

Cash Flow from Operations of \$32.6 Million

MONTREAL, QUEBEC--(Marketwired - May 13, 2015) - [Semafo Inc.](#) (TSX:SMF)(OMX:SMF) today reported its financial and operational results for the three-month period ended March 31, 2015. All amounts are in US dollars unless otherwise stated.

First Quarter 2015 in Review

Following a planned five-week shutdown of the SAG mill, we reported first quarter 2015 production of 65,200 ounces at a total cash cost¹ of \$528 per ounce sold and all-in sustaining cost¹ of \$646 per ounce sold at our Mana Mine. These costs per ounce represent year-over-year decreases of 51% and 54%, respectively, which are mainly attributable to the contribution of high-grade ore from the Siou and Fofina deposits.

- Gold production of 65,200 ounces, an 86% increase compared to the same period in 2014
- Gold sales of \$74.0 million, a 92% increase compared to the same quarter in 2014
- A 51% decrease in total cash cost¹ to \$528 per ounce compared to the same period in 2014 and a 54% decrease in all-in sustaining cost to \$646 per ounce
- Operating income of \$11.2 million, compared to an operating loss of \$14.7 million for the same period in 2014
- Net loss attributable to equity shareholders of \$8.1 million or \$0.03 per share compared to net loss from continuing operations of \$12.9 million or \$0.04 per share for the same period in 2014
- Adjusted net income from continuing operations attributable to equity shareholders¹ of \$8.2 million or \$0.03 per share¹ compared to net loss of \$12.8 million
- Cash flows from operating activities² of \$32.6 million or \$0.12 per share¹ compared to \$2.1 million or \$0.01 per share for the same period in 2014
- Successful replacement of the new SAG mill shell on time at Mana
- Acquisition of [Orbis Gold Ltd.](#)
- Indicated resources of 1.1 million ounces of gold at Natougou advanced deposit
- Completion of a bought deal private placement of common shares for aggregate gross proceeds of \$46.5 million
- New long-term debt for aggregate gross proceeds of \$90 million

¹ 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 performance measures from continuing operations" section of the Corporation's MD&A, note 16.

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

Mana, Burkina Faso

Mining Operations

	Three-month period ended March 31,			
	2015	2014	Variation	
Operating Data				
Ore mined (tonnes)	749,800	467,200	60	%
Ore processed (tonnes)	537,300	642,000	(16)	%
Waste mined (tonnes)	6,562,800	3,449,300	90	%
Operational stripping ratio	8.8	7.4	19	%
Head grade (g/t)	4.09	1.93	112	%
Recovery (%)	92	88	5	%
Gold ounces produced	65,200	35,100	86	%
Gold ounces sold	60,600	29,400	106	%
Statistics (in dollars)				
Average realized selling price (per ounce)	1,221	1,309	(7	%)
Cash operating cost (per tonne processed) ¹	54	52	4	%
Total cash cost (per ounce sold) ¹	528	1,088	(51	%)
All-in sustaining cost (per ounce sold) ¹	646	1,410	(54	%)
Depreciation (per ounce sold) ²	396	441	(10	%)

¹ Cash operating cost, total cash cost, all-in sustaining cost and adjusted net income 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 16.

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.

The increase in head grade in the first quarter of 2015 reflects higher grade ore processed from the Fofina and Siou pits, compared to ore sourced mainly from Wona-Kona in the same period in 2014. The increase in gold ounces produced and sold is a direct result of the 112% higher head grade. The decrease in ore processed is due to the processing of ore through the secondary ball mill during the five-week shutdown of the SAG mill.

Considering the solid quarter, SEMAFO maintains its 2015 production guidance of between 245,000 and 275,000 ounces at a total cash cost¹ of between \$575 and \$605 per ounce and an all-in sustaining cost¹ of between \$715 and \$750 per ounce.

During the three-month period ended March 31, 2015, the US dollar was stronger relative to the Euro when compared to the same period in 2014. Therefore, in the first quarter of 2015, the foreign exchange fluctuation positively impacted our total cash cost¹ and our general and administrative cost, but created an unrealized foreign exchange loss on our net monetary assets as at March 31, 2015.

The Corporation reported a net loss attributable to equity shareholders of \$8.1 million (\$0.03 per share) for the first quarter of 2015 compared to a net loss of \$12.9 million (\$0.04 per share) for the same period in 2014. The adjusted net income¹ from continuing operations attributable to equity shareholders of \$8.2 million (\$0.03 per share) for the first quarter of 2015 excludes an unrealized foreign exchange loss of \$6.3 million, a deferred tax effect on currency translation on the tax base of \$7.5 million and a financing fee write-off of \$2.5 million.

Natougou Feasibility Study Update

A complete review of all preliminary results on the ongoing Definitive Feasibility Study ("DFS") has been completed. The following mandates were awarded for completion of the DFS:

- Lycopodium Minerals - Definitive Feasibility Study including processing design, leach and elution circuits, power supply options, metallurgical work programs, project scheduling and reporting
- Golder Associates - ground water exploration program and geotechnical assessment of open pit wall stability
- Knight Piésold Consulting - geotechnical infrastructure, geochemical soil testing, water balance, trade-off study and tailings site facility optimization
- WSP Canada - Environmental and Social Impact Assessment (ESIA) and Resettlement Action Plan (RAP)
- Snowden Mining Industry - resource model
- AMC Consultants - NI 43-101 reserve model, pit optimization and life of mine (LOM) sequencing

The DFS is scheduled for completion early in the second quarter of 2016 and envisages a base case scenario of a 4,000-tonne-per-day processing plant. A budget estimate of \$12.5 million has been established in order to complete the DFS that includes:

- 6,000 meters of condemnation drilling, which will be completed in the second quarter of 2015
- 22,000 meters of in-fill drilling to convert in-pit inferred resources to indicated category, scheduled for completion in the second quarter of 2015
- 17,000-meter in-fill drill program, designed to convert a portion of the indicated resources to the measured category, that will be completed in the third quarter of 2015
- 10,000 meters of drilling on proximal related structures, with expected completion in the third quarter of 2015

Exploration - Mana Project

An initial exploration program of \$12 million is ongoing on the Mana properties, mainly in the vicinity of the Mana processing plant, the Siou sector, Pompoi, and in the north, on the Saoura and Massala properties.

To date, the RC program at Mana has tested targets located near the Fofina and Nyafé deposits (45 holes), and along the Siou Shear Zone (34 holes). In addition, a 30-hole (4,524-meter) program was completed on target B4, located on the Bombouela permit. Target B4 is characterized by a relatively weak auger drilling anomaly interpreted to sit along a potential splay off the Wona Deformation Corridor, which affects the western limit of the Houndé Greenstone Belt. The splay within the B4 area appears to follow a north-striking unit of volcanic rocks hosted in a thick sequence of clastic sedimentary rocks. Three short sections were drilled to test the stronger auger anomalies obtained. Assay results for the RC holes remain pending.

Banfora Reveals a 30-Kilometer Geochemical Anomaly Trend

We have assigned an initial exploration budget of \$6 million to pursue exploration activities on the Banfora properties in 2015. Four auger drills are currently in operation on the Yeya I permit and in the north on the Kapogouan, Kongoroba and Dabokuy permits on the Mouro Shear trend.

The 2015 RC drilling program is designed to follow up on gold anomalies identified in the 2014 auger drill program on five permits. In the first quarter, a total of 9,487 meters of RC drilling was completed in 63 holes on the Tondura permit in the south west and on the Kapogouan permit on the Mouro Shear trend. One RC drill rig remains active on the Kapogouan permit. Assay results for the RC holes remain pending.

Exploration work conducted at Banfora in the first quarter of 2015 was mainly carried out on a property under farm-in agreement with AusQuest Limited and primarily focused on the northeast (NE) group of permits that track the eastern edge of the Banfora Greenstone Belt. Auger sampling results have identified a major NE-trending anomaly over a strike length of more than 30 kilometers. The trend, dubbed the Mouro Trend, appears to follow the eastern edge of the belt at the contact with various felsic to intermediate intrusive rocks, and related east-northeast trending splays appear to occur along the main trend. Towards the south, a north-south trending anomalous trend is observed, which also corresponds to a change in the direction of the contact between the granitic intrusive and the sediments. A regional scale deformation zone associated with this contact has also been mapped.

RC drilling along the Mouro Trend commenced on March 1, 2015. To date, 30 holes along two sections (200 meters apart) have been drilled immediately below the artisanal mining area with all assays pending. We plan to continue drilling along the corridor and its associated splays in order to better understand the controls of the mineralization and identify the most promising areas for follow up.

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.

SEMAFO will host a conference call today, Wednesday, May 13, 2015 at 10:00 EDT 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 June 3, 2015. To access the archived conference call, please dial 1 (800) 585 8367 and enter pass code 25056105. 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 Hemon, 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, and is developing the advanced gold deposit of Natougou. 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", "scheduled", "envisages", "estimate", "will", "designed to", "expected", "plan", "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 meet our 2015 production guidance of between 245,000 and 275,000 ounces at a total cash cost of between \$575 and \$605 per ounce and an all-in sustaining cost of between \$715 and \$750 per ounce, the ability to complete the DFS early in the second quarter of 2016, the ability to complete the definitive feasibility study within the budget estimate of \$12.5 million, the ability to convert a portion of the Natougou indicated resources to the measured categories, 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, as updated in SEMAFO's 2015 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 above information has been made public in accordance with the *Swedish Securities Market Act* and/or the *Financial Instruments Trading Act*.

Consolidated Results and Mining Operations from Continuing Operations

Operating Highlights from Continuing Operations

	Three-month period ended March 31,			
	2015	2014	Variation	
Gold ounces produced	65,200	35,100	86	%
Gold ounces sold	60,600	29,400	106	%
(in thousands of dollars, except amounts per share)				
Revenues - Gold sales	74,016	38,473	92	%
Mining operation expenses (excluding government royalties)	29,063	30,216	(4	%)
Government royalties	2,933	1,768	66	%
Operating income (loss)	11,207	(14,679	) -	
Finance costs	3,039	256	1,087	%
Foreign exchange loss	6,281	104	5,939	%
Income tax expense (recovery)	9,867	(1,395	) -	
Net loss from continuing operations attributable to equity shareholders	(8,114	) (12,943	) 37	%
Basic loss per share from continuing operations	(0.03	) (0.04	) 25	%
Diluted loss per share from continuing operations	(0.03	) (0.04	) 25	%
Adjusted net income (loss) from continuing operations attributable to equity shareholders ¹	8,210	(12,828	) -	
Adjusted basic earnings (loss) per share from continuing operations ¹	0.03	(0.04	) -	
Cash flows from operating activities from continuing operations ²	32,553	2,142	1,420	%
Operating cash flows per share from continuing operations ¹	0.12	0.01	1,100	%

¹ Adjusted net income attributable to equity shareholders, adjusted basic earnings 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 from continuing operations" section of the Corporation's MD&A, note 16.

² Cash flow from operating activities from continuing operations excludes changes in non-cash working capital items.

Interim Consolidated Statement of Financial Position

(Expressed in thousands of US dollars - unaudited)

	As at March 31, 2015 \$	As at December 31, 2014 \$
Assets		
Current assets		
Cash and cash equivalents	114,853	127,928
Trade and other receivables	18,801	21,470
Income tax receivable	7,332	12,086
Inventories	64,465	59,729
Other current assets	1,614	2,311
	207,065	223,524
Non-current assets		
Advance receivable	3,820	4,229
Restricted cash	3,452	3,726
Property, plant and equipment	524,050	382,388
Intangible asset	1,915	1,915
Other non-current assets	-	2,520
	533,237	394,778

Total assets	740,302	618,302
Liabilities		
Current liabilities		
Trade payables and accrued liabilities	40,598	49,530
Current portion of long-term debt	28,823	-
Restricted share unit and deferred share unit liabilities	4,006	1,938
Provisions	5,964	6,579
	79,391	58,047
Non-current liabilities		
Long-term debt	58,725	-
Restricted share unit liabilities	3,197	3,967
Provisions	6,919	6,917
Deferred income tax liabilities	23,289	18,766
Total liabilities	171,521	87,697
Equity		
Equity Shareholders		
Share capital	515,505	466,861
Contributed surplus	10,870	10,889
Retained earnings	15,218	25,932
	541,593	503,682
Non-controlling interests	27,188	26,923
Total equity	568,781	530,605
Total liabilities and equity	740,302	618,302

Interim Consolidated Statement of Loss

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

	Three-month period ended March 31,	
	2015	2014
	\$	\$
Revenue - Gold sales	74,016	38,473
Costs of operations		
Mining operation expenses	31,996	31,984
Depreciation of property, plant and equipment	24,110	13,113
General and administrative	3,615	5,275
Corporate social responsibility expenses	326	-
Share-based compensation	2,762	2,780
Operating income (loss)	11,207	(14,679)
Other expenses (income)		
Finance income	(131)	(79)
Finance costs	3,039	256
Foreign exchange loss	6,281	104
Income (loss) before income taxes	2,018	(14,960)
Income tax expense (recovery)		
Current	3,604	(1,292)
Deferred	6,263	(103)
	9,867	(1,395)
Net loss from continuing operations	(7,849)	(13,565)
Net loss from discontinued operations	-	(2,433)
Net loss for the period	(7,849)	(15,998)
Net loss from continuing operations attributable to		
Equity shareholders	(8,114)	(12,943)
Non-controlling interests	265	(622)
	(7,849)	(13,565)

Net loss from discontinued operations attributable to:

Equity shareholders	-	(1,387)
Non-controlling interests	-	(1,046)
	-	(2,433)
Net loss for the year attributable to:		
Equity shareholders	(8,114)	(14,330)
Non-controlling interests	265	(1,668)
	(7,849)	(15,998)
Basic loss per share from continuing operations	(0.03)	(0.04)
Basic loss per share from discontinued operations	-	(0.01)
Basic loss per share	(0.03)	(0.05)
Diluted loss per share from continuing operations	(0.03)	(0.04)
Diluted loss per share from discontinued operations	-	(0.01)
Diluted loss per share	(0.03)	(0.05)

Interim Consolidated Statement of Cash Flows
(Expressed in thousands of US dollars - unaudited)

	Three-month period ended March 31,	
	2015	2014
	\$	\$
Cash flows from (used in):		
Operating activities		
Net loss for the period from continuing operations	(7,849)	(13,565)
Adjustments for :		
Depreciation of property, plant and equipment	24,110	13,113
Share-based compensation	2,762	2,780
Write-off of other non-current assets related to financing fees	2,520	-
Unrealized foreign exchange loss	4,681	(172)
Deferred income taxes expense (recovery)	6,263	(103)
Other	66	89
	32,553	2,142
Changes in non-cash working capital items	196	(7,188)
Net cash provided by (used in) operating activities from continuing operations	32,749	(5,046)
Net cash used in operating activities from discontinued operations	-	(994)
Net cash provided by (used in) operating activities	32,749	(6,040)
Financing activities		
Long-term debt	90,000	-
Long-term debt transaction costs	(1,200)	-
Proceeds on issuance of share capital, net of expenses	43,925	2,953
Net cash provided by financing activities from continuing operations	132,725	2,953
Investing activities		
Acquisition of Orbis Gold Ltd.	(154,550)	-
Acquisitions of property, plant and equipment	(17,887)	(17,662)
Net cash used in investing activities from continuing operations	(172,437)	(17,662)
Effect of exchange rate changes on cash and cash equivalents	(6,112)	96
Change in cash and cash equivalents during the period	(13,075)	(20,653)
Cash and cash equivalents of continuing operations - beginning of period	127,928	82,599
Cash and cash equivalents - end of period	114,853	61,946
Less cash and cash equivalents of discontinued operations - end of period	-	163
Cash and cash equivalents of continuing operations - end of period	114,853	61,783
Interest received	131	79
Income tax paid	-	2,306

Contact

SEMAFO

Robert LaValliere

Vice-President, Corporate Affairs
& Investor Relations

Cell: +1 (514) 240 2780

Robert.Lavalliere@semafo.com

Ruth Hanna

Analyst, Investor Relations

Ruth.Hanna@semafo.com

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

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

www.semafo.com