of project cost overruns or unanticipated costs and expenses, changes in the costs and timing of the development of new deposits, inaccurate reserve and resource estimates, changes in the price of gold, unanticipated changes in key management personnel, failure to obtain permits as anticipated or at all, failure of exploration and/or development activities to progress as currently anticipated or at all, and general economic conditions. Mining exploration and development is an inherently risky business. Accordingly, actual events may differ materially from those projected in the forward-looking statements. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

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