

TORONTO, April 18, 2017 /CNW/ - [Roxgold Inc.](#) ("Roxgold" or the "Company") (TSX: ROXG) is pleased to announce its production results for the first quarter of 2017 along with the 2016 year-end financial results.

An Investor Day will be held by the Company, tomorrow, April 19, 2017 at 9:00AM ET which will be available via a webcast in the Events section of the corporate website.

"Roxgold has delivered strong operating and financial metrics over the course of 2016 and the first quarter of 2017," commented John Dorward, Roxgold President and CEO. "Looking to the future, Roxgold is well positioned financially to pursue organic growth at our key Bagassi South development project as well as deliver on an extensive regional exploration program over the balance of this year and beyond."

Highlights:

For the three month period ended March 31, 2017, the Company:

- Achieved two million hours with no lost time injuries;
- Produced 35,594 ounces and sold 34,930 ounces for the quarter;
- Connected to the Burkina Faso high voltage grid on February 1, 2017 with 99% availability; and
- Held cash as at March 31, 2017 of approximately \$53 million subsequent to a total of \$18.5 million of debt principal repayments.

For the 12-month period ended December 31, 2016, the Company:

- Achieved 1,800,000 hours free of lost time injuries ("LTI") in December
- Completed construction of the Yaramoko gold mine 1.5 months ahead of schedule and approximately 3% below the capital cost estimate;
- Sold 77,115 ounces of gold totalling revenues of \$98,010,000 since first gold pour in May 2016;
- Incurred a cash operating cost⁵ of \$375 per ounce produced for a total cash cost⁶ of \$431 per ounce sold and an all-in sustaining cost⁸ of \$705 per ounce sold, including additional investment to advance underground development ahead of the initial mine plan;
- Generated cash flow from mining operations⁴ totalling \$59,106,000 for cash flow per share⁴ of \$0.16 (C\$0.21/share);
- Mined 183,707 tonnes of ore for the period March 1 to December 31, 2016 (133,601 for the seven month period ended December 31, 2016);
- Closed a C\$23 million bought deal financing;
- Received \$9 million from the early exercise of all outstanding warrants, held by International Finance Corporation ("IFC");
- Declared commercial production on October 1, 2016;
- Received the "Prix Responsabilité Sociale des Entreprises minières 2016" or "2016 CSR Award of Mining Companies" by Redevabilité in Burkina Faso.

1. Operating highlights for the three-month period ended March 31, 2017

During the three-month period ended March 31, 2017, the Yaramoko gold mine continued to operate in line with expectations. Operations are now in their third full quarter and exhibiting good adherence to plan. During the period, the Yaramoko gold mine achieved a significant milestone in reaching two million hours worked without a Lost Time Injury. Roxgold feels that this is indicative of the maturity and stability that has been established at the Yaramoko gold mine in the year since commencing operations.

In the period, the Yaramoko gold mine produced 35,594 ounces and sold 34,930 ounces of gold. This was in line with expectations of a relatively strong first quarter.

The mine produced 69,237 tonnes of ore at 14.74 g/t Au with 1,740 metres of development completed. With two stoping areas operating at quarter end, the mine remains well established to continue to deliver consistent production. The plant processed 63,955 tonnes at an average head grade of 17.16 g/t Au. Plant availability was 94% and overall recovery was 99.2% during the quarter.

During the period, the Yaramoko gold mine was connected to the Burkina Faso High Voltage ("HV") national power grid. Connection took place as scheduled on February 1, 2017, and has subsequently enjoyed grid availabilities of 99%. The HV supply is utilised across the property and will be a significant driver in reducing operating costs at the Yaramoko gold mine. Roxgold is very pleased with the proactive partnership it enjoys with the national power provider, SONABEL, and thanks them for their ongoing support.

2. 2016 goals and achievements

In 2016, the Company's main operational focus was to pour gold during the second quarter and achieve commercial production

during the year. To pursue organic growth, the Company also expected to complete a maiden Mineral Resource for the Bagassi South deposit and to provide an updated 55 Zone Mineral Resource based on the completion of additional drilling.

Roxgold exceeded its first objective as the construction of the Yaramoko gold mine was effectively completed during the second quarter of 2016, with the exception of the installation of the HV power line. The final Yaramoko gold mine capital cost totalled \$107 million, which is 3% below the Company's capital cost estimate for the project of \$110.8 million. The HV line was completed in early February 2017 and is currently providing power to the processing and underground facilities as expected.

The Company met its second objective when it transitioned from developer to producer by declaring commercial production as of October 1, 2016. During the four month pre-commercial production period and the three months of operations since declaring commercial production, the Company produced 77,157 ounces of gold at an average mill feed of 15.5 gpt. Since the first gold pour the Company generated cash flow from mining operations⁴ totalling \$59,106,000 contributing to the cash on hand position of \$68,902,000 as at December 31, 2016.

The Company's organic growth objectives were also achieved during the year. In April 2016, the Company announced the completion of a maiden resource for the QV1 and QV' structures at Bagassi South located 1.8 kilometres south of the 55 Zone. The results of the 55 Zone deep drilling program completed during the fourth quarter of 2016, which intersected 20.1 gpt over 23.8 metres at a vertical depth of 960 metres, support the Mineral Resource update included under the Reserves and Resources section of the Company's Management Discussion and Analysis ("MD&A") for the year ended December 31, 2016.

Unfortunately, one lost time injury was recorded during the period. Since this occurrence, there have been 1,800,000 LTI free hours worked to December 31, 2016 and 2,000,000 LTI free hours were surpassed in early 2017.

3. 2016 performance

The Company considers that pre-commercial production operations at the Yaramoko gold mine commenced in June 2016 as the construction of the processing plant and associated infrastructure was completed, the contractual performance test associated with the engineering, procurement, and construction ("EPC") lump sum contract with the DRA/Group Five Joint Venture was passed and a first gold shipment was exported and refined. Ramp-up of pre-commercial production continued during the third quarter ended September 30, 2016 leading to the declaration of commercial production on October 1, 2016.

	Pre-commercial production months ended September 30, 2016 ¹	Commercial Four production months ended December 31, 2016	TOTAL seven months ended December 31, 2016
Operating Data			
Ore mined (tonnes)	61,040	72,561	133,601
Ore processed (tonnes)	82,590	61,265	143,855
Head grade (g/t)	16.4	15.45	16.0
Recovery (%)	98.4	98.9	98.5
Gold ounces produced ²	45,390	29,688	75,078
Gold ounces sold	42,844	34,271	77,115
Financial Data (in thousands of dollars)			
Revenues – Gold sales ³	56,625	41,385	98,010
Mining operating expenses	14,728	14,127	28,855
Government royalties	2,730	1,685	4,415
Depreciation and depletion	-	4,080	4,080
Net loss attributable to shareholders	N/A	N/A	(2,511)
Basic and diluted earnings per share	N/A	N/A	(0.01)
Cash flow from mining operations ⁴	35,936	23,170	59,106
Per share ⁴	0.10	0.06	0.16
Cash on hand end of period	60,552	68,902	68,902
Total assets	198,885	217,670	217,670
Statistics (in dollars)			
Average realized selling price (per ounce)	1,322	1,208	1,271
Cash operating cost (per ounce produced) ⁵	350	414	375
Cash operating cost (per tonne processed) ⁵	192	201	196
Total cash cost (per ounce sold) ⁶	408	461	431
Sustaining capital cost (per ounce sold) ⁷	259	203	234
All-in sustaining cost (per ounce sold) ⁸	707	702	705

A. Operational performance

During the year ended December 31, 2016, 183,707 tonnes of ore were extracted from the underground mine including the extraction of nine stoping panels. Mining extraction was considered effective, with clean hanging wall contacts observed.

During the reporting period, a full gold reconciliation for the project-to-date at the 55 Zone was completed. Overall, the

reconciliation comparing actual results to the Technical Report model shows global accuracy. The reconciled gold contained in ore mined to date is within 3.6% of the Technical Report model prediction of the contained gold in those corresponding areas mined to date due to higher grades encountered.

As of December 31, 2016, in the underground operation, six sublevels were fully developed throughout the eastern, central and western extents of the resource with 6,739 metres of development completed during 2016. The Company took advantage of higher than planned productivity rates from the underground mining contractor to conduct additional mine development. As a result, the Company is significantly ahead of the initial mine plan and is, as such, benefiting from additional flexibility.

The processing facility ran with an average operating time of 93.3% and excellent metallurgical performance. Accordingly, in 2016, 162,480 tonnes of ore were processed for an average throughput of 664 tonnes per day (143,855 for the seven month period ended December 31, 2016). The 2016 average recovery to date has been 98.6% and the gravity circuit contribution to the overall recovery was 58.5%.

Based on the foregoing, 77,157 ounces of gold were poured during the twelve-month period ended December 31, 2016.

B. Health and safety performance

Health and Safety is a fundamental value for Roxgold and is a constant priority at the Yaramoko gold mine. The team at the Yaramoko gold mine exhibit their commitment to safety daily through their activities with toolbox meetings, departmental reviews and frequent task safety analyses.

With the project being put into production in 2016, the Company's Operational Health and Safety Management systems have been effectively implemented and are now operating smoothly with a continuous improvement and review program in place.

With steady state operations now in place, the focus has been on establishing a strong reporting culture that encourages proactive identification of risk and therefore swift rectification of hazards and sub-par operating practices. Similarly, to support the development of the workforce, training has been a focus in 2016. Health and Safety courses for all employees, Emergency Response Training and emergency preparedness training have been modules delivered while external audits of our business partners have also been completed.

These values and actions resulted in a solid safety performance observed in 2016. During the year ended December 31, 2016, the Lost Time Injury Frequency Rate observed was 0.09 (LTI's per 200,000 hours worked). To date in 2017, the rate is 0.00 and, in February 2017, the Company achieved the significant milestone of 2,000,000 hours LTI free. In addition, malaria prevention, a strong focus for the Company in 2016, has resulted in a reduction of 50% in malaria incidence rates as compared to 2015.

C. Financial performance

Based on the Company's accounting policy (refer to note 2 of the Financial Statements), commercial production was declared on October 1, 2016 as the Yaramoko gold mine had reached the intended levels of operating capacity as of September 30, 2016. Accordingly, pre-commercial production revenue totalling \$56,625,000 has been offset against capitalized mine operating costs, totalling \$14,728,000, and other capitalized costs, including previously capitalized development costs, on the statement of financial position.

During the four-month pre-commercial production period ended September 30, 2016, a total of 42,844 ounces of gold were sold resulting in pre-commercial production revenues of \$56.6 million (at an average realized gold price of \$1,322 per ounce sold). This amount was recorded to Mineral properties under development within property, plant and equipment ("PP&E"). From the declaration of commercial production on October 1, 2016 to December 31, 2016, 34,271 ounces of gold were sold at an average realized gold price of \$1,208 per ounce for gold sales revenue totalling \$41.4 million. Accordingly, the Yaramoko gold mine generated \$98 million of pre-commercial and operational revenue during the seven months in which it was in operation during 2016.

Mine operating expenses represent mining, processing, and mine site-related general and administrative expenses. Cash operating cost¹ per tonne processed totalled \$196 per tonne, which is slightly higher than the \$182 per tonne processed cost included in the Technical Report for the first year of commercial production. The higher cost per tonne processed is mainly due to higher operational costs typically associated with a ramp-up period and as a result of higher energy costs as the high voltage ("HV") power line was put in operation solely during the first quarter of 2017. The cash operating cost⁵ per ounce produced totalled \$375 per ounce, for the seven-month period ended December 31, 2016 compared to the life-of-mine cash operating cost⁵ per ounce produced of \$402 per ounce included in the Technical Report. The lower cash operating cost⁵ per ounce is the result of higher grade and lower reagent consumption, offset by higher energy costs when compared to the Technical Report's assumptions.

In Burkina Faso, all gold shipments with gold spot prices lower or equal to \$1,000 per ounce are subject to a royalty rate of 3%

while 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 seven-month period ended December 31, 2016, the Company was subject to a royalty rate of 4% and 5%, which was calculated using the market value of gold ounces sold at the time of shipment.

The depreciation expenses relate solely to the three-months of commercial production as the depreciation expenses during the pre-commercial production period were capitalized within other development costs.

During the year ended December 31, 2016, Roxgold developed six sublevels and invested \$18.1 million in underground mine development since the Yaramoko gold mine commenced pre-commercial production operations, representing a sustaining capital cost² per ounce sold of \$234 per ounce compared to the life-of-mine average cost of \$101 per ounce included in the Technical Report. It was expected that there would be a higher sustaining capital cost⁷ per ounce as the Technical Report anticipated that the underground mine development would be completed in the first 48 months of the 8-year mine life and then decrease thereafter. Accordingly, the average sustaining capital cost² per ounce sold for the first four years was estimated to be \$176 per ounce sold. Another factor influencing the sustaining capital cost² per ounce is the underground development progress to the end of the third quarter of 2016 representing 113% of the anticipated mine development for the same period. The investment in the additional metres of development was made to provide for greater operational flexibility and resilience as well as the opportunity to benefit from the high availabilities of the mill.

Based on the foregoing, the Company generated cash flow from operations⁴ totalling \$59,106,000 from the first gold pour until December 31, 2016, at an all-in sustaining cost⁸ of \$705 per ounce sold for the same period.

4. Corporate social responsibilities activities ("CSR")

A. 2016 highlights

Roxgold has developed a participative approach to its community investment programs in the communities surrounding the Yaramoko gold mine. Key areas of activity have included infrastructure development and capacity building with local education and healthcare a prime focus, along with socio-economic development to enhance local procurement and employment opportunities.

A number of projects were initiated over the course of 2016, all of which originated from the local community, with a particular emphasis on education, water supply, women's entrepreneurship, assistance for the physically disabled and health. Specific undertakings included:

- Solar electrification of three health centers in the district;
- Solar electrification of three schools;
- Public road upgrades;
- Rehabilitation of 20 boreholes for community water access;
- Training and equipment for a women's leather working enterprise;
- Animal husbandry training and assistance for local women's groups; and
- Support for a new soap production enterprise.

These projects are estimated to have directly and indirectly impacted approximately 10,000 people.

In addition, during 2016, the Company hosted a workshop led by IFC, one of Roxgold's largest shareholders, on local procurement which was attended by Roxgold's senior staff and a number of suppliers and contractors.

On August 17, 2016, the Company was awarded the "Prix Responsabilité Sociale des Entreprises minières 2016" or "2016 CSR Award of Mining Companies" by Redevabilité in Burkina Faso. This civil society group is comprised of multiple groups, including:

- The Africa Youth Network (RAJ)
- The Centre for Research and Intervention in Gender and Development (CRIGED)
- The Centre for Citizens' Monitoring and Analysis of Public Policy (CDCAP)
- Partners of the Economic and Social Justice Program NGO DIAKONIA.

B. 2017 CSR program

The CSR focus for Roxgold in the upcoming year will continually maximize the creation of local opportunities for benefit-sharing and involvement in the Project, especially through employment and procurement within the immediate Project area.

In collaboration with local stakeholders and a micro-credit institution, the Company also intends to foster small and medium enterprise development and improvement, with the expectation of stimulating the local economy and enhancing local

procurement opportunities for community suppliers.

In addition, the Company will continue its participative approach to project generation with the local communities and is actively working through the 2017 list of community initiated programs.

5. Events subsequent to December 31, 2016

In early January 2017, the Yaramoko gold mine was deemed to have successfully passed the lenders' completion test, which encompasses a number of key performance and financial metrics including reserve grade reconciliation, plant throughput, metal recoveries and operating costs. As a result of passing the completion test, the \$15 million cost overrun facility required under the \$75 million credit facility (the "Initial Facility") has been released.

In addition, the Company made an early repayment of \$15 million under the Initial Facility of \$75 million and amended its Initial Facility to a \$60 million credit facility (the "Amended Facility"), amortizing on a quarterly basis, maturing in June 2021 at an interest rate of LIBOR plus 3.75% which represents a reduction of 1.00% from the current prevailing rate. The Amended Facility is no longer subject to a semi-annual mandatory cash sweep and reduces restrictions on the timing and usage of cash flow generated from the Yaramoko gold mine. The first \$15 million tranche of the Amended Facility has also been arranged as a revolving credit facility to provide further financial flexibility.

On January 19, 2017, the Company granted senior management and executives' incentive stock options to purchase up to an aggregate of 2,062,500 common shares, exercisable on or before January 19, 2022 at an exercise price of \$1.50. The Company also granted 646,667 Restricted Share Units to employees and 825,000 Performance Share Units to senior management and executives, all of which are subject to certain vesting conditions.

¹ The Company considers that pre-commercial production operations at the Yaramoko gold mine commenced in June 2016 as the construction of the processing plant and associated was completed.

² First gold pour was on May 16, 2016, during commission of the processing plant, which resulted in production of 2,079 ounces in May 2016, which are not presented in the table above.

³ During the four month pre-commercial production period, gold sales and mine operating profit (excluding depreciation) were recognized as a reduction of Property, Plant and Equipment as commercial production had not yet been declared.

⁴ 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" note of the Company's MD&A, available on SEDAR at www.sedar.com.

⁵ 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" note of the Company's MD&A.

⁶ 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" note of the Company's MD&A.

⁷ Sustaining capital cost per ounce sold 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" note of the Company's MD&A.

⁸ All-in sustaining cost is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS financial performance measures" note of the Company's MD&A.

Qualified Persons

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 technical disclosure contained in this press release.

About Roxgold

Roxgold is a gold mining company with its key asset, the high grade Yaramoko Gold Mine, located in the Houndé greenstone region of Burkina Faso, West Africa. Roxgold trades on the TSX under the symbol ROXG and as part of the Nasdaq International Designation program with the symbol OTC: ROGFF.

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.

NON-IFRS 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. Please refer to note 19 "Non-IFRS financial performance measures" of the Company's MD&A dated April 18, 2017, available on SEDAR at www.sedar.com for reconciliation of these measures.

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