# PRESS RELEASE
# SEMAFO

**FOR IMMEDIATE RELEASE**

## SEMAFO Reports Net Income for the Year of $17.7 Million

## Cash Flow from Operations of $120.7 Million

**Montreal, Quebec, March 12, 2015, 07:00 EDT** – SEMAFO Inc. (TSX, OMX: SMF) today reported its financial and operational results for the fourth quarter and year ended December 31, 2014. All amounts are in US dollars unless otherwise stated.

### 2014 - The Year in Review

- Gold production at Mana of 234,300 ounces, a 48% increase compared to 2013
- Achieved production guidance for the seventh consecutive year
- Gold sales of $289.3 million, a 28% increase compared to 2013
- Operating income of $46.4 million compared to $18.9 million in 2013
- Net income of $17.7 million or $0.02 per share compared to net loss of $83.9 million or a loss of $0.31 per share in 2013
- Cash flows from operating activities from continuing activities[1] of $120.7 million or $0.44 per share[2] compared to $77.6 million or $0.28 per share for the same period in 2013
- Siou added 210,700 ounces to Mana's gold reserves, net of depletion
- Acquired and signed farm-in agreements for an additional 2,110 km$^2$ of exploration property

### Fourth Quarter 2014 – in Review

- Gold production of 61,800 ounces at a total cash cost[3] of $596 per ounce compared to 35,700 ounces at $935 per ounce for the same period in 2013
- Gold sales of $78.6 million, a 55% increase year over year
- Operating income of $14.9 million, compared to an operating loss of $8.4 million for the same period in 2013
- Net income attributable to equity shareholders of $4.6 million or $0.02 per share compared to net loss from continuing operations of $7.1 million for the same period in 2013
- Cash flows from operating activities[1] of $40.4 million or $0.15 per share[2] compared to $12.2 million or $0.04 per share for the same period in 2013
- Significant drilling results obtained at depth along the Siou Zone

[1] Cash flows from operating activities from continuing operations exclude changes in non-cash working capital items.
[2] Operating cash flows per share from continuing operations are a non-IFRS financial performance measure with no standard definition under IFRS.
[3] Total cash cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the mining operation expenses and government royalties per ounce sold.

Driven by our mine plan and accelerated production schedule, the high-grade Siou and Fofina deposits helped deliver a 48% increase in year-over-year production to 234,300 ounces – Mana's highest-ever production - in 2014 and a 16% decrease in year-over-year total cash cost to $649 per ounce. The Corporation has therefore met its production guidance for a seventh consecutive year. Despite an uninspiring year for gold, SEMAFO pulled off this production increase on budget and well ahead of time, generating $121 million in cash flow from operating activities and achieving an all-in sustaining cost of $805 per ounce during the year.

During the first quarter of 2015, replacement of the shell of the SAG mill was successfully completed on time. The SAG mill is now running at its design capacity. The Corporation therefore maintains its 2015 production guidance of between 245,000 and 275,000 ounces and its 2015 total cash cost guidance of between $575 and $605 per ounce.

**2014 Reserves and Resources**

As at December 31, 2014, total proven and probable mineral reserves at Mana stood at 2,240,300 ounces of gold. Measured and indicated resources totalled 2,756,900 ounces, representing a 13% increase over 2013. Reserves and measured and indicated resources increased to 5.0 million ounces of gold.

The changes in reserves are net of 2014 depletion due to production. All mineral resources reported are exclusive of mineral reserves. Reserves and resources were estimated using a gold price of $1,100 and $1,400 per ounce, respectively.

**Orbis Transaction**

Highlight of the first quarter of 2015 is unquestionably our acquisition of ASX-listed Orbis Gold Limited, which comprises a strong portfolio of mining projects in Burkina Faso led by the advanced gold project of Natougou. With historical indicated resources of 7.1 million tonnes at 5.1 g/t Au for 1.2 million ounces, Natougou represents one of the highest grade open-pittable projects in West Africa. Nabanga, the second most-important project in Orbis' portfolio, contains very high grade historical inferred resources. The Orbis acquisition offers SEMAFO multiple benefits, including an additional 13 permits covering more than 3,000 square kilometers and one of the largest land packages in Burkina Faso. The Natougou and Nabanga gold projects enrich SEMAFO's mid-stage pipeline, offering a perfect strategic complement to its grassroots exploration properties and high-grade satellite deposits in production. As of March 11, 2015, the Corporation holds 98% of Orbis' outstanding shares, representing a purchase price of $134.9 million. The transaction will trigger additional disbursements of approximately $14.8 million including, among others, transaction costs incurred by the Corporation and Orbis' liabilities assumed by the Corporation.

In the first quarter of 2015, we obtained long-term debt of $90 million in order to fund the Orbis acquisition and closed a bought deal private placement for $46.5 million to partly fund the purchase of Orbis, as well as for working capital and general corporate purposes. The long-term debt replaces the short-term facility announced November 30, 2014, which has been cancelled.

The Corporation has established the following milestones with regard to the Natougou and Nabanga projects:

- We intend to convert the JORC historical resources on the Natougou and Nabanga gold projects to NI-43-101 compliant resources in the second quarter of 2015.
- A total budget of $2.5 million has been established for an infill and exploration program on Natougou. Before the end of March, we will launch the in-fill drilling campaign consisting of approximately 22,000 meters of reverse-circulation "RC" drilling in order to convert Natougou's historical inferred resources to indicated resources using a 40-meter by 40-meter grid spacing. At the same time, we will commence a 10,000 meter RC drill program on Natougou's related structures, with the aim of increasing resources in close proximity.
- In the second half of the year, as part of the feasibility study, we will initiate an in-fill drilling program on Natougou that is designed to convert a portion of the indicated resources to the measured category.

- In addition, we plan to carry out a regional exploration program on the Natougou advanced gold project with the objective of increasing the resources base.

SEMAFO's Consolidated Financial Statements and Management's Discussion and Analysis and other relevant 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 the website maintained by the Canadian Securities regulators at www.sedar.com.

**2014 Fourth Quarter and Year-End Conference Call**

SEMAFO will host a conference call today, Thursday, March 12, 2015 at 10:00 EDT at to discuss this press release. Investors are invited to call the following telephone numbers to participate in the conference:

Tel. local & overseas: +1 (647) 788 4922
Tel. North America: 1 (877) 223 4471

The conference call will be archived for replay until April 2, 2015. To access the archived conference call, please dial 1 (800) 585 8367 and enter pass code 69022587.

A live audio webcast of the conference will be accessible through SEMAFO's website at www.semafo.com. The webcast will be available for replay for a period of 30 days.

## Annual General Meeting of Shareholders

SEMAFO's Annual General Meeting of Shareholders will be held on Thursday, May 14, 2015 at 10:00 EDT at Le Centre Sheraton Montréal, Salon Hémon, 1201 René-Lévesque Boulevard West, 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 deposits of Siou and Fofina. SEMAFO is committed to evolve in a conscientious manner to become a major player in its geographical area of interest. 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 "guidance", "will", "intend", "in order to", "commence", "with the aim of", "designed to", "plan", "anticipate", "committed", "evolve", "become", "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 maintain the 2015 production guidance of 245,000 and 275,000 ounces at total cash cost of between $575 and $605 per ounce, the ability to convert the JORC historical resources on the Natougou and Nabanga gold projects to NI 43-101 compliant resources, the ability to convert Natougou's historical inferred resources to indicated resources, the ability to increase resources in close proximity to Natougou's related structures, the ability to convert a portion of the indicated resources at Natougou to the measured category and to increase our resources base, the ability to maintain our initial exploration budget of $18 million, 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 2014 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 above information has been made public in accordance with the *Swedish Securities Market Act* and/or the *Financial Instruments Trading Act*.

For more information, contact

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# Year-End Financial and Operating Highlights

| | 2014 | 2013 | 2012 |
|---|---|---|---|
| Gold ounces produced | **234,300** | 158,600 | 172,700 |
| Gold ounces sold | **230,200** | 161,300 | 170,800 |
| **(in thousands of dollars, except amounts per ounce, per tonne and per share)** | | | |
| **From Continuing Operations** | | | |
| Revenues – Gold sales | **289,349** | 226,618 | 287,209 |
| Operating income | **46,359** | 18,942 | 66,471 |
| Net income (loss) from continuing operations attributable to equity shareholders | **15,812** | (9,227) | 14,927 |
| Basic earnings (loss) per share from continuing operations | **0.06** | (0.03) | 0.06 |
| Diluted earnings (loss) per share from continuing operations | **0.06** | (0.03) | 0.05 |
| Cash flows from operating activities from continuing operations[1] | **120,730** | 77,562 | 113,944 |
| Operating cash flows per share from continuing operations[2] | **0.44** | 0.28 | 0.42 |
| Average realized selling price (per ounce) | **1,257** | 1,405 | 1,682 |
| Cash operating cost (per ounce produced)[3] | **580** | 707 | 662 |
| Cash operating cost (per tonne processed)[3] | **49** | 40 | 42 |
| Total cash cost (per ounce sold)[4] | **649** | 777 | 750 |
| **From Discontinued Operations** | | | |
| Net loss from discontinued operations attributable to equity shareholders[5] | **(11,339)** | (75,995) | (29,722) |
| **Total** | | | |
| Net income (loss) attributable to equity shareholders | **4,473** | (85,222) | (14,795) |
| Basic earnings (loss) per share | **0.02** | (0.31) | (0.05) |
| Diluted earnings (loss) per share | **0.02** | (0.31) | (0.05) |
| Total assets | **618,302** | 567,546 | 691,714 |
| Cash dividends declared per share | **–** | 0.02 | 0.04 |

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

2 Operating cash flows per share from continuing operations are a non-IFRS financial performance measure with no standard definition under IFRS. See the “Non-IFRS financial performance measures from continuing operations” section of the Corporation’s MD&A, note 23.

3 Cash operating cost is a non-IFRS financial performance measure with no standard definition under IFRS and is calculated using ounces produced and tonnes processed. See the “Non-IFRS financial performance measures from continuing operations” section of the Corporation’s MD&A, note 23.

4 Total cash cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the mining operation expenses and government royalties per ounce sold.

5 The year ended December 31, 2014 includes a non-cash amount of $9,691,000 regarding the reversal of the non-controlling interest as a result of the sale of the Kiniero Mine.

# Fourth Quarter Financial and Operating Highlights

| | Three-month period ended December 31, 2014 | 2013 | Variation |
|---|---|---|---|
| Gold ounces produced | **61,800** | 35,700 | 73% |
| Gold ounces sold | **65,500** | 40,100 | 63% |
| *(in thousands of dollars, except amounts per ounce, per tonne and per share)* | | | |
| **From continuing operations** | | | |
| Revenues – Gold sales | **78,591** | 50,771 | 55% |
| Operating income (loss) | **14,873** | (8,407) | – |
| Net income (loss) from continuing operations attributable to equity shareholders | **4,609** | (7,098) | – |
| Basic earnings (loss) per share from continuing operations | **0.02** | (0.03) | – |
| Diluted earnings (loss) per share from continuing operations | **0.02** | (0.03) | – |
| Cash flows from operating activities from continuing operations[1] | **40,416** | 12,172 | 232% |
| Operating cash flows per share from continuing operations[2] | **0.15** | 0.04 | 275% |
| Average realized selling price (per ounce) | **1,200** | 1,266 | (5%) |
| Cash operating cost (per ounce produced)[3] | **522** | 890 | (41%) |
| Cash operating cost (per tonne processed)[3] | **51** | 45 | 13% |
| Total cash cost (per ounce sold)[4] | **596** | 935 | (36%) |
| **From discontinued operations** | | | |
| Net loss from discontinued operations attributable to equity shareholders | **–** | (11,700) | – |
| **Total** | | | |
| Net income (loss) attributable to equity shareholders | **4,609** | (18,798) | – |
| Basic earnings (loss) per share | **0.02** | (0.07) | – |
| Diluted earnings (loss) per share | **0.02** | (0.07) | – |

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

2 Operating cash flows per share from continuing operations are a non-IFRS financial performance measure with no standard definition under IFRS. See the “Non-IFRS financial performance measures from continuing operations” section of the Corporation’s MD&A, note 23.

3 Cash operating cost is a non-IFRS financial performance measure with no standard definition under IFRS and is calculated using ounces produced and tonnes processed. See the “Non-IFRS financial performance measures from continuing operations” section of the Corporation’s MD&A, note 23.

4 Total cash cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the mining operation expenses and government royalties per ounce sold.

# Consolidated Statement of Financial Position

(Expressed in thousands of US dollars)

| | As at December 31, 2014 $ | As at December 31, 2013 $ |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | 127,928 | 82,159 |
| Trade and other receivables | 21,470 | 23,657 |
| Income tax receivable | 12,086 | 9,198 |
| Inventories | 59,729 | 55,140 |
| Other current assets | 2,311 | 2,885 |
| | 223,524 | 173,039 |
| Assets held for sale | – | 4,140 |
| | 223,524 | 177,179 |
| **Non-current assets** | | |
| Advance receivable | 4,229 | 3,029 |
| Restricted cash | 3,726 | 3,516 |
| Property, plant and equipment | 382,388 | 382,534 |
| Intangible asset | 1,915 | 1,288 |
| Other non-current assets | 2,520 | – |
| | 394,778 | 390,367 |
| **Total assets** | 618,302 | 567,546 |
| **Liabilities** | | |
| **Current liabilities** | | |
| Trade payables and accrued liabilities | 49,530 | 38,820 |
| Restricted share unit liabilities | 1,938 | 1,302 |
| Provisions | 6,579 | 5,359 |
| Income tax payable | – | 715 |
| | 58,047 | 46,196 |
| Liabilities held for sale | – | 4,386 |
| | 58,047 | 50,582 |
| **Non-current liabilities** | | |
| Restricted share unit liabilities | 3,967 | 2,995 |
| Provisions | 6,917 | 7,079 |
| Deferred income tax liabilities | 18,766 | 1,062 |
| **Total liabilities** | 87,697 | 61,718 |
| **Equity** | | |
| **Equity Shareholders** | | |
| Share capital | 466,861 | 458,033 |
| Contributed surplus | 10,889 | 12,687 |
| Retained earnings | 25,932 | 21,459 |
| | 503,682 | 492,179 |
| **Non-controlling interests** | 26,923 | 13,649 |
| **Total equity** | 530,605 | 505,828 |
| **Total liabilities and equity** | 618,302 | 567,546 |

# Consolidated Statement of Income (Loss)
## For the years ended December 31, 2014 and 2013

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

| | 2014<br>$ | 2013<br>$ |
|---|---|---|
| **Revenue – Gold sales** | 289,349 | 226,618 |
| **Costs of operations** | | |
| Mining operation expenses | 149,305 | 125,393 |
| Depreciation of property, plant and equipment | 72,195 | 58,110 |
| General and administrative | 17,432 | 19,579 |
| Corporate social responsibility expenses | 826 | 1,310 |
| Share-based compensation | 3,232 | 3,284 |
| **Operating income** | 46,359 | 18,942 |
| **Other expenses (income)** | | |
| Finance income | (343) | (249) |
| Finance costs | 1,646 | 1,238 |
| Foreign exchange loss (gain) | 5,251 | (1,653) |
| Impairment of investment in GoviEx | – | 19,600 |
| **Income before income taxes** | 39,805 | 6 |
| **Income tax expense** | | |
| Current | 1,382 | 4,897 |
| Deferred | 19,028 | 812 |
| | 20,410 | 5,709 |
| Net income (loss) from continuing operations | 19,395 | (5,703) |
| Net loss from discontinued operations | (1,648) | (78,262) |
| **Net income (loss) for the year** | 17,747 | (83,965) |
| **Net income (loss) from continuing operations attributable to:** | | |
| Equity shareholders | 15,812 | (9,227) |
| Non-controlling interests | 3,583 | 3,524 |
| | 19,395 | (5,703) |
| **Net loss from discontinued operations attributable to:** | | |
| Equity shareholders | (11,339) | (75,995) |
| Non-controlling interests | 9,691 | (2,267) |
| | (1,648) | (78,262) |
| **Net income (loss) for the year attributable to:** | | |
| Equity shareholders | 4,473 | (85,222) |
| Non-controlling interests | 13,274 | 1,257 |
| | 17,747 | (83,965) |
| Basic earnings (loss) per share from continuing operations | 0.06 | (0.03) |
| Basic loss per share from discontinued operations | (0.04) | (0.28) |
| **Basic earnings (loss) per share** | 0.02 | (0.31) |
| Diluted earnings (loss) per share from continuing operations | 0.06 | (0.03) |
| Diluted loss per share from discontinued operations | (0.04) | (0.28) |
| **Diluted earnings (loss) per share** | 0.02 | (0.31) |

# Consolidated Statement of Comprehensive Income (Loss)

## For the years ended December 31, 2014 and 2013

(Expressed in thousands of US dollars)

| | 2014<br>$ | 2013<br>$ |
|---|---|---|
| **Net income (loss) for the year** | **17,747** | (83,965) |
| **Other comprehensive income (loss)** | | |
| **Item that may be classified to net income (loss)** | | |
| Change in fair value of investments | **–** | (19,600) |
| Reclassification of accumulated other comprehensive loss to net income (loss) | **–** | 19,600 |
| **Other comprehensive income for the year** | **–** | – |
| **Comprehensive income (loss) for the year** | **17,747** | (83,965) |
| **Attributable to:** | | |
| Equity shareholders | **4,473** | (85,222) |
| Non-controlling interests | **13,274** | 1,257 |
| | **17,747** | (83,965) |

# Consolidated Statement of Cash Flows

## For the years ended December 31, 2014 and 2013

(Expressed in thousands of US dollars)

| | 2014<br>$ | 2013<br>$ |
|---|---|---|
| **Cash flows from (used in):** | | |
| **Operating activities** | | |
| Net income (loss) for the year from continuing operations | 19,395 | (5,703) |
| Adjustments for : | | |
| Depreciation of property, plant and equipment | 72,195 | 58,110 |
| Share-based compensation | 3,232 | 3,284 |
| Unrealized foreign exchange loss | 6,799 | 1,057 |
| Impairment of investment in GoviEx | – | 19,600 |
| Deferred income taxes expense | 19,028 | 812 |
| Other | 81 | 402 |
| | 120,730 | 77,562 |
| Changes in non-cash working capital items | 1,140 | (14,445) |
| Net cash provided by operating activities from continuing operations | 121,870 | 63,117 |
| Net cash provided by (used in) operating activities from discontinued operations | (2,088) | 12,636 |
| **Net cash provided by operating activities** | 119,782 | 75,753 |
| **Financing activities** | | |
| Financing fees | (1,020) | – |
| Proceeds on issuance of share capital | 5,700 | 2,079 |
| Payment of dividends to non-controlling interest | – | (897) |
| Payment of dividends to equity shareholders | – | (10,691) |
| Net cash provided by (used in) financing activities from continuing operations | 4,680 | (9,509) |
| Net cash provided by financing activities from discontinued operations | – | – |
| **Net cash provided by (used in) financing activities** | 4,680 | (9,509) |
| **Investing activities** | | |
| Advance made to Sonabel | (2,068) | (4,050) |
| Increase in restricted cash | (641) | (2,593) |
| Acquisitions of property, plant and equipment | (68,591) | (109,119) |
| Net cash used in investing activities from continuing operations | (71,300) | (115,762) |
| Net cash used in investing activities from discontinued operations | – | (5,899) |
| **Net cash used in investing activities** | (71,300) | (121,661) |
| **Effect of exchange rate changes on cash and cash equivalents** | (7,833) | (1,435) |
| **Change in cash and cash equivalents during the year** | 45,329 | (56,852) |
| **Cash and cash equivalents of continuing operations – beginning of year** | 82,159 | 139,451 |
| Cash and cash equivalents of discontinued operations – beginning of year | 440 | – |
| **Cash and cash equivalents – end of year** | 127,928 | 82,599 |
| Less cash and cash equivalents of discontinued operations – end of year | – | 440 |
| **Cash and cash equivalents of continuing operations – end of year** | 127,928 | 82,159 |
| Interest received | 343 | 249 |
| Income tax paid | 5,276 | 19,590 |