

TORONTO, April 7, 2016 /CNW/ - [Roxgold Inc.](#) ("Roxgold" or "the Company") (TSX.V: ROG) today reported its financial results for the year ended December 31, 2015, including development highlights from its Yaramoko project.

For complete details of the audited 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).

1. 2015 HIGHLIGHTS

As at December 31, 2015, and for the year then ended, the Company:

- Advanced construction at the Yaramoko project to approximately 63% as at December 31, 2015;
- Received the Mining Decree and approved Mining Convention, for the Yaramoko project, under the 2003 Burkina Faso Mining Code;
Selected the DRA / Group Five Joint Venture ("JV") as the Engineering, Procurement and Construction ("EPC") contractor for the Yaramoko project under a lump sum agreement totalling US\$34 million;
- Continued construction progress at the Yaramoko project with approximately US\$57 million spent as of December 31, 2015, of the overall US\$110.8 million cost estimate, and on track for first gold pour in the second quarter of 2016;
- Closed a project finance facility totalling US\$75 million (the "Credit Facility") with BNP Paribas and Société Générale Corporate and Investment Banking, and subsequently drew a total of US\$51 million from the Credit Facility during 2015; Received a US\$5 million (\$6.3 million) equity investment from African Underground Mining Services ("AUMS");
- Closed an \$18.4 million investment by the International Finance Corporation ("IFC");
- Completed the 55 Zone infill drilling program which supported the feasibility resource model and corroborated the high grade and continuous nature of the 55 Zone; and
- Discovered a new mineralized domain at Bagassi South and extension of the QV1 mineralization.

2. DEVELOPMENT ACTIVITIES

A. Construction Progress

The development of the Yaramoko project (the "Project") advanced considerably during the year, with bulk earthworks and the accommodation camp complete, and overall construction 63% complete as at December 31, 2015. Construction of the processing facility remains on schedule in accordance with the lump sum fixed price EPC contract. Mine development is well advanced and continues to make good progress ahead of start-up. The Project remains within its capital cost estimate and is expected to produce gold in Q2 2016.

As of December 31, 2015, the Company had spent approximately US\$57 million and remains on target to complete the Project within the planned capital cost estimate of US\$110.8 million.

Camp Construction and Bulk Earthworks

Construction of the 216 person accommodation camp was completed and occupied in October 2015.

The bulk earthworks scope is completed. The lining of the tailing storage facility was finalized in December 2015.

Mine Development

On July 6, 2015, the Company mobilized its underground mining contractor, AUMS, to the Yaramoko project. The mining services contract entered into with AUMS (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, Roxgold also has the option (the "Mining Contract Option") to settle up to US\$10 million (\$13.8 million) in payments under the Mining Contract in the form of the Company's common shares (the "Payment Shares"). If Roxgold elects to pay for mining services invoices with 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.

For more information please refer to the Company's July 6, 2015 and March 8, 2016 press releases available on SEDAR at www.sedar.com.

Since mobilization, AUMS has been advancing development at a rate in line with the projected plan. As of December 31, 2015, the underground mine development totalled approximately 870 metres and three level accesses (5270, 5253, and 5236) had been developed. Multiple headings are now available to the contractor and advance rates are expected to continue meeting the plan. Ground conditions are largely as expected and water inflow, to date, has been negligible. Construction of the surface mine

infrastructure, including workshops, offices and the back-up power station remains on schedule.

Processing Plant

As of the end of 2015, the processing plant was approximately 73% complete.

As at December 31, 2015, plant civil construction was essentially complete and ahead of schedule and paved the way for subsequent disciplines (including structural steel, mechanical, platework, piping, electrical and instrumentation) to advance across the site.

During the fourth quarter of 2015, the carbon-in-leach ("CIL") tanks had been erected and structural steel began to arrive on site and was being pre-assembled. The Semi Autogenous Grinding ("SAG") mill was assembled and lifted onto its pedestals.

The JV completed all necessary procurement and all outstanding items were released for shipment. These include structural steel, the balance of mechanical equipment, electrical and instrumentation materials, all of which arrived on site early 2016 and are in the process of being assembled and/or installed.

Operational Readiness

The Company's management team continued to advance preparations for the operational phase. The recruitment of all department heads, senior technical and senior operational personnel is complete. The Company is continuing its recruitment and training of local staff for the remaining positions.

Preparation of procedures and systems for production, grade control, reconciliation, and systems development continued through the end of 2015 and into early 2016 in advance of the Project becoming fully operational.

B. Permitting

During the year ended December 31, 2015, the Company received all of the required government approvals for the operation of the Yaramoko project. The mining decree, granted on February 2, 2015, and the mining convention for the Project, signed on July 13, 2015, were both issued in accordance with the 2003 Burkina Faso Mining Code and as such the Project is subject to a corporate tax rate of 17.5% in Burkina Faso

C. Compensation Process

In March 2015, the Company completed the compensation process for affected landholders on the Yaramoko property. The compensation process for impacted landholders relating to the 90 kV power line, which is expected to supply the Project with electrical power, was also completed at the same time.

D. Updated Capital Costs

During the year, the Company updated its pre-production capital cost estimate for the Yaramoko project to US\$110.8 million, an increase of approximately 4% from the amount in the Technical Report published in April 2014, resulting primarily from scope changes. The changes include the adoption of a plastic liner for the Project's tailings storage facility, which was a new requirement outlined by Burkina Faso's environmental permitting authority.

In addition, the SAG mill and associated equipment were upsized to facilitate a future expansion of the processing plant's capacity and the backup (diesel) power station capacity was also increased, which will provide the Yaramoko project with full standby capability in support of the power line, which will be connected to the grid.

3. FINANCING ACTIVITIES

A. Project Finance

On June 9, 2015, the Company signed a credit agreement with BNP Paribas and Société Générale Corporate & Investment Banking, for a total of US\$75 million in order to fund the development of the Yaramoko project.

The Credit Facility has a six-year term and advances under the Credit Facility will bear interest at a rate of LIBOR plus 4.75%

pre-completion and 4.25% post completion, respectively. A US\$15 million cost overrun account, as required by the Credit Facility, has been funded through the proceeds of an equity financing completed in November 2014.

In July 2015, the Company completed the execution of a hedging program (the "Hedging Program") in connection with the above mentioned Credit Facility. The Hedging Program totals forward sales of 65,000 ounces at an average price of US\$1,052 per ounce, which are to be settled on a monthly basis from January 2017 to March 2021. The execution of the Hedging Program was a key condition precedent associated with the Credit Facility.

During the fourth quarter of 2015, the Company completed two drawdowns from the Credit Facility totalling approximately US\$51 million (\$69 million). As at December 31, 2015, the availability of the remaining approximately US\$24 million of the Credit Facility for drawdown is primarily subject to a funding ratio of Yaramoko project costs funded by the Company as compared to project costs funded by the Credit Facility as of the date of each subsequent drawdown. The Company has continued to maintain this requisite funding ratio.

B. Private Placements

On July 20, 2015, the Company closed a US\$5 million (\$6.3 million) private placement to AUMS in connection with its mobilization. The private placement consisted of the issuance of 8,979,286 Roxgold common shares (the "Subscription Shares") at a price of \$0.70 per share, for gross proceeds of approximately \$6,284,000. During March 2016, AUMS entered into an escrow agreement with Roxgold for an eight month period for the 8,979,286 shares on the basis that Roxgold does not utilize the Mining Contract Option during the escrow period.

For more information please refer to the Company's March 8, 2016 press releases available on SEDAR at www.sedar.com.

On September 9, 2015, Roxgold closed an \$18.4 million non-brokered private placement to IFC. IFC's investment consists of 25,783,352 units (the "Units") at a price of \$0.7136 per Unit, for gross proceeds of \$18.4 million. Each Unit consists of one common share and one-half of one common share purchase warrant. Each full warrant will be exercisable for one additional common share of the Company, at a conversion price equal to \$0.90 per share. The warrants expire September 9, 2017.

With the balance of funds remaining from the Credit Facility of US\$24 million, the funds from the private placements to AUMS and IFC, respectively, and a further US\$10 million available from AUMS, if necessary, in exchange for pre-production underground mining services (which has since been replaced by proceeds from the \$23 million bought deal financing closed on March 8, 2016), it is anticipated Roxgold is fully funded to complete the Yaramoko project and to successfully put it into commercial production.

4. EXPLORATION ACTIVITIES

The Yaramoko permit covers approximately 196 km² in the Province of Balé in southwestern Burkina Faso.

A. 55 Zone

The Company commenced an infill diamond drilling program on the 55 Zone at the Yaramoko project in late March 2015. The program was designed to tighten the drill spacing from 25 metre to 12.5 metre centres in areas in which the mine's first year of production is scheduled.

The program was completed in October 2015, and totalled 75 holes for a total of approximately 6,900 metres of diamond drilling, to depths of up to 150 metres. The continuity and the high grade nature of the results continue to support the feasibility resource model with intersections consistent with the Company's expectations. Overall, the infill drilling program highlighted places within the model where, with greater resolution in the data and geological context, the Company believes that localized improvements to the model may be realized.

A small number of historical voids, created by artisanal miners, were intersected in drilling in localized areas down to a maximum depth of 50 metres. Infill drilling below these voids did not encounter the continuation of these voids and they appear to be limited laterally along strike as well. The voids are believed to be sub-vertically excavated tunnels from surface and are not expected to have any significant impact on mining activities. Roxgold now has full custody and control over the surface at its 55 Zone.

For more information on the 55 Zone infill drilling program, please refer to the Company's press releases dated April 14, May 19 and October 8, 2015, respectively, available on SEDAR at www.sedar.com.

In addition, to the infill program, the Company also completed two geotechnical drill holes related to the placement of ventilation raises on the 55 Zone totalling 100 metres.

B. Bagassi South

Roxgold discovered a new mineralized domain, the QV1 extension, at Bagassi South during the second quarter of 2015. At Bagassi South, approximately 6,200 metres of drilling was completed in 27 holes during the year ended December 31, 2015. Exploration at QV1 was successful in further delineating the QV1 Extension, a broader, high grade domain along plunge from the initial QV1 target to the south of the regional cross cutting dyke. Mineralization at QV1 remains open along plunge. Highlights from the QV1 extension and the mineralization intersected south of the dyke include:

- 23.6 grams per tonne ("gpt") gold over 10.9 metres ("m") and a second interval of 8.2 gpt gold over 6.0 m in diamond drill hole ("DDH") YRM-15-DD-BGS-083;
- 14.51 gpt gold over 6.05 m in DDH YRM-15-DD-BGS-095;
- 13.7 gpt gold over 7.2 m including 13.7 gpt over 1.5 m and 40.3 over 1.5 m in DDH YRM-15-DD-BGS-090; and
- 11.0 gpt gold over 7.5 m including 33.7 gpt over 0.8 m and 19.4 gpt over 1.7 m in DDH YRM-15-DD-BGS-089.
- 52.3 gpt gold over 6.1 m including 137.0 gpt gold over 0.8 m and 199.0 gpt gold over 1.0 m in DDH YRM-15-RD-BGS-099
- 21.0 gpt gold over 6.7 m including 46.3 gpt gold over 0.7 m and 183.0 gpt gold over 0.6 m in DDH YRM-15-RD-BGS-104A

Follow-up drilling on this target over the reporting period has seen the plunge length of the newly defined QV1 extension grow by approximately 330 metres, bringing the total strike length to 800 metres. Drilling southeast of the dyke, has been successful in discovering the continuation of the QV1 mineralization to the south of the dyke and growing additional plunge length there. Drilling along the main plunge of mineralization towards the end of 2015 continued to intersect high grade gold mineralization along the plunge line. Drilling in the first quarter of 2016 is planned to further define this plunge line as well as test up dip and down dip continuity of mineralization.

For more information on drilling at Bagassi south and QV1, please refer to the Company's press releases dated May 5, May 19, August 11, 2015 and January 14, 2016, respectively, available on SEDAR at www.sedar.com.

5. EVENTS SUBSEQUENT TO DECEMBER 31, 2015

A. Extension of the QV1 and QV Prime zone and completion of initial Metallurgy Testwork Program

On January 14, 2016, the Company announced the results of an 11 hole 3,000 m DD and reverse circulation ("RC") drill program that was designed to test for mineralization to the south of the Bagassi dyke as well as evaluate the up-dip potential and infill gaps in the drilling to the north of the dyke. Holes were drilled with an RC pre-collar to approximately 10 m above their intended target depth and were subsequently completed with a diamond tail. Of this program, approximately 640 m of DD and 1,730 m of RC were drilled at QV1. At QV, 155 m of Diamond and 470 m of RC were completed. Highlights of this program include:

- 52.3 gpt gold over 6.1 m including 137.0 gpt gold over 0.8 m and 199.0 gpt gold over 1.0 m in DDH YRM-15-RD-BGS-099
- 21.0 gpt gold over 6.7 m including 46.3 gpt gold over 0.7 m and 183.0 gpt gold over 0.6 m in DDH YRM-15-RD-BGS-104A

Additionally, a preliminary metallurgical test work program was conducted on approximately 30kg of sample material from the QV1 target at Bagassi South. Sample material was selected from drill core taken from previous drilling at QV1 and included four composite samples and two variability samples. These samples were selected from intervals along the strike length of the QV1 area and are representative of all mineralization types encountered at QV1 to date.

Metallurgical test work observations include:

- High rates of total gold extraction between 96% and 99% (overall recovery);
- High rates of gravity recovery between 70% and 90%;
- Excellent whole ore (no gravity) leach kinetics, with majority of gold leached in 12 hours;
- Moderate hardness of ore; and
- Low reagent consumption (cyanide and lime).

B. Additional results from drilling program at QV1 target

On March 15, 2016, the Company announced the results of an additional 2,360 m DD program, which was successful in further defining the high grade QV1 mineralization within the already defined envelope and provides for a maiden resource estimate.

- 56.0 gpt gold over 7.8 m including 127.0 gpt gold over 3.3 m in DDH YRM-16-DD-BGS-109;
- 8.6 gpt gold over 17.9 m including 70.1 gpt gold over 1.6 m in DDH YRM-16-DD-BGS-113; and
- 11.8 gpt gold over 8.8 m including 70.6 gpt gold over 1.4 m in DDH YRM-16-DD-BGS-107

C. Financing update

On March 4, 2016, the Company completed its third drawdown from the Credit Facility of approximately US\$8 million (\$11 million).

On March 8, 2016, the Company closed its previously announced bought deal financing (the "Financing") of 25 million common shares of Roxgold (the "Shares") and the related over-allotment option of 3.75 million Shares at a purchase price of \$0.80 per Share, for aggregate gross proceeds in the amount of \$23 million.

The net proceeds from the Financing will be used (i) to replace the US\$10 million Mining Contract Option provided by AUMS as discussed earlier, (ii) for regional exploration, and (iii) for general corporate purposes.

SELECTED FINANCIAL DATA

The following table and contained data is derived from the Company's audited Consolidated Financial Statements for the years ended December 31, 2015 and 2014, respectively, prepared in accordance with IFRS. All amounts are expressed in Canadian dollars, unless otherwise stated.

	Year End December 31, 2015	Year End December 31, 2014
Cost of operations		
General and administrative expenses	3,278,000	4,328,000
Exploration and evaluation expenses	2,766,000	15,186,000
Share-based payments	2,262,000	1,802,000
Depreciation	865,000	676,000
Operating loss for the period	9,171,000	21,992,000
Other expenses (income)		
Interest income	(75,000)	(242,000)
Standby fees	762,000	-
Change in fair value of derivative instruments	2,634,000	-
Foreign exchange gain	(4,839,000)	(728,000)
Indirect tax	182,000	180,000
	(1,336,000)	(790,000)
Loss before income taxes	(7,835,000)	(21,202,000)
Deferred Income tax expense (income) -		-
Net loss for the period	(7,835,000)	(21,202,000)
Loss per share (basic and diluted)	(0.03)	(0.09)

General and administrative expenses decreased compared to the same period in 2014. The net decrease is mainly due to several non-recurring consulting expenditures incurred in 2014, as part of the Company's corporate reorganization and taxation planning, among other initiatives, in preparation for the Project and related Credit Facility. Additionally, 2015 costs relating to the Credit Facility were capitalized whereas during the same period in 2014 not all of these costs were capitalized as the Company had not received a commitment letter for the Credit Facility until the third quarter of 2014.

Excluding non-recurring expenditures, general and administrative expenses are comparable year-over-year.

The drilling and geological work costs for the year ended December 31, 2015 reflect the drilling campaigns completed at Bagassi South, where 6,200 metres of drilling was completed in 27 holes, resulting in the Company discovering the continuation of the QV1 Extension. The 2014 costs for the same period reflect the diamond drill holes on targets on the Bagassi South area where the Company advanced the QV1 structure, growing its strike length, and where two other mineralized structures were discovered. These costs also included reverse circulation drilling completed at Haho and work completed on the Boni Shear and 109 Zones, respectively.

The economic evaluations expense incurred in 2014 relates to the preparation for the development of the Yaramoko project, which includes the completion of the Technical Report that the Company released on April 22, 2014 as well as costs associated with the provisional submission of the Environmental and Social Impact Assessment made in March 2014.

Pre-construction costs of \$1,272,000 within E&E expenses for the year ended December 31, 2014 related to expenditures to maintain the critical path of development at the Yaramoko project. These costs consisted primarily of work on the detailed engineering design of the Project. In 2015, additional pre-construction and construction costs were recognized under mineral properties under development within Property, Plant and Equipment ("PP&E") once management determined that the technical feasibility and commercial viability of the Yaramoko project had been established during the third quarter of 2014.

Owners' costs included within E&E expenses are solely related to general and administrative costs incurred to support geology work performed on zones outside of the 55 Zone. The significant decrease in owners' costs relates to the decrease in exploration activities during 2015 as compared to 2014.

The net increase of share-based payment costs of \$460,000 is mainly due to higher stock option expenses and higher deferred unit costs in 2015. Additional stock option expenses totalling \$170,000 were incurred during the year ended December 31, 2015 as a result of a higher volume of options granted, compared to the same period in 2014, as the Company continued to build the team required to operate the Yaramoko project. Deferred share unit costs increased by \$108,000 as a result of a change in the Company's directorship in June 2015 combined with a higher valuation of cash-settled deferred stock units with the increase in the Company's share price.

The other expenses during the year ended December 31, 2015 are mainly due to the change in the fair value of the gold forward sale contracts which was offset by a foreign exchange gain in relation to the Company and its subsidiaries' cash on hand held in currencies other than their functional currencies during the period. The forward sale contracts were entered into as a condition precedent to be able to access funds available through the Credit Facility. Standby fees incurred on unused funds from the Credit Facility also contributed to other expenses.

As a result, the Company's net loss for the year ended December 31, 2015 totalled \$7,835,000 compared to a net loss of \$21,202,000 for the year ended December 31, 2014. Based on the net loss for the years reported, the Company's loss per share was \$0.03 and \$0.09 per share for the fiscal years ended December 2015 and 2014, respectively.

QUALIFIED PERSONS

Ben Pullinger, P.Geo, VP of Exploration for [Roxgold Inc.](#), and Paul Criddle, FAUSIMM, Chief Operating Officer for [Roxgold Inc.](#), are Qualified Persons within the meaning of National Instrument 43-101, have verified and approved the technical data disclosed in the press releases included herein by reference. This includes the sampling, analytical and test data underlying the information.

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 in construction and expects to be producing gold by Q2 2016. Roxgold trades on the TSX Venture Exchange under the symbol ROG and as part of the Nasdaq International Designation program with the symbol OTC: ROGFF.

"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."

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 balance of the AUMS Mining Contract Option, 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.

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