

Provides 2017 Outlook

MONTREAL, QUEBEC--(Marketwired - Feb. 1, 2017) - [Semafo Inc.](#) (TSX:SMF)(OMX:SMF) reports full-year 2016 production results of 240,200 ounces at a total cash cost of \$548 and all-in sustaining cost of \$720 per ounce at its Mana Mine. As a result, the Corporation has met its production guidance for the ninth consecutive year.

Highlights

- In the fourth quarter, Mana produced 55,100 ounces of gold at a total cash cost¹ of \$571 per ounce and all-in sustaining cost² of \$694 per ounce
- Annual production of 240,200 ounces, above the midpoint of our 2016 guidance of 225,000 to 245,000 ounces
- Total cash cost¹ for 2016 reached \$548 per ounce
- All-in sustaining cost² for 2016 of \$720 per ounce, at the low end of our guidance of between \$720 and \$760 per ounce
- Development capital expenditures of \$11 million in the year, representing stripping costs at Wona North and purchase of mining equipment
- Cash and cash equivalents of \$274 million as at December 31, 2016
- Gold sales of 240,600 ounces of gold, resulting in annual revenues of \$300 million

Natougou

- Development continues on track with \$17 million of the \$219-million total budget spent at year-end 2016
- Following commencement of construction, first gold pour is scheduled for the second half of 2018
- Detailed design and engineering 70% complete at end of January 2017
- Receipt of mining permit for Natougou

¹ 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.

² All-in sustaining cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the total cash cost, plus sustainable capital expenditures and stripping costs per ounce.

Mining Operations

Mana, Burkina Faso

	Three-month period ended December 31,				Year ended December 31,			
	2016	2015	Variation		2016	2015	Variation	
Operating Data								
Ore processed (tonnes)	714,200	642,600	11	%	2,753,300	2,399,100	15	%
Head grade (g/t)	2.52	3.13	(19	%)	2.88	3.63	(21	%)
Recovery (%)	95	89	7	%	94	91	3	%
Gold ounces produced	55,100	57,500	(4	%)	240,200	255,900	(6	%)
Gold ounces sold	57,100	65,500	(13	%)	240,600	258,600	(7	%)

In 2016, the ore processed increased and the head grade decreased compared to 2015. The lower head grade results from a decision to add 425,000 tonnes of low grade material at an average of 0.79 g/t Au to the mix during the year. Absent the impact of this decision, the head grade for the year would have been 3.26 g/t Au.

2016 numbers are preliminary and are subject to final adjustment. All amounts are in US dollars unless otherwise indicated.

2017 Outlook

Mana	2017 Guidance
Gold production ('000 oz)	215 - 235
Total cash cost (\$/oz)	585 - 615
All-in sustaining cost (\$/oz)	795 - 835

Capital Expenditures and Exploration(in millions of \$)

Sustaining - Mana	12
Stripping - Mana	34
	46
Initial exploration budget	23

The general and administrative expense for 2017 has been forecast at \$14 million.

A number of assumptions were made in preparing the 2017 guidance, including

- Price of gold: \$1,150 US dollars per ounce
- Price of fuel: \$0.98 US dollars per litre
- Exchange rate: \$0.74 US dollars to the Canadian dollar
- Exchange rate: \$1.06 US dollars to the Euro

In 2017, the Mana mill should process approximately 2.4 million tonnes at an average grade of 3.21 g/t Au, with an average gold recovery rate of 91%. A total of 1.9 million tonnes of ore will be extracted from the Siou, Fofina and Wona North pits at an average grade of 3.82 g/t Au, with the remaining balance sourced from low-grade material. As previously guided, the Fofina deposit is expected to be depleted in the first half of 2017

Update on Natougou

In December, the Corporation was awarded the mining permit for the Natougou Project. Construction is now underway with the mobilization of contractors on site to begin construction of earthworks and civil infrastructure. Compensation has been paid to inhabitants in line with the resettlement action plan, and award of contracts for resettlement of the village has commenced.

Detailed design and engineering, which has now reached the 70% completion stage, should be finished at the beginning of the second quarter of 2017. At year-end 2016, \$17 million of the \$219 million capital expenditures budget had been spent.

2017 Exploration

Initial exploration expenditure for 2017 has been set at \$23 million, \$15 million of which will be spent at Natougou, \$5 million at the Mana Project and the remaining balance at other properties. At Mana, \$1 million of the initial budget will be used to test the underground potential at Siou.

The 2017 budget for Natougou includes a provision of \$8.5 million for an infill drill program designed to convert current inferred resources on the West Flank Zone into the indicated category and \$1.3 million, which has been earmarked for completing studies in order to evaluate a potential underground operation. The remainder of the Natougou program involves exploration drilling on both proximal and contiguous permits to the Natougou deposit.

Fourth Quarter and 2016 Conference Call

The 2016 fourth-quarter and year-end financial results will be released before market-open on March 8, 2017. Interested parties are invited to join the conference call and webcast at 10.00 a.m. EST.

Tel. local & overseas: +1 (647) 788 4922

Tel. North America: 1 (877) 223 4471

Webcast: <http://www.semafo.com/>

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

Replay pass code: 60539531

Replay expiration: March 29, 2017

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'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", "outlook", "continues", "on track", "scheduled", "preliminary", "final adjustment", "forecast", "assumptions", "should", "will", "expected", "initial", "designed to", "earmarked for", "in order to", "potential", "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 achieve first gold pour at Natougou in the second half of 2018, the ability to meet our 2017 production guidance of between 215,000 and 235,000 ounces of gold at a total cash cost of between \$585 and \$615 per ounce and all-in sustaining cost of between \$795 and \$835 per ounce, the ability to incur \$46 million of capital expenditures at Mana in 2017, the ability to invest \$23 million in our initial exploration program in 2017, the ability to keep our general and administrative expenditures at \$14 million, the accuracy of our assumptions, the ability of the Mana mill to process approximately 2.4 million tonnes at an average grade of 3.21 g/t Au with an average gold recovery rate of 91%, the ability to extract a total of 1.9 million tonnes of ore from the Siou, Fofina and Wona North pits at an average grade of 3.82 g/t Au, the ability to finish Natougou's detailed design and engineering at the beginning of the second quarter of 2017, the ability to convert current inferred resources on Natougou's West Flank Zone into the indicated category, 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 2015 Annual MD&A, as updated in SEMAFO's 2016 First Quarter MD&A, 2016 Second Quarter MD&A and 2016 Third 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 February 1, 2017 at 7:00 a.m., Eastern Standard Time.

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