



PRESS RELEASE
SEMAFO

FOR IMMEDIATE RELEASE

SEMAFO Reports Cash Flow from Operations of \$107 Million in 2017

Net Income Attributable to Equity Shareholders of \$20.0 Million

Montreal, Quebec, March 6, 2018– SEMAFO Inc. (TSX, OMX: SMF) today reported its financial and operational results for the fourth quarter and year ended December 31, 2017. All amounts are in US dollars unless otherwise stated.

2017 - The Year in Review

- Gold production of 206,400 ounces compared to 2016 production of 240,200 ounces
- Total cash cost¹ of \$655 per ounce sold and all-in-sustaining cost¹ of \$942 per ounce sold
- Gold sales of \$259.0 million compared to \$300.5 million in 2016
- Net income attributable to equity shareholders of \$20.0 million compared to \$34.2 million in 2016
- Cash flows from operating activities² of \$107.0 million compared to \$142.2 million for the same period in 2016
- Drawdown of incremental \$60.0 million from Credit Facility with Macquarie Bank Limited in June 2017

Fourth Quarter 2017 - in Review

- Gold production of 49,500 ounces compared to 55,100 ounces for the same period in 2016
- Gold sales of \$63.0 million compared to \$69.1 million for the same period in 2016
- Total cash cost¹ of \$667 per ounce sold and all-in-sustaining cost¹ of \$982 per ounce sold
- Net income attributable to equity shareholders of \$1.6 million compared to net loss of \$4.9 million for the same period in 2016
- Cash flows from operating activities² of \$25.4 million compared to \$30.4 million for the same period in 2016

¹ Total cash cost and all-in sustaining cost are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" defined at the end of this press release.

² Cash flows from operating activities exclude changes in non-cash working capital items.

Mana, Burkina Faso

Mining Operations

	2017	2016	Variation
Operating Data			
Mining			
Waste mined (tonnes).....	16,913,100	16,686,800	1%
Ore mined (tonnes).....	2,268,100	2,175,700	4%
Operational stripping ratio.....	7.5	7.7	(3%)
Capitalized Stripping Activity			
Waste material – Siou (tonnes).....	12,607,300	12,263,200	3%
Waste material – Fofina (tonnes).....	—	2,820,300	(100%)
Waste material – Wona (tonnes).....	9,189,900	3,252,400	183%
	21,797,200	18,335,900	19%
Total strip ratio	17.1	16.1	6%
Processing			
Ore processed (tonnes)	2,136,100	2,329,500	(8%)
Low grade material (tonnes)	603,800	423,800	42%
Tonnes processed (tonnes).....	2,739,900	2,753,300	—%
Head grade (g/t).....	2.46	2.88	(15%)
Recovery (%).....	95	94	1%
Gold ounces produced.....	206,400	240,200	(14%)
Gold ounces sold	205,300	240,600	(15%)
Statistics (in dollars)			
Average realized selling price (per ounce).....	1,261	1,249	1%
Cash operating cost (per tonne processed) ¹	46	43	7%
Total cash cost (per ounce sold) ¹	655	548	20%
All-in sustaining cost (per ounce sold) ¹	942	720	31%
Depreciation (per ounce sold) ²	460	324	42%

The total cash cost¹ of \$655 per ounce sold and all-in sustaining cost¹ of \$942 per ounce were anticipated and are both due to a lower head grade and higher cash operating cost per tonne¹, the latter being mainly caused by negative foreign exchange fluctuations.

The year-over-year variation in head grade in 2017 resulted from geological issues in the upper portion of Zone 9 early in the year. In addition, the variation is due to the processing of 603,800 tonnes of low-grade material not included in our reserves. This results from the decision to take advantage of higher gold prices and available milling capacity in order to generate additional cash flow. Without this, the head grade would have been 2.96 g/t Au.

The 2017 increase in depreciation in property, plant and equipment and depreciation per ounce sold mainly reflects a higher capitalized stripping ratio from Siou at depth compared to the same period in 2016.

¹ Cash operating cost, total cash cost and all-in sustaining cost are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" defined at the end of this press release.

² Depreciation per ounce sold is a non-IFRS financial performance measure with no standard definition under IFRS and represents the depreciation expense per ounce sold.

2017 Reserves and Resources

As at December 31, 2017, total proven and probable mineral reserves stood at 29.4 million tonnes averaging 3.37 g/t Au for 3.2 million ounces as compared to 28.2 million tonnes at 3.31 g/t Au for 3.0 million ounces at the end of 2016. The increase in reserves is due to additions at Boungou and Mana, with the latter offset by SEMAFO production of 206,400 ounces of gold in 2017.

Measured and indicated mineral resources remained constant at 48.4 million tonnes averaging 2.00 g/t Au for 3.1 million ounces.

Mana Pre-feasibility Study

In the first quarter of 2018, we announced a positive pre-feasibility study (PFS) for Mana that added 188,000 ounces of mineral reserves before depletion, primarily at Siou underground.

The Mana PFS, which investigated the potential for extracting the deeper zone of the Siou deposit through underground operations, envisages pre-production capital of \$51.7 million and development start-up in the third quarter of 2018. With mineral reserves of 18.2 million tonnes at 2.92 g/t Au for 1.7 million ounces, Mana annual production should average over 200,000 ounces between 2019 and 2023 at an all-in sustaining cost of \$810 per ounce at a gold price of \$1,200 per ounce. Access to the 2,000-tpd contract mining operation will be through a single portal and a 5.5-by 5.5-meter ramp at a 14-gradient slope. Given our \$222 million cash and restricted cash position at year-end 2017 and anticipated cash flow from operations, pre-production capital expenditure will be financed with existing cash.

2018 Milestones for Development of Siou Underground

- Filing of NI 43-101 technical report on SEDAR in first quarter
- Negotiation and signing of contract with underground contractor in second quarter
- Completion of detailed engineering in second quarter
- Commencement of infrastructures work in second quarter
- Completion of environmental and social impact assessment and mining permit in third quarter
- Mobilization of contractor on site in third quarter
- Commencement of portal preparation and underground development in third quarter

Boungou

Total proven and probable reserves at Boungou Mine amounted to 11.2 million tonnes averaging 4.11 g/t Au for 1,5 million ounces of gold, an increase of 16% compared to year-end 2016. The increase in mineral reserves is mainly attributable to the expansion of probable reserves located on the West Flank Sector adjacent to known reserves. An internal trade-off study conducted on the West Flank Sector in 2017 concluded that open-pit mining was a mining approach superior to an underground operation as it provided better financial returns.

All mineral resources reported are exclusive of mineral reserves. Gold price assumptions for mineral reserves and resources at Mana and Tapoa (Boungou Mine) were \$1,200 and \$1,400 per ounce, respectively. For further details, refer to our press release of February 15, 2018.

2018 Exploration

Exploration expenditure for 2018 has been set at \$26 million, \$9 million of which will be spent at Tapoa (Boungou), \$7 million at Mana, \$4 million at Nabanga, \$3 million at Bantou and the remaining \$3 million at Korhogo.

The 2018 exploration at Mana includes 10,000 meters of core, 25,000 meters of reverse-circulation ("RC") and 60,000 meters of auger drilling. The core drill program will primarily target the Siou area with the aim of assessing the north part of Siou at depth. The Bara Trend located some 20 kilometers from the Mana mill will see extensive drilling in the first quarter, including follow-up work on significant RC results and untested auger anomalies.

At Boungou, the 2018 exploration program comprises 42,000 meters of RC and 60,000 meters of auger drilling. The bulk of the RC drill work will test regional gold anomalies on the Boungou proximal, Dangou, Pambourou and 045 Trend Sectors.

The 2018 core drill program at the Nabanga deposit, which will be carried out in the first half of the year, will test lateral and at-depth extension of the mineralization. Furthermore, the Corporation will carry out core and RC drill programs on the Korhogo and Bantou areas following a series of prospective results in 2017.

Update on Boungou Mine Construction

Construction of the Boungou Mine continues to advance on time and on budget. As at January 31, 2018, the following achievements had been made:

- Addition of 203,000 ounces of reserves
- Development on budget with \$171 million of the \$231 million capital expenditure incurred
- Construction 83% completed
- Cash and restricted cash of \$222 million as at December 31, 2017
- Completion of about 90% of structural steel, 85% of mechanical and 22% of piping installation
- Installation of the liner on the water storage facility
- Tailings storage facility 72% completed
- Completion of 81% of the fuel depot and 83% of the power plant
- Pre-stripping 62% completed with 11.2 million of the projected 18 million tonnes extracted
- Installation of the SAG mill completed
- 4.1 million man-hours have been worked without lost-time injury
- 2,027 personnel including contractors were employed on site, 86% of which are Burkinabe

SEMAFO's Management's Discussion and Analysis, Consolidated Financial Statements and related financial materials are available in the "Investor Relations" section of the Corporation's website at www.semafo.com. These and other corporate reports are also available on www.sedar.com.

Fourth Quarter and Year-End 2017 Conference Call

In view of the pre-announced 2017 results and the February 16, 2018 conference call on the Mana PFS and multi-plan targets, no conference call has been scheduled for tomorrow. Parties with questions are invited to call the IR department.

Annual General Meeting of Shareholders

SEMAFO's Annual General Meeting of Shareholders will be held on Thursday, May 10, 2018 at 10:00 EDT at Club Saint-James, Salon Midway, 1145 avenue Union, in Montreal Quebec. Attendees will have the opportunity to ask questions and meet the management team and members of the board of directors.

About SEMAFO

SEMAFO is a Canadian-based mining company with gold production and exploration activities in West Africa. The Corporation operates the Mana Mine in Burkina Faso, which includes the high-grade satellite deposit of Siou, and is targeting production start-up of the Boungou Mine in the third quarter of 2018. SEMAFO's strategic focus is to maximize shareholder value by effectively managing its existing assets as well as pursuing organic and strategic growth opportunities.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and assumptions and accordingly, actual results and future events could differ materially from those expressed or implied in such statements. You are hence cautioned not to place undue reliance on forward-looking statements. Forward-looking statements include words or expressions such as "envisages", "development start-up", "will", "should", "milestones", "aim of", "prospective", "continues", "pursuing", "growth", "opportunities" and other similar words or expressions. Factors that could cause future results or events to differ materially from current expectations expressed or implied by the forward-looking statements include the ability to develop the Siou underground operation with \$51.7 million of pre-production capital, the ability to start the development of the Siou underground operation in the third quarter of 2018, the ability to meet our targets at Mana between 2019 and 2023 with respect to annual production and all-in sustaining cost, the ability to meet the 2018 milestones for the development of the Siou underground, the accuracy of our assumptions, the ability to execute a \$26 million exploration budget in 2018 at the contemplated properties, the ability to complete the construction of the Boungou mine on time and on budget, the ability to execute on our strategic focus, fluctuation in the price of currencies, gold or operating costs, mining industry risks, uncertainty as to calculation of mineral reserves and resources, delays, political and social stability in Africa (including our ability to maintain or renew licenses and permits) and other risks described in SEMAFO's documents filed with Canadian securities regulatory authorities. You can find further information with respect to these and other risks in SEMAFO's 2017 Annual MD&A, and other filings made with Canadian securities regulatory authorities and available at www.sedar.com. These documents are also available on our website at www.semafo.com. SEMAFO disclaims any obligation to update or revise these forward-looking statements, except as required by applicable law.

The information in this release is subject to the disclosure requirements of SEMAFO under the *Swedish Securities Market Act* and/or the *Swedish Financial Instruments Trading Act*. This information was publicly communicated on March 6, 2018 at 5:00 p.m., Eastern Standard Time.

For more information, contact

SEMAFO

John Jentz

Vice-President, Corporate Development & Investor Relations

Email: John.Jentz@semafo.com

Ruth Hanna

Analyst, Investor Relations

Email: Ruth.Hanna@semafo.com

Tel. local & overseas: +1 (514) 744 4408

North America Toll-Free: 1 (888) 744 4408

Website: www.semafo.com

Financial and Operating Highlights

	2017	2016	2015
Gold ounces produced.....	206,400	240,200	255,900
Gold ounces sold.....	205,300	240,600	258,600
(in thousands of dollars, except amounts per ounce, per tonne and per share)			
Revenues – Gold sales.....	258,993	300,483	300,129
Operating income.....	11,494	60,086	66,066
Net income attributable to equity shareholders.....	20,036	34,219	24,910
Basic earnings per share.....	0.06	0.11	0.09
Diluted earnings per share.....	0.06	0.11	0.09
Adjusted operating income ¹	10,659	70,989	65,973
Adjusted net income attributable to equity shareholders ¹	864	48,109	40,863
Per share ¹	—	0.15	0.14
Cash flows from operating activities ²	107,023	142,222	147,561
Per share ¹	0.33	0.45	0.51
Average realized selling price (per ounce).....	1,261	1,249	1,161
Cash operating cost (per tonne processed) ¹	46	43	47
Total cash cost (per ounce sold) ¹	655	548	493
All-in sustaining cost (per ounce sold) ¹	942	720	645
Total assets.....	1,028,363	895,276	781,513
Non-current liabilities.....	180,595	102,091	103,023

¹ Adjusted operating income, adjusted net income attributable to equity shareholders, adjusted basic earnings per share, operating cash flows per share, cash operating cost, total cash cost and all-in sustaining cost are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial measures" defined at the end of this press release.

² Cash flows from operating activities exclude changes in non-cash working capital items.

Fourth Quarter Financial and Operating Highlights

	Three-month period ended December 31,		
	2017	2016	Variation
Gold ounces produced.....	49,500	55,100	(10%)
Gold ounces sold.....	49,200	57,100	(14%)
(in thousands of dollars, except amounts per ounce, per tonne and per share)			
Revenues – Gold sales.....	62,960	69,137	(9%)
Operating income	2,215	4,806	(54%)
Net income (loss) attributable to equity shareholders	1,649	(4,949)	—
Basic earnings (loss) per share	0.01	(0.02)	—
Diluted earnings (loss) per share ³	0.01	(0.02)	—
Adjusted operating income ¹	2,405	10,554	(77%)
Adjusted net income (loss) attributable to equity shareholders ¹	(315)	7,899	—
Per share ¹	—	0.02	(100%)
Cash flow from operating activities ²	25,409	30,362	(16%)
Per share ¹	0.08	0.09	(11%)
Average realized selling price (per ounce).....	1,278	1,211	6%
Cash operating cost (per tonne processed) ¹	47	40	18%
Total cash cost (per ounce sold) ¹	667	571	17%
All-in sustaining cost (per ounce sold) ¹	982	694	41%

¹ Adjusted operating income, adjusted net income attributable to equity shareholders, adjusted basic earnings per share, operating cash flows per share, cash operating cost, total cash cost and all-in sustaining cost are non-IFRS financial performance measures with no standard definition under IFRS.

² Cash flows from operating activities exclude changes in non-cash working capital items. See the "Non-IFRS financial performance measures defined at the end of this press release.

³ When there is a net loss attributable to equity shareholders, diluted loss per share is calculated from the basic weighted average number of outstanding common shares because the effect of options is anti-dilutive.

Non-IFRS Financial Performance Measures

Some of the indicators used by us to analyze and evaluate our results represent non-IFRS financial measures. We provide non-IFRS financial performance measures as they may be used by some investors to evaluate our financial performance. Since the non-IFRS performance measures do not have any standardized definition prescribed by IFRS, they may not be comparable to similar measures presented by other companies. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. For the non-IFRS financial performance measures not already reconciled within the document, we have defined the IFRS financial performance measures below and reconciled them to reported IFRS measures.

Cash Operating Cost

A reconciliation of cash operating cost calculated in accordance with the Gold Institute Standard to the operating costs is included in the following table:

	2017	2016
Per tonne processed		
Tonnes of ore processed.....	2,739,900	2,753,300
(in thousands of dollars except per tonne)		
Mining operation expenses (relating to ounces sold).....	134,385	131,953
Government royalties and selling expenses	(11,364)	(13,627)
Effects of inventory adjustments (doré bars and gold in circuit)	3,184	(67)
Operating costs (relating to tonnes processed)	126,205	118,259
Cash operating cost (per tonne processed)	46	43

Total Cash Cost

	2017	2016
Per ounce sold		
Gold ounce sold	205,300	240,600
(in thousands of dollars except per ounce)		
Mining operation expenses	134,385	131,953
Total cash cost (per ounce sold)	655	548

All-in Sustaining Cost

All-in sustaining cost represents the total cash cost plus sustainable capital expenditures and stripping costs per ounce.

	2017	2016
Per ounce sold		
Gold ounce sold	205,300	240,600
(in thousands of dollars except per ounce)		
Sustaining capital expenditure	58,907	41,462
Sustaining capital expenditure (per ounce sold)	287	172
Total cash cost (per ounce sold)	655	548
All-in sustaining cost (per ounce sold)	942	720

Operating Cash Flows per Share

	2017	2016
(in thousands except per share)		
Cash flows from operating activities ¹	107,023	142,222
Weighted average number of outstanding common shares - basic	324,894	315,290
Operating cash flows per share	0.33	0.45

¹ Cash flows from operating activities exclude changes in non-cash working capital items.

Adjusted Accounting Measures

	2017	2016
(in thousands of dollars except per share)		
Net income attributable to equity shareholders as per IFRS	20,036	34,219
Foreign exchange (gain) loss.....	(9,528)	1,144
Tax effect of currency translation on tax base	(8,809)	1,843
Share-based compensation (recovery) expense related to change in the fair value of the share price	(835)	1,990
Impairment of property, plant and equipment.....	—	8,913
Adjusted net income attributable to equity shareholders	864	48,109
Weighted average number of outstanding shares.....	324,894	315,290
Adjusted basic earnings per share	—	0.15

	2017	2016
(in thousands)		
	\$	\$
Operating income as per IFRS	11,494	60,086
Share-based compensation (recovery) expense related to change in the fair value of the share price	(835)	1,990
Impairment of property, plant and equipment.....	—	8,913
Adjusted operating income.....	10,659	70,989

Consolidated Statements of Financial Position

(Expressed in thousands of US dollars)

	As at December 31, 2017 \$	As at December 31, 2016 \$
Assets		
Current assets		
Cash and cash equivalents	198,950	273,772
Trade and other receivables	22,649	16,945
Income tax receivable	3,186	—
Inventories	66,409	51,391
Other current assets	4,094	2,513
	295,288	344,621
Non-current assets		
Advance receivable	2,867	3,060
Restricted cash	23,237	5,689
Property, plant and equipment	703,341	536,237
Intangible asset	1,374	1,595
Other non-current assets	2,256	4,074
	733,075	550,655
Total assets	1,028,363	895,276
Liabilities		
Current liabilities		
Trade payables and accrued liabilities	72,720	41,964
Current portion of long-term debt	310	310
Current portion of finance lease	4,703	—
Share unit plans liabilities	6,404	6,635
Provisions	3,069	3,271
Income tax payable	—	5,422
	87,206	57,602
Non-current liabilities		
Long-term debt	115,247	56,726
Finance Lease	19,008	—
Share unit plans liabilities	3,138	4,899
Provisions	12,258	8,137
Deferred income tax liabilities	30,944	32,329
	180,595	102,091
Total liabilities	267,801	159,693
Equity		
Equity Shareholders		
Share capital	622,294	621,902
Contributed surplus	7,220	7,357
Accumulated other comprehensive income	2,256	1,095
Retained earnings	97,710	77,674
	729,480	708,028
Non-controlling interests	31,082	27,555
Total equity	760,562	735,583
Total liabilities and equity	1,028,363	895,276

Consolidated Statements of Income

For the years ended December 31, 2017 and 2016

(Expressed in thousands of US dollars, except per share amounts)

	2017 \$	2016 \$
Revenue – Gold sales	258,993	300,483
Costs of operations		
Mining operation expenses.....	134,385	131,953
Depreciation of property, plant and equipment	94,722	78,323
General and administrative	14,069	13,953
Corporate social responsibility expenses.....	1,097	960
Share-based compensation	3,226	6,295
Impairment of property, plant and equipment.....	—	8,913
Operating income	11,494	60,086
Other expenses (income)		
Finance income	(3,294)	(2,171)
Finance costs.....	1,309	1,938
Foreign exchange (gain) loss.....	(9,528)	1,144
Income before income taxes	23,007	59,175
Income tax expense (recovery)		
Current.....	4,181	16,408
Deferred.....	(4,737)	1,500
	(556)	17,908
Net income for the year	23,563	41,267
Attributable to:		
Equity shareholders	20,036	34,219
Non-controlling interests	3,527	7,048
	23,563	41,267
Earnings per share		
Basic.....	0.06	0.11
Diluted	0.06	0.11

Consolidated Statements of Cash Flows
For the years ended December 31, 2017 and 2016
(Expressed in thousands of US dollars)

	2017 \$	2016 \$
Cash flows from (used in):		
Operating activities		
Net income for the year.....	23,563	41,267
Adjustments for:		
Depreciation of property, plant and equipment.....	94,722	78,323
Share-based compensation	3,226	6,295
Unrealized foreign exchange loss (gain)	(9,480)	358
Impairment of property, plant and equipment	—	8,913
Deferred income tax expense (recovery)	(4,737)	1,500
Adjustment for withholding taxes	—	5,827
Other	(271)	(261)
	107,023	142,222
Changes in non-cash working capital items.....	(30,115)	6,558
Net cash provided by operating activities	76,908	148,780
Financing activities		
Drawdown (repayment) of long-term debt.....	60,000	(30,000)
Long-term debt transaction costs.....	—	(259)
Repayment of equipment financing	(310)	(129)
Payments of finance lease.....	(5,128)	—
Proceeds on issuance of share capital, net of expenses	255	92,017
Dividend paid by a subsidiary to non-controlling interest	—	(10,359)
Net cash provided by financing activities	54,817	51,270
Investing activities		
Acquisition of property, plant and equipment	(201,346)	(90,890)
Increase in restricted cash	(16,808)	(1,390)
Net cash used in investing activities	(218,154)	(92,280)
Effect of exchange rate changes on cash and cash equivalents	11,607	(1,164)
Change in cash and cash equivalents during the year	(74,822)	106,606
Cash and cash equivalents – beginning of year	273,772	167,166
Cash and cash equivalents – end of year.....	198,950	273,772
Interest paid	6,576	4,150
Interest received	3,360	1,608
Income tax paid	12,109	10,816