



PRESS RELEASE SEMAFO

FOR IMMEDIATE RELEASE

SEMAFO Delivers Cash Flow from Operations of \$23.1 Million in First Quarter 2017

Montreal, Quebec, May 3, 2017— SEMAFO Inc. (TSX, OMX: SMF) today reported its financial and operational results for the three-month period ended March 31, 2017. All amounts are in US dollars unless otherwise stated.

First Quarter 2017 - in Review

- Gold production of 55,400 ounces compared to 61,300 ounces for the same period in 2016
- Gold sales of \$66.9 million compared to \$74.6 million for the same period in 2016
- Total cash cost¹ of \$699 per ounce sold and all-in-sustaining cost¹ of \$892 per ounce sold compared to \$505 and \$695, respectively, for the same period in 2016
- Adjusted operating loss¹ of \$1.9 million mainly due to an increase in depreciation expense, compared to an adjusted operating income of \$20.1 million for the same period in 2016
- Adjusted net loss attributable to equity shareholders¹ of \$4.4 million or \$0.01 per share¹ compared to an adjusted net income of \$11.0 million or \$0.04 per share¹ for the same period in 2016
- Cash flows from operating activities² of \$23.1 million or \$0.07 per share¹ compared to \$35.2 million or \$0.12 per share¹ for the same period in 2016
- Guidance revision following geological interpretation challenges at Mana
- Strong financial position of \$255.2 million in cash and cash equivalents as at March 31, 2017

Boungou Mine (Natougou Project):

- Development on schedule with \$38 million spent as at March 31, 2017
- Detailed design and engineering completed at end of April 2017
- Earthworks for the water storage facility have commenced
- Mobilization of mining contractor
- Ground-breaking ceremony held on March 31, 2017, and project named "Boungou Mine"
- Operational savings on selected power plant and re-allocation of capital expenditures

¹ Total cash cost, all-in sustaining cost, adjusted operating income (loss), adjusted net income (loss) attributable to equity shareholders, adjusted basic earnings (loss) per share and operating cash flows per share are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of the Corporation's MD&A, note 18.

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

Mana, Burkina Faso

Mining Operations

Three-month period
ended March 31,

	2017	2016	Variation
Operating Data			
Ore mined (tonnes).....	479,400	500,300	(4%)
Ore processed (tonnes).....	731,800	682,900	7%
Waste mined (tonnes).....	4,638,400	3,459,400	34%
Operational stripping ratio.....	9.7	6.9	41%
Head grade (g/t)	2.55	3.04	(16%)
Recovery (%).....	92	92	—
Gold ounces produced.....	55,400	61,300	(10%)
Gold ounces sold.....	54,700	62,800	(13%)
Statistics (in dollars)			
Average realized selling price (per ounce).....	1,223	1,187	3%
Cash operating cost (per tonne processed) ¹	52	42	24%
Total cash cost (per ounce sold) ¹	699	505	38%
All-in sustaining cost (per ounce sold) ¹	892	695	28%
Depreciation (per ounce sold) ²	460	275	67%

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” section of the Corporation’s MD&A, note 18.

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 First Quarter Results

Production in the first quarter totalled 55,400 ounces of gold compared to 61,300 ounces in the prior-year quarter. During the first quarter of 2017, the ore processed was 731,800 tonnes at an average grade of 2.55 g/t Au, including 252,400 tonnes of stockpile and low-grade material at an average grade of 2.24 g/t Au. The grade was adversely affected by the geological interpretation of the upper portion of Zone 9, a mineralized zone in the south-west sector of the Siou pit that was first included in the 2017 mine plan. The upper portion presents a complex geometry as the area comprises the junction of three different zones. This resulted in misleading ore outlines and led to a significant variation in grade. However, the geometry becomes simpler and more rectilinear at depth. Mining will commence in the area at depth in the coming weeks.

Accordingly, we adjusted our 2017 guidance to between 190,000 and 205,000 ounces of gold at a total cash cost of between \$685 and \$715 per ounce and all-in sustaining cost of between \$920 and \$960 per ounce. For more information, consult our April 24, 2017 press release. Additional cross-sections of Zones 9, 55 and 56 may be found on www.semafo.com/en/Siou.

The decrease in gold ounces produced and sold is a direct result of lower head grade, partially offset by higher throughput.

The Corporation's first quarter gold sales decreased relative to 2016 due to lower gold ounces sold, partially offset by an increase in the average realized gold price. Relative to the first quarter of 2016, the average realized selling price increased by \$36 per ounce of gold or 3%.

Mining operating expenses increased during the first quarter of 2017 compared to the same period in 2016 mainly as a result of higher operational stripping ratio and higher throughput. First quarter operating income decreased compared to the same period in 2016, primarily as a result of lower gold sales, higher mining operating expenses and higher depreciation. The decrease in cash flow from operating activities in the quarter compared to the same period in 2016 is due to lower gold sales and higher mining operation expenses.

In the first quarter of 2017, the total cash cost and all-in sustaining cost reached \$699 and \$892 per ounce sold, respectively, compared to \$505 and \$695 per ounce sold, respectively, for the same period in 2016 due to the lower head grade and higher cash operating cost per tonne.

Boungou Mine (Natougou Project)

In the first three months of 2017, ground preparation progressed on-time. In addition, the following achievements have been made:

- Development on schedule, with \$38 million spent as at March 31, 2017
- Detailed design and engineering completed at end of April 2017
- Earthworks are progressing including:
 - Bulk earthworks for the water storage facility
 - Earthworks for the processing plant with first concrete pour expected in the second quarter of 2017
 - Earthworks for the resettled village including site clearing and moving bricks on site
- Construction has started on accommodation for supervisory personnel and expatriates
- Fencing work continues, with construction of the main entrance and guardhouses ongoing
- Procurement - selection of principal suppliers fully completed
- Mobilization of both the mining and engineering, procurement, construction management (EPCM) contractors on site
- 927 personnel including contractors were employed on site at end of March 2017, 96% of which are Burkinabe

Operational Savings on Selected Power Plant and Re-allocation of Capital Expenditures

In the feasibility study, the capital expenditures for the power plant were based on a BOOT (Build-Own-Operate-Transfer) project over a period of three years. Accordingly, a portion of the capital expenditures was to be deferred over the first three years of production and accounted for as deferred capital expenditures in the feasibility study. However, the bid process was characterised by supplier disinterest in BOOT projects in Africa and by expensive financing terms. We concluded that it was more cost-effective to purchase the power plant up front rather than pursue a BOOT scheme.

Therefore, deferred capital expenditures for the power plant have been reduced by \$12 million to \$3 million while initial capital expenditures have been increased from \$219 million to \$231 million. Furthermore, the selected power plant is expected to deliver savings of approximately \$600,000 per year over the life of mine compared to the feasibility study.

Ground-breaking Ceremony

On March 31, 2017, a ground-breaking ceremony was held for the Boungou Mine (Natougou Project) in the presence of Mr. Oumarou Idani, Minister of Mines and Carriers in Burkina Faso, who represented the President of Burkina Faso, His Excellency Roch Marc Christian Kaboré. The ceremony was held to mark the beginning of construction at the mine, which has now been named “Boungou Mine” after the closest village. Some 2,000 persons attended the event including Burkinabe government officials, representatives from the Canadian government, senior community figures and members, in addition to members of our management team.

Exploration

Mana Project, Burkina Faso

The Mana exploration program in the quarter targeted the Siou deposit at depth. A total of 12 holes (5,020 meters) tested the Siou mineralized structures at depth in order to better orient the subsequent delineation drilling program (Phase II), which has been designed to provide 50-meter center coverage of the southern half of the zones. The Phase II delineation program is expected to be completed in the second quarter of 2017. Although some assay results from Phase I remain pending, three holes returned significant results. Hole MMP17-008 returned a grade of 11.3 g/t Au (31.7 g/t Au uncut) across 11.2 meters, hole MMP17-018 returned 6.98 g/t Au (121.2 g/t Au uncut) Au across 4.7 meters, while hole MMP17-019 returned 6.1 g/t Au over 4.7 meters.

Tapoa (Natougou Project)

West Flank Sector

During the first three months of 2017, a total of 25,700 meters was drilled in 170 holes, with sixty-five percent of the assay results received to date. The infill program is now three-quarters through with completion expected in the second quarter of 2017. All holes served to drill the West Flank Sector up to 40-meter by 40-meter spacing. Results to date are generally in line with the 80-meter x 80-meter model.

In the second quarter of 2017, further geotechnical holes will be completed for engineering measurement purposes. Subsequently, drilling will focus on the East Flank target where an additional 67-hole program will be conducted with the aim of providing a 40-meter x 40-meter space sampling of the mineralized zone.

South of Natougou - Trend 045

In addition, a 23,600-meter auger drill program was completed along Trend 045 located south of the Natougou deposit. Results from this work will serve to drill test the interpreted structure in the second half of the year.

Yactibo (Nabanga Project)

During the first quarter, a total of 56 RC holes (6,050 meters) tested six different targets proximal to the Nabanga deposit. The program is focusing on identifying parallel structures near the main mineralized quartz vein. The RC program is completed, and assay results are expected by the end of the second quarter of 2017.

Kongolokoro, Burkina Faso

An exploration program began in mid-April on the Kongolokoro Sector, where 7,200 meters of RC and 1,200 meters of core drilling have been scheduled for the year.

Korhogo Ouest (Côte d'Ivoire)

In March, a first trenching /RC drill program commenced on the Korhogo Ouest permit that builds on the results of 2016 airborne geophysical and soil geochemical surveys. Work on the first of the 11 trenches (100 meters of 2,000 meters) has started and is ongoing. A scout RC drill program is planned to follow up on targets defined by both the survey and trench results.

Michel Crevier, P.Geo MScA, Vice-President Exploration and Mine Geology, is SEMAFO's Qualified Person and has reviewed this press release for accuracy and compliance with National Instrument 43-101.

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.

First Quarter Conference Call

A conference call will be held today, Wednesday, May 3, 2017 at 10:00 EDT to discuss this press release. Interested parties 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

Webcast: www.semafo.com

Replay number: 1 (800) 585 8367 or +1 (416) 621 4642

Replay pass code: 10612421

Replay expiration: May 24, 2017

Annual General Meeting of Shareholders

SEMAFO's Annual General Meeting of Shareholders will be held on Thursday, May 4, 2017 at 10:00 a.m. 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 second half 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 "guidance", "will", "expected", "scheduled for", "planned", "targeting", "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 meet our revised 2017 production guidance of between 190,000 and 205,000 ounces of gold at a total cash cost of between \$685 and \$715 per ounce and all-in sustaining cost of between \$920 and \$960 per ounce, the ability to commence the mining of the Zones 9, 55 and 56 at depth in the coming weeks, the ability of the selected power plant to deliver savings of \$600,000 per year over the life of mine compared to the feasibility study, the ability to complete the Phase II delineation program at Siou in the second quarter of 2017, the ability to identify parallel structures near the main mineralized quartz vein proximal to the Nabanga deposit, the accuracy of our assumptions, the ability to execute on our strategic focus, fluctuation in the price of currencies, gold prices and 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 2016 Annual MD&A, as updated in SEMAFO's 2017 First Quarter 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 May 3, 2017 at 7:00 a.m., Eastern Daylight Time.

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Consolidated Results and Mining Operations

Financial and Operating Highlights

		Three-month period ended March 31,	
	2017	2016	Variation
Gold ounces produced	55,400	61,300	(10%)
Gold ounces sold	54,700	62,800	(13%)
(in thousands of dollars, except amounts per share)			
Revenues – Gold sales	66,886	74,556	(10%)
Mining operation expenses	35,565	28,722	24%
Government royalties	2,692	3,018	(11%)
Depreciation of property, plant and equipment	25,268	17,340	46%
Share-based compensation	1,219	3,678	(67%)
Other	3,927	3,962	(1%)
Operating income (loss)	(1,785)	17,836	—
Finance income	(736)	(373)	97%
Finance costs	324	302	7%
Foreign exchange gain	(829)	(4,909)	(83%)
Income tax expense	1,840	4,125	(55%)
Net income (loss) for the period	(2,384)	18,691	—
Attributable to equity shareholders			
Net income (loss)	(2,691)	16,184	—
Basic earnings (loss) per share	(0.01)	0.05	—
Diluted earnings (loss) per share	(0.01)	0.05	—
Adjusted amounts			
Adjusted operating income (loss) ¹	(1,889)	20,073	—
Adjusted net income (loss) attributable to equity shareholders ¹	(4,374)	10,961	—
Per share ¹	(0.01)	0.04	—
Cash flows			
Cash flows from operating activities ²	23,147	35,204	(34%)
Per share ¹	0.07	0.12	(42%)

¹ Adjusted operating income (loss), adjusted net income (loss) attributable to equity shareholders, adjusted basic earnings (loss) per share and operating cash flows per share are non-IFRS financial performance measures with no standard definition under IFRS. See the “Non-IFRS financial measures” section of the Corporation’s MD&A, note 18.

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

Interim Consolidated Statement of Financial Position

(Expressed in thousands of US dollars - unaudited)

	As at March 31, 2017 \$	As at December 31, 2016 \$
Assets		
Current assets		
Cash and cash equivalents.....	255,161	273,772
Trade and other receivables	19,967	16,945
Inventories	48,191	51,391
Other current assets	2,528	2,513
	325,847	344,621
Non-current assets		
Advance receivable	2,969	3,060
Restricted cash	5,768	5,689
Property, plant and equipment	550,464	536,237
Intangible asset	1,536	1,595
Other non-current assets	4,892	4,074
	565,629	550,655
Total assets	891,476	895,276
Liabilities		
Current liabilities		
Trade payables and accrued liabilities	43,326	41,964
Current portion of long-term debt.....	310	310
Share unit plans liabilities	5,763	6,635
Provisions	3,224	3,271
Income tax payable.....	4,909	5,422
	57,532	57,602
Non-current liabilities		
Long-term debt	56,951	56,726
Share unit plans liabilities	1,772	4,899
Provisions	8,331	8,137
Deferred income tax liabilities.....	32,824	32,329
	99,878	102,091
Total liabilities	157,410	159,693
Equity		
Equity Shareholders		
Share capital.....	621,980	621,902
Contributed surplus.....	7,328	7,357
Accumulated other comprehensive income	1,913	1,095
Retained earnings	74,983	77,674
	706,204	708,028
Non-controlling interest	27,862	27,555
Total equity	734,066	735,583
Total liabilities and equity	891,476	895,276

Interim Consolidated Statement of Income (Loss)

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

	Three-month period ended March 31,	
	2017 \$	2016 \$
Revenue – Gold sales	66,886	74,556
Costs of operations		
Mining operation expenses.....	38,257	31,740
Depreciation of property, plant and equipment	25,268	17,340
General and administrative	3,542	3,827
Corporate social responsibility expenses.....	385	135
Share-based compensation.....	1,219	3,678
Operating income (loss)	(1,785)	17,836
Other expenses (income)		
Finance income	(736)	(373)
Finance costs	324	302
Foreign exchange gain	(829)	(4,909)
Income (loss) before income taxes	(544)	22,816
Income tax expense		
Current.....	1,721	3,954
Deferred.....	119	171
	1,840	4,125
Net income (loss) for the period	(2,384)	18,691
Attributable to:		
Equity shareholders.....	(2,691)	16,184
Non-controlling interests	307	2,507
	(2,384)	18,691
Earnings (loss) per share		
Basic.....	(0.01)	0.05
Diluted	(0.01)	0.05

Interim Consolidated Statement of Comprehensive Income (Loss)

(Expressed in thousands of US dollars - unaudited)

	Three-month period ended March 31,	
	2017	2016
	\$	\$
Net income (loss) for the period	(2,384)	18,691
Other comprehensive income		
Item that may be classified to net income		
Change in fair value of the investment in GoviEx (net of tax of nil).....	818	—
Total comprehensive income (loss) for the period, net of tax	(1,566)	18,691
Attributable to:		
Equity shareholders.....	(1,873)	16,184
Non-controlling interest.....	307	2,507
	(1,566)	18,691

Interim Consolidated Statement of Cash Flows

(Expressed in thousands of US dollars - unaudited)

Three-month period
ended March 31,

	2017 \$	2016 \$
Cash flows from (used in):		
Operating activities		
Net income (loss) for the period.....	(2,384)	18,691
Adjustments for:		
Depreciation of property, plant and equipment.....	25,268	17,340
Share-based compensation	1,219	3,678
Unrealized foreign exchange gain.....	(1,008)	(4,790)
Deferred income tax expense	119	171
Other	(67)	114
	23,147	35,204
Changes in non-cash working capital items.....	(5,752)	6,765
Net cash provided by operating activities.....	17,395	41,969
Financing activities		
Repayment of long-term debt	(76)	(30,000)
Proceeds on issuance of share capital, net of expenses	49	1,405
Net cash used in financing activities	(27)	(28,595)
Investing activities		
Acquisitions of property, plant and equipment	(37,232)	(19,543)
Net cash used in investing activities	(37,232)	(19,543)
Effect of exchange rate changes on cash and cash equivalents	1,253	5,670
Change in cash and cash equivalents during the period.....	(18,611)	(499)
Cash and cash equivalents – beginning of period	273,772	167,166
Cash and cash equivalents – end of period	255,161	166,667
Interest paid.....	888	1,582
Interest received	439	361
Income tax paid	2,161	85