

## Net Income Attributable to Equity Shareholders of \$24.9 Million

MONTREAL, QUEBEC--(Marketwired - Mar 9, 2016) - [Semafo Inc.](#) (TSX:SMF)(OMX:SMF) reported its financial and operational results for the fourth quarter and year ended December 31, 2015. All amounts are in US dollars unless otherwise stated.

### 2015 - The Year in Review

- Gold production of 255,900 ounces, a 9% increase compared to 2014
- Total cash cost<sup>1</sup> of \$493 per ounce sold and all-in-sustaining cost<sup>1</sup> of \$645 per ounce sold, which represent year-over-year decreases of 24% and 19%, respectively
- Achieved production guidance for the eighth consecutive year
- Gold sales of \$300.1 million, a 4% increase compared to 2014
- Operating income of \$66.1 million, a 42% increase compared to the same period in 2014
- Net income attributable to equity shareholders of \$24.9 million, compared to \$15.8 million in 2014
- Cash flows from operating activities from continuing operations<sup>2</sup> of \$147.6 million, a 22% increase compared to 2014
- Acquisition of [Orbis Gold Ltd.](#), which includes the Natougou project
- Bought deal of common shares for \$46.5 million
- Long-term debt of \$90 million

### Fourth Quarter 2015 - in Review

- Gold production of 57,500 ounces, a 7% decrease compared to the same period in 2014
- Gold sales of \$72.5 million, an 8% decrease compared to the same period in 2014
- Operating income of \$12.5 million compared to \$14.9 million for the same period in 2014
- Net income from continuing operations attributable to equity shareholders of \$0.5 million or nil per share compared to \$4.6 million or \$0.02 per share for the same period in 2014
- Cash flows from operating activities from continuing operations of \$39.4 million or \$0.13 per share compared to \$40.4 million or \$0.15 per share for the same period in 2014

<sup>1</sup> 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 21.

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

Mana, Burkina Faso

### Mining Operations

	Year ended December 31,			
	2015	2014	Variation	
Operating Data				
Ore mined (tonnes)	2,390,600	2,190,400	9	%
Ore processed (tonnes)	2,399,100	2,754,400	(13	%)
Waste mined (tonnes)	18,924,700	19,201,500	(1	%)
Operational stripping ratio	7.9	8.8	(10	%)
Head grade (g/t)	3.63	2.90	25	%
Recovery (%)	91	91	-	
Gold ounces produced	255,900	234,300	9	%
Gold ounces sold	258,600	230,200	12	%
Statistics (in dollars)				
Average realized selling price (per ounce)	1,161	1,257	(8	%)
Cash operating cost (per tonne processed) <sup>1</sup>	47	49	(4	%)
Total cash cost (per ounce sold) <sup>1</sup>	493	649	(24	%)
All-in sustaining cost (per ounce sold) <sup>1</sup>	645	801	(19	%)
Depreciation (per ounce sold) <sup>2</sup>	337	310	9	%

<sup>1</sup> 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 21.

<sup>2</sup> 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 total cash cost of \$493 per ounce sold and all-in sustaining cost of \$645 per ounce sold at our Mana Mine, which represent year-over-year decrease of 24% and 19% respectively, are attributable to the higher head grade as well as the reduction in fuel pricing and the strength of the US dollar relative to the Euro. The increase in head grade in 2015 reflects the greater percentage of high-grade ore processed from the Siou and Fofina pits compared to 2014.

During 2015, more ore was mined compared to 2014 when the mine plan sequence was modified in order to reassign a portion of the Wona-Kona mining fleet to the development of the Siou and Fofina deposits in the first quarter of 2014. The decrease in throughput in the year is due to the processing of ore through the secondary ball mill during the five-week shutdown of the SAG mill and the mining sequence.

## 2015 Reserves and Resources

As at December 31, 2015, consolidated proven and probable mineral reserves stood at 3,265,000 ounces of gold. The reserve grade increased by 10% to 3.32 g/t Au. Consolidated measured and indicated mineral resources increased by 8% to 2,969,900 ounces.

The changes in reserves are net of 2015 depletion due to production and mainly result from the addition of a maiden reserves statement for Natougou. 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.

## Positive Feasibility Study for Natougou

Highlight of the first quarter of 2016 is our announcement of a positive feasibility study and funding for the Natougou project.

With mineral reserves of 9.6 million tonnes at 4.15 g/t Au for 1.3 million ounces, Natougou represents one of the highest grade open-pit projects in West Africa. Results from the feasibility study, which include an after-tax IRR of 48%, 5% NPV of \$262 million and a payback period of 1.5 years, demonstrate strong economic support for proceeding with the project and a solid foundation from which to expand its potential.

In the first quarter of 2016, we entered into a commitment letter with Macquarie Bank Limited to amend our credit facility ("Facility") to \$120 million. Closing of the amended Facility is anticipated on or about March 31, 2016 and drawdown of the incremental \$60 million is subject to conditions precedent customary in a transaction of this nature. Coupled with our \$167 million cash position at year-end 2015 and anticipated cash flow from Mana operations, we estimate we have sufficient funds to bring Natougou into production.

## Natougou Milestones

- Complete permitting by year-end 2016
- Complete detailed engineering in fourth quarter of 2016
- Construction start-up by year-end 2016
- Ongoing exploration with the aim of increasing reserves and resources and enhancing economics as of the fourth year of the mine life

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](http://www.semafo.com). These and other corporate reports are also available on [www.sedar.com](http://www.sedar.com).

## Fourth Quarter and Year-End Conference Call

A conference call will be held today, Wednesday, March 9, 2016 at 10:00 EST 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](http://www.semafo.com)

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

Replay pass code: 23405759

Replay expiration: March 30, 2016

## Annual General Meeting of Shareholders

SEMAFO's Annual General Meeting of Shareholders will be held on Thursday, May 12, 2016 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 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 "expand", "potential", "anticipated", "estimate", "aim", "target", "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 generate an after-tax IRR of 48% with a payback period of 1.5 years and an after-tax NPV of \$262 million, the ability to bring Natougou into production with the combination of our cash position at year-end 2015, anticipated cash flow from production and the amended Macquarie Facility, the ability to close the Macquarie amended Facility and to meet the various conditions precedent to drawdown, the ability to complete permitting by year-end 2016, the ability to complete detailed engineering in fourth quarter of 2016, the ability to start construction by year-end 2016, the ability to increase reserves and resources, the ability to enhance economics as of fourth year of the mine life, 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, and other filings made with Canadian securities regulatory authorities and available at [www.sedar.com](http://www.sedar.com). These documents are also available on our website at [www.semafo.com](http://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 9, 2016 at 7:00 a.m., Eastern Standard Time.

## Financial and Operating Highlights

	2015	2014	2013
Gold ounces produced	255,900	234,300	158,600
Gold ounces sold	258,600	230,200	161,300
(in thousands of dollars, except amounts per ounce, per tonne and per share)			
From Continuing Operations			
Revenues - Gold sales	300,129	289,349	226,618
Operating income	66,066	46,359	18,942
Net income (loss) attributable to equity shareholders	24,910	15,812	(9,227 )
Basic earnings (loss) per share	0.09	0.06	(0.03 )
Diluted earnings (loss) per share	0.09	0.06	(0.03 )
Adjusted net income (loss) attributable to equity shareholders <sup>1</sup>	40,956	29,603	(13,468 )
Per share <sup>1</sup>	0.14	0.11	(0.05 )
Cash flows from operating activities <sup>2</sup>	147,561	120,730	77,562
Per share <sup>1</sup>	0.51	0.44	0.28
Average realized selling price (per ounce)	1,161	1,257	1,405
Cash operating cost (per tonne processed) <sup>1</sup>	47	49	40
Total cash cost (per ounce sold) <sup>1</sup>	493	649	777
All-in sustaining cost (per ounce sold) <sup>1</sup>	645	801	1,242
From Discontinued Operations			
Net loss attributable to equity shareholders <sup>3</sup>	-	(11,339 )	(75,995 )
Total			

Net income (loss) attributable to equity shareholders	24,910	4,473	(85,222 )
Basic earnings (loss) per share	0.09	0.02	(0.31 )
Diluted earnings (loss) per share	0.09	0.02	(0.31 )
Total assets	781,513	618,302	567,546
Cash dividends declared per share	-	-	0.02

<sup>1</sup> Cash operating cost, total cash cost, all-in sustaining cost, 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 measures from continuing operations" section of this MD&A, note 22.

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

<sup>3</sup> 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,		
	2015	2014	Variation
Gold ounces produced	57,500	61,800	(7 %)
Gold ounces sold	65,500	65,500	-
(in thousands of dollars, except amounts per ounce, per tonne and per share)			
Revenues - Gold sales	72,475	78,591	(8 %)
Operating income	12,549	14,873	(16 %)
Net income attributable to equity shareholders	476	4,609	(90 %)
Basic earnings per share	-	0.02	(100 %)
Diluted earnings per share	-	0.02	(100 %)
Adjusted net income attributable to equity shareholders <sup>1</sup>	3,270	9,898	(67 %)
Per share <sup>1</sup>	0.01	0.04	(75 %)
Cash flow from operating activities <sup>2</sup>	39,430	40,416	(2 %)
Operating cash flow per share <sup>1</sup>	0.13	0.15	(13 %)
Average realized selling price (per ounce)	1,106	1,200	(8 %)
Cash operating cost (per tonne processed) <sup>1</sup>	42	51	(18 %)
Total cash cost (per ounce sold) <sup>1</sup>	493	596	(17 %)
All-in sustaining cost (per ounce sold) <sup>1</sup>	719	700	3 %

<sup>1</sup> 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 from continuing operations" section of the Corporation's MD&A, note 21.

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

#### Consolidated Statement of Financial Position

(Expressed in thousands of US dollars)

	As at December 31, 2015 \$	As at December 31, 2014 \$
Assets		
Current assets		
Cash and cash equivalents	167,166	127,928
Trade and other receivables	17,028	21,470
Income tax receivable	1,634	12,086
Inventories	53,200	59,729
Other current assets	2,622	2,311
	241,650	223,524
Non-current assets		
Advance receivable	4,532	4,229
Restricted cash	4,388	3,726
Property, plant and equipment	529,087	382,388
Intangible asset	1,856	1,915

Other non-current assets	-	2,520
	539,863	394,778
Total assets	781,513	618,302
Liabilities		
Current liabilities		
Trade payables and accrued liabilities	35,869	49,530
Current portion of long-term debt	29,052	-
Restricted and deferred share unit liabilities	1,360	1,938
Provisions	6,346	6,579
	72,627	58,047
Non-current liabilities		
Long-term debt	59,379	-
Restricted share unit liabilities	4,485	3,967
Provisions	7,313	6,917
Deferred income tax liabilities	31,846	18,766
	103,023	29,650
Total liabilities	175,650	87,697
Equity		
Equity Shareholders		
Share capital	516,070	466,861
Contributed surplus	10,685	10,889
Retained earnings	48,242	25,932
	574,997	503,682
Non-controlling interests	30,866	26,923
Total equity	605,863	530,605
Total liabilities and equity	781,513	618,302

#### Consolidated Statement of Income

For the years ended December 31, 2015 and 2014

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

	Year ended December 31,	
	2015	2014
	\$	\$
Revenue - Gold sales	300,129	289,349
Costs of operations		
Mining operation expenses	127,618	149,305
Depreciation of property, plant and equipment	87,689	72,195
General and administrative	13,559	17,432
Corporate social responsibility expenses	857	826
Share-based compensation	4,340	3,232
Operating income	66,066	46,359
Other expenses (income)		
Finance income	(748)	(343)
Finance costs	3,846	1,646
Foreign exchange loss	8,161	5,251
Income before income taxes	54,807	39,805
Income tax expense		
Current	10,510	1,382
Deferred income tax liabilities	13,744	19,028
	24,254	20,410
Net income from continuing operations	30,553	19,395
Net loss from discontinued operations	-	(1,648)
Net income for the year	30,553	17,747
Net income from continuing operations attributable to:		

Equity shareholders	24,910	15,812
Non-controlling interests	5,643	3,583
	30,553	19,395
Net income (loss) from discontinued operations attributable to:		
Equity shareholders	-	(11,339 )
Non-controlling interests	-	9,691
	-	(1,648 )
Net income for the year attributable to:		
Equity shareholders	24,910	4,473
Non-controlling interests	5,643	13,274
	30,553	17,747
Basic earnings per share from continuing operations	0.09	0.06
Basic loss per share from discontinued operations	-	(0.04 )
Basic earnings per share	0.09	0.02
Diluted earnings per share from continuing operations	0.09	0.06
Diluted loss per share from discontinued operations	-	(0.04 )
Diluted earnings per share	0.09	0.02

Consolidated Statement of Cash Flows  
For the years ended December 31, 2015 and 2014  
(Expressed in thousands of US dollars)

	Year ended December 31,	
	2015	2014
	\$	\$
Cash flows from (used in):		
Operating activities		
Net income for the year from continuing operations	30,553	19,395
Adjustments for :		
Depreciation of property, plant and equipment	87,689	72,195
Share-based compensation	4,340	3,232
Write-off of other non-current assets related to financing fees	2,520	-
Unrealized foreign exchange loss	7,612	6,799
Deferred income taxes expense	13,744	19,028
Other	1,103	81
	147,561	120,730
Changes in non-cash working capital items	4,756	1,140
Net cash provided by operating activities from continuing operations	152,317	121,870
Net cash used in operating activities from discontinued operations	-	(2,088 )
Net cash provided by operating activities	152,317	119,782
Financing activities		
Financing fees	-	(1,020 )
Long-term debt	90,000	
Long-term debt transaction costs	(1,200 )	-
Proceeds on issuance of share capital, net of expenses	44,305	5,700
Dividends paid to non-controlling interest and withholding taxes	(2,656 )	-
Net cash provided by financing activities	130,449	4,680
Investing activities		
Acquisition of <a href="#">Orbis Gold Ltd.</a>	(154,550 )	-
Acquisitions of property, plant and equipment	(79,449 )	(68,591 )
Advance made to Sonabel	(566 )	(2,068 )
Increase in restricted cash	(1,017 )	(641 )
Net cash used in investing activities	(235,582 )	(71,300 )
Effect of exchange rate changes on cash and cash equivalents	(7,946 )	(7,833 )
Change in cash and cash equivalents during the year	39,238	45,329
Cash and cash equivalents - beginning of year	127,928	82,599

Cash and cash equivalents of continuing operations - end of year	167,166	127,928
Interest paid	4,578	-
Interest received	450	343
Income tax paid	1,131	5,276

## 2015 Reserves and Resources

Table 1 - Consolidated Reserves and Resources

PROPERTY	Mana <sup>1,2,4,5,6</sup>	Tapoa <sup>1,2,4,5,6</sup> (Natougou Project)	Yactibo <sup>1,3,4,5,7</sup> (Nabanga Project)	Total
<b>MINERAL RESERVES</b>				
Proven				
Tonnes	12,655,000	1,583,000		14,238,000
Grade (g/t Au)	3.15	6.46		3.52
Ounces	1,281,400	329,000		1,610,400
Probable				
Tonnes	8,325,000	7,984,000		16,309,000
Grade (g/t Au)	2.64	3.69		3.16
Ounces	707,600	947,000		1,654,600
<b>TOTAL MINERAL RESERVES</b>				
Tonnes	20,980,000	9,567,000		30,547,000
Grade (g/t Au)	2.95	4.15		3.32
Ounces	1,989,000	1,276,000		3,265,000
<b>MINERAL RESOURCES (exclusive of reserves)</b>				
Measured				
Tonnes	8,751,000	77,000		8,828,000
Grade (g/t Au)	1.67	1.84		1.67
Ounces	470,800	5,000		475,800
Indicated				
Tonnes	33,526,000	2,564,000		36,090,000
Grade (g/t Au)	2.13	2.44		2.15
Ounces	2,293,100	201,000		2,494,100
<b>TOTAL M&amp;I</b>				
Tonnes	42,277,000	2,641,000		44,918,000
Grade (g/t Au)	2.03	2.42		2.06
Ounces	2,763,900	206,000		2,969,900
Inferred				
Tonnes	13,041,000	2,683,000	1,840,000	17,564,000
Grade (g/t Au)	2.82	3.99	10.00	3.75
Ounces	1,184,200	345,000	590,000	2,119,200

<sup>1</sup> The Corporation indirectly owns a 100% interest in all of its permits, except for the permits held by SEMAFO Burkina Faso S.A. in which the Government of Burkina Faso holds a 10% interest.

<sup>2</sup> Mineral reserves and resources at Mana and at Tapoa (Natougou project) were estimated using a gold price of \$1,100 and \$1,400 per ounce, respectively.

<sup>3</sup> Mineral resources at Yactibo Permit Group (Nabanga project) were reported above a 5.0 g/t Au cut-off grade.

<sup>4</sup> Rounding of numbers of tonnes and ounces may present slight differences in the figures.

<sup>5</sup> All mineral resources reported are exclusive of mineral reserves.

<sup>6</sup> As of December 31, 2015.

<sup>7</sup> As of June 30, 2015.

## 2015 Reserves and Resources (continued)

Table 2 - Mana, Burkina Faso<sup>1,2,3</sup>

DEPOSITS	DECEMBER 31, 2015								
	PROVEN RESERVES			PROBABLE RESERVES			TOTAL RESERVES		
	Tonnage	Grade (g/t Au)	Ounces <sup>4</sup>	Tonnage	Grade (g/t Au)	Ounces <sup>4</sup>	Tonnage	Grade (g/t Au)	Ounces <sup>4</sup>

WONA-KONA	6,107,000	2.35	460,700	6,558,000	2.25	474,400	12,665,000	2.30	935,100
NYAFÉ	263,000	5.85	49,400	4,000	5.02	700	267,000	5.84	50,100
FOFINA	1,146,000	2.74	100,800	39,000	2.30	2,900	1,185,000	2.72	103,700
SIOU	4,800,000	4.17	644,000	1,724,000	4.14	229,600	6,524,000	4.16	873,600
ROMPAD	339,000	2.43	26,500	-	-	-	339,000	2.43	26,500
TOTAL MANA	12,655,000	3.15	1,281,400	8,325,000	2.64	707,600	20,980,000	2.95	1,989,000

DECEMBER 31, 2015

DEPOSITS	MEASURED			INDICATED			TOTAL RESOURCES		
	Tonnage	Grade (g/t Au)	Ounces <sup>4</sup>	Tonnage	Grade (g/t Au)	Ounces <sup>4</sup>	Tonnage	Grade (g/t Au)	Ounces <sup>4</sup>
WONA-KONA	1,427,000	1.95	89,500	20,962,000	2.55	1,715,300	22,389,000	2.51	1,804,800
NYAFÉ	300,000	5.60	54,100	230,000	5.84	43,100	530,000	5.70	97,200
FOFINA	1,061,000	2.99	102,000	425,000	3.87	52,800	1,486,000	3.24	154,800
YAH0	4,654,000	1.05	157,200	9,895,000	0.99	316,200	14,549,000	1.01	473,400
FILON 67	26,000	2.72	2,300	9,000	3.59	1,000	35,000	2.93	3,300
FOBIRI	469,000	1.80	27,100	114,000	1.52	5,600	583,000	1.74	32,700
SIOU	814,000	1.47	38,600	1,891,000	2.62	159,100	2,705,000	2.27	197,700
TOTAL MANA	8,751,000	1.67	470,800	33,526,000	2.13	2,293,100	42,277,000	2.03	2,763,900

DECEMBER 31, 2015

DEPOSITS	INFERRED		
	Tonnage	Grade (g/t Au)	Ounces <sup>4</sup>
WONA-KONA	3,010,000	2.91	281,600
NYAFÉ	151,000	5.86	28,400
FOFINA	162,000	4.33	22,600
YAH0	471,000	1.45	22,000
FILON 67	6,000	6.32	1,100
FOBIRI	578,000	1.39	25,800
MAOULA	2,628,000	1.62	137,100
SIOU	6,035,000	3.43	665,600
TOTAL MANA	13,041,000	2.82	1,184,200

<sup>1</sup> The Corporation indirectly owns a 100% interest in all of its permits, except for the permits held by SEMAFO Burkina Faso S.A., in which the Government of Burkina Faso holds a 10% interest.

<sup>2</sup> Mineral reserves and resources were estimated using a gold price of \$1,100 and \$1,400 per ounce, respectively.

<sup>3</sup> All mineral resources reported are exclusive of mineral reserves.

<sup>4</sup> Rounding of numbers of tonnes and ounces may present slight differences in the figures.

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