

AUMS to Subscribe for US\$5 Million in Roxgold Shares

TORONTO, July 6, 2015 /CNW/ - [Roxgold Inc.](#) (ROG: TSX.V) ("Roxgold" or the "Company") is pleased to announce that it has mobilized its underground mining contractor, a subsidiary of African Underground Mining Services ("AUMS"), to its Yaramoko Gold Project in Burkina Faso, West Africa. The previously announced mining services contract entered into with the underground mining contractor (the "Mining Contract") has an initial term of four years and includes the provision of a mining fleet and skilled labour force.

As previously announced, in connection with mobilization, African Underground Mining Services Ltd. ("AUMSG") will make an initial investment in the Company of US\$5 million by means of a non-brokered private placement. The private placement will consist of 8,979,286 Roxgold common shares (the "Subscription Shares") at a price of Cdn\$0.70 per share, for gross proceeds of approximately Cdn\$6,286,000. Upon closing of the private placement, AUMSG will hold approximately 3% of the issued and outstanding common shares of the Company on an undiluted basis.

No finders' fees or commissions will be payable in connection with the private placement. The net proceeds of the offering will be used to partially fund the development and exploration of the Company's Yaramoko Gold Project in Burkina Faso, West Africa, and for general corporate purposes.

As previously announced, Roxgold will have the option to settle up to US\$10 million in payments under the Mining Contract in the form of Roxgold common shares (the "Payment Shares"). The subscription price for each Payment Share will be based on a 5% discount to the volume weighted average price of Roxgold shares on the TSX Venture Exchange for the five trading days following the date of the particular invoice. The proceeds of the sale of the Subscription Shares and the value of services to be provided in exchange for the Payment Shares together represent approximately 50% of the anticipated pre-production underground development capital expenditures.

The proposed issuances of Subscription Shares and Payment Shares are set out in an agreement (the "Equity Investment Agreement") entered into between AUMS, AUMSG and the Company. The proposed issuances are subject to the prior approval of the TSX Venture Exchange and any Subscription Shares and Payment Shares issued will be subject to a four month hold period from the date of issue.

"We are very pleased to welcome AUMSG as a shareholder of Roxgold", commented Paul Criddle, Roxgold's Chief Operating Officer. "The alignment of interests between Roxgold and a key contractor bodes well for the smooth operation of the Yaramoko Gold Project, development of which has been progressing very well."

Pursuant to the Equity Investment Agreement, AUMSG will enter into a voting agreement with the Company whereby it will agree that, for a period of two years, it will vote, or provide its consent with respect to, any Subscription Shares and Payment Shares it receives: (i) for each of the Company's nominees for election to the board of directors at any meeting of shareholders; and (ii) in any matters proposed by shareholders of the Company or by the Company, in accordance with the recommendation of the majority of the Company's board of directors.

AUMS is a joint venture between Ausdrill Limited, a leading international mining services business, and Barm[Inco Ltd.](#), a specialist underground mining contractor. With industry leading safety and training systems along with extensive experience operating underground mines in West Africa, AUMS is uniquely qualified to assist in the development of the Yaramoko Gold Project.

About Roxgold

Roxgold is a gold exploration and development company with its key asset, the high grade Yaramoko Gold Project, located in the Houndé greenstone region of Burkina Faso, West Africa. The Company is currently advancing Yaramoko's 55 Zone through construction and expects to commence production in the second quarter of 2016. Roxgold trades on the TSX Venture Exchange under the symbol ROG.

"Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release."

Forward-Looking Information

This news release contains forward-looking information. Forward looking information contained in this new release includes, but is not limited to, the expected completion of a private placement to AUMSG and the terms thereof, and the expected use of proceeds thereof. 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 in the short and long-term, the progress of exploration and development activities, the receipt of necessary regulatory approvals, including the approval of the TSX Venture Exchange for the private placement, and assumptions with respect to currency fluctuations, environmental risks, title disputes or claims, and other similar matters. 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, changes in the price of gold, unanticipated changes in key management personnel 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.

SOURCE [Roxgold Inc.](#)

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