

# Roxgold Enters Into a New Seguela Royalty Agreement



Roxgold Inc. (TSX: ROXG)

Roxgold exercised its right to pre-empt the proposed AUD\$20 million acquisition of the royalty by an international royalty company.

Concurrent with the buy-back of the existing NSR, Roxgold has entered into a new royalty agreement with Franco-Nevada Corporation for the sale of a 1.2% NSR royalty on the Séguéla Gold Project for AUD\$20 million.

Roxgold	TSX : ROXG
Stage	Production + exploration
Metals	Gold
Market cap	C\$607 m @ C\$1.62
Location	Burkina Faso and Ivory Coast

## Comment

*When Roxgold announced they were buying back the 1.2 NSR from Apollo Consolidated for A\$20 million, I was very surprised, as they are in the process of construction for their new Seguela mine. A \$20 million purchase is a lot of money at a crucial stage of the project, financially speaking.*

*Now seeing they have entered into this new royalty arrangement with Franco-Nevada, it all makes sense, and this is a very astute deal for Roxg in my opinion.*

*They are in effect, protecting their downside whilst giving*

*themselves optionality on the upside in the case that the price of gold increases during the three year period.*

*This is a no lose bet, another feather in the cap for ROXG management.*

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## **Roxgold Acquires the Outstanding 1.2% NSR on the Séguéla Gold Project and Agrees to Sell More Favourable 1.2% NSR to Franco-Nevada**

TORONTO – **Roxgold Inc.** (“Roxgold” or the “Company”) (TSX:ROXG) (OTCQX:ROGFF) announced today that it has exercised its right to match for the repurchase of the 1.2% Net Smelter Royalty (the “NSR”) on the Séguéla Gold Project (“Séguéla”).

Roxgold exercised its right to pre-empt the proposed AUD\$20 million acquisition of the royalty by an international royalty company.

Concurrent with the buy-back of the existing NSR, Roxgold has entered into a new royalty agreement with Franco-Nevada Corporation for the sale of a 1.2% NSR royalty on the Séguéla Gold Project for AUD\$20 million which includes a modified buy-back option for up to 50% of the royalty at a pro rata portion

of the AUD\$20 million purchase price for a period of up to three years upon closing.

## Highlights of the transactions:

- **Cash neutral transfer of NSR.** Roxgold utilised right to match under current agreement to acquire the outstanding NSR and issues a new NSR on a cash neutral basis.
- *Roxgold and Franco-Nevada have entered into NSR agreement whereby Roxgold has granted to Franco-Nevada a 1.2% NSR on the Séguéla Gold Project in return for the payment of AUD\$20 million.* Roxgold will terminate the existing royalty agreement upon closing.
- **New NSR agreement provides Roxgold with the right to buy-back up to 50% of the new NSR for the pro rata portion of the Purchase Price** (e.g. AUD\$10M to acquire a 0.6% NSR) for a period of three years.

## Roxgold Management comments

“We are thrilled to be partnering with Franco-Nevada as we advance the Séguéla Gold Project towards becoming Roxgold’s second producing gold mine.

“The upcoming Feasibility Study on Séguéla is nearing completion which we believe will demonstrate the ongoing evolution of the Séguéla PEA with an enhanced mine life and project economics with the inclusion of the high-grade Koula deposit into the mine plan.

This partnership with Franco-Nevada allows Roxgold to retain maximum interest in the project while

protecting our balance sheet to deliver Séguéla without requiring any equity dilution to our shareholders.

“The combination of the two transactions is cash neutral for Roxgold while enhancing our buy-back rights under the new NSR agreement until Séguéla is producing cashflow, providing significant value to Roxgold by maintaining optionality as the value of Séguéla continues to grow.

“As we look beyond the feasibility study, we believe Séguéla has significant growth potential through extensions at Ancien and Koula – along strike and at depth – and through the advancement and delineation of the multitude of new targets within our highly prospective property package.

“The Roxgold team are proven mine developers and we are delighted to partner with them,” commented Paul Brink, President and CEO of Franco-Nevada. “The opportunity to do due diligence has confirmed our view that the Séguéla property has extensive upside.

**John Dorward, President, & CEO of Roxgold.**

## **Catalysts and Next Steps**

The Company’s next milestones at the Séguéla Gold Project are the completion of the Mining Convention negotiation process followed by the debt financing arrangement to allow for initial construction to commence mid-year.

Event	Est. Timing
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Ongoing infill, expansion and satellite target drilling program at Séguéla	Q2 2021
District exploration drill results at Yaramoko	Q2 2021
Underground drilling program in 55 Zone at Yaramoko Mine Complex	Q2 2021
Boussoura exploration results	Q2 2021
Feasibility Study for Séguéla	Q2 2021
Séguéla construction decision	mid-2021
Initial resource at Boussoura	H2 2021
Commissioning of Séguéla Gold Project	H2 2022

[For brevity, this summary has been redacted. To read the full news release, including disclosures, please click HERE](#)

## 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 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 OTCQX.

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