

SEMAFO Inc.: Cash Flow from Operating Activities before Changes in non-Cash Working Capital of \$247 Million

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[Semafo Inc.](#) (TSX: SMF) (OMX: SMF) is pleased to announce results of operations, development and exploration activities for the year-ended December 31, 2019. All amounts are in US dollars unless otherwise stated.

2019 - THE YEAR IN REVIEW

- Production increased by 39% to 340,900 ounces at an all-in sustaining cost (AISC) of \$724 per ounce¹, representing a 24% decrease
- Cash flow from operating activities before changes in non-cash working capital increased to \$247 million or \$0.75 per share¹
- First production from Siou underground
- Successful acquisition and integration of Savary Gold's Karankasso properties to the Bantou Project
- Inferred mineral resources at the Bantou Project increased to 2.2 million ounces
- Completion of a positive preliminary economic assessment ("PEA") for Nabanga with after-tax NPV of \$100 million at a \$1,300 gold price

2020 GUIDANCE

- Restart of the Boungou plant and initial three-month production of 42,000 - 46,000 ounces expected from processing of stockpiles at an AISC of between \$530 and \$560 per ounce
- Phase two of the Boungou plan includes a Q4 2020 mining restart for production of between 88,000 and 104,000 ounces at AISC of between \$745 and \$795 per ounce
- Mana is expected to produce between 185,000-205,000 ounces of gold from Siou underground and the Siou and Wona open pits

¹ All-in sustaining cost, cash flow from operating activities before changes in non-cash working capital and per share are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" defined at the end of this press release.

Benoit Desormeaux, President and Chief Executive Officer of SEMAFO, stated: " Despite a challenging year, we achieved a solid operational performance at Boungou in 2019 while concurrently producing at Mana and progressing development of Siou underground on time and on budget. We have had a positive start to 2020 with the restart of the Boungou plant to process the stockpiles. Mana is expected to deliver another strong year and to increase cash flow with the successful ramp-up of Siou underground. The Bantou Project inferred resource positions us well for reaching this year's resource goal of 2.5M and 3.0M ounces and demonstrates the potential of the district scale land package. We remain deeply grateful to our employees, contractors and suppliers whose resilience and engagement have contributed to these achievements."

2019 - ANNUAL FINANCIAL & OPERATIONAL HIGHLIGHTS

The following highlights include a 10-week shutdown at the Mana Mine and a 7-week suspension at the Boungou Mine. As commercial production at the Boungou Mine commenced on September 1, 2018, the comparative figures include the Mana Mine and only four months of operations from the Boungou Mine.

- Cash flow from operating activities before changes in non-cash working capital of \$247.4 million or \$0.75 per share¹ compared to \$110.2 million or \$0.34 per share¹ for the same period in 2018
- Consolidated annual gold production of 340,900 ounces, compared to 244,600 ounces for the same period in 2018, a 39% increase
- Gold sales of \$475.8 million compared to \$296.7 million for the same period in 2018
- All-in sustaining cost¹ of \$724 per ounce sold compared to \$951 for the same period in 2018, a 24% decrease
- Adjusted operating income¹ of \$133.4 million compared to \$8.5 million for the same period in 2018
- Adjusted net income attributable to shareholders of the Corporation¹ of 73.7 million or \$0.22 per share¹ compared to adjusted net loss of \$4.5 million or \$0.01 loss per share¹ for the same period in 2018

FOURTH QUARTER 2019 FINANCIAL & OPERATIONAL HIGHLIGHTS

The following fourth quarter 2019 highlights include a 4-week shutdown at Mana and a 7-week suspension at Boungou.

- Cash flow from operating activities before changes in non-cash working capital of \$44.6 million or \$0.13 per share¹ compared to \$54.9 million or \$0.17 per share¹ for the same period in 2018
- Consolidated gold production of 69,900 ounces compared to 95,200 ounces for the same period in 2018
- Gold sales of \$101.9 million compared to \$114.7 million for the same period in 2018
- All-in sustaining cost¹ of \$698 per ounce sold compared to \$782 for the same period in 2018
- Adjusted operating income¹ of \$26.1 million compared to \$21.0 million for the same period in 2018
- Adjusted net income attributable to equity shareholders of \$16.3 million or \$0.05 per share compared to \$7.8 million or \$0.02 per share for the same period in 2018

2020 Exploration

An initial exploration budget of \$7 million has been set for 2020 on our three priority properties - Bantou (\$4 million), Mana (\$2 million) and Boungou (\$1 million).

Bantou

At Bantou, the initial \$4-million exploration program will involve a 19,300-meter drill program that is a continuation of last year's program on the properties and designed to test prospective areas outside of the existing inferred resources. We remain committed to our resource goal of 2.5 - 3.0 million ounces by the end of 2020.

This initial budget is likely to increase as the exploration program moves outside the existing zones and follows up interesting intersections like 14.6 g/t Au over 21 meters at Tiébi. Highlights of best results obtained in the fourth quarter are shown in Table 1.

¹ Cash flow from operating activities before changes in non-cash working capital and per share, all-in sustaining cost, adjusted operating income, adjusted net income (loss) attributable to shareholders of the Corporation and adjusted basic earnings (loss) per share are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" defined at the end of this press release. During the fourth quarter of 2019, adjusted operating income and adjusted net income attributable to equity shareholders exclude the non-cash impairment of property, plant and equipment of \$9,259,000 mainly related to the exploration and evaluation assets of the Korhogo property, a gain of \$3,782,000 in share-based compensation related to the change in fair value of the share price and \$7,085,000 of fixed expenses incurred during shutdown and suspension period. The adjusted net income attributable to equity shareholders also excludes a foreign exchange gain of \$16,000 and a recovery of deferred tax effect of currency translation on tax base of \$4,171,000.

Table 1 - Highlights from Bantou Q4 2019 Exploration*

Hole No.	From (m)	To (m)	Length (m)	Au (g/t)	Zone
	63	84	21	14.63	Tiébi
KARC19-0136	29	37	8	1.31	Tiébi Ouest
KARC19-0136	84	86	2	5.42	Tiébi Ouest
KARC19-0162	25	29	4	1.14	Tiébi Ouest
KRC19-0531	87	91	4	2.52	Bantou Est
KRC19-0538	132	136	4	1.92	Bantou Est
KRC19-0538	158	161	3	3.04	Bantou Est
KRC19-0632	124	127	3	1.65	Bantou NW
KRC19-0634	56	60	4	2.00	Bantou NW

*All assays are uncut. Lengths are core lengths. True widths remain undetermined.

Boungou

The \$1-million exploration program at Boungou for 2020 comprises 3,000 meters of RC drilling and has the objective of identifying new near-mine resources. Expansion of the program is contingent on an improvement in regional security. Starting in the second quarter, the RC program will follow up last year's suspended work.

Mana

At Mana, a \$2-million budget has been established to follow up targets identified by the geologic review carried out by an external consulting firm last year. The bulk of the 3,800-meter RC drill campaign will be carried out on three different areas around Siou. We will also be conducting an underground drill program to test if the mineralization extends at depth below the existing underground reserves.

Boungou, Burkina Faso

Mining Operations

Commercial production at Boungou was declared on September 1, 2018.

	2019	2018	Variation
Operating Data			
Mining			
Waste mined (tonnes)	11,651,000	4,035,200	189%
Ore tonnes mined	1,628,400	568,300	187%
Operational stripping ratio			

Capitalized Stripping Activity

Waste material ‐ Bounvou (tonnes)	9,568,900	4,143,200	131%
Total strip ratio	13.0	14.4	(10%)

Processing

Tonnes processed (tonnes)	999,700	368,100	172%
Head grade (g/t)	6.65	5.75	16%
Recovery (%)	96	94	2%
Gold ounces produced ¹	205,200	63,600	223%
Gold ounces sold ²	214,400	54,300	295%

Financial Data (in thousands of dollars)

Revenues ‐ Gold sales ²	295,758	66,966	342%
Mining operation expenses	69,489	18,564	274%
Government royalties and development taxes	16,997	3,338	409%
Depreciation of PPE	85,385	21,742	293%
General and administrative	1,217	186	554%
Corporate social responsibility expenses	183	331	(45%)
Segment operating income	122,487	22,805	437%

Statistics (in dollars)

Average realized selling price (per ounce)	1,380	1,233	12%
Cash operating cost (per tonne processed) ³	61	56	9%
Cash operating cost including stripping (per tonne processed) ³ 82		79	4%
Total cash cost (per ounce sold) ³	380	403	(6%)
All-in sustaining cost (per ounce sold) ³	497	596	(17%)
Depreciation (per ounce sold) ⁴	398	400	(1%)

¹ Gold ounces produced exclude pre-commercial production of 12,000 ounces.

² Gold sales exclude those resulting from pre-production activities that were offset against capitalized construction costs and amounted to \$14,994,000.

³ Cash operating cost, cash operating cost including stripping, 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" defined at the end of this press release.

⁴ 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.

Boungou, Burkina Faso

Mining Operations

The following includes a 7-week suspension at Boungou in 2019. As commercial production commenced on September 1, 2018, the comparative figures for Boungou Mine only include four months of operations at the Boungou Mine in 2018.

Grade in 2019 increased, compared to 2018, to average 6.65 g/t Au, as the mine plan reached higher-grade zones. Due to the higher grade, the all-in sustaining cost¹ was \$497 per ounce sold compared to \$596 per ounce sold in 2018. Recoveries also improved during 2019 to reach 96%, a 2% improvement compared to 2018. As at December 31, 2019, the stockpile holds 1.1 million tonnes at an average grade of 3.4 g/t Au, representing approximately ten months of mill feed.

Mana, Burkina Faso

Mining Operations

	2019	2018	Variation
Operating Data			
Mining - Open pit			
Waste mined (tonnes)	9,253,800	17,802,100	(48%)
Ore tonnes mined	1,337,800	2,109,700	(37%)
Operational stripping ratio	6.9	8.4	(18%)
Capitalized Stripping Activity			
Waste material – Siou (tonnes)	6,676,800	4,200,500	59%
Waste material – Wona (tonnes)	12,151,400	11,643,400	4%
	18,828,200	15,843,900	19%
Total strip ratio	21.0	15.9	32%

Mining - Underground

Ore tonnes mined	99,600	—	—
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Processing

Ore processed (tonnes)	1,445,400	2,356,400	(39%)
Low grade material (tonnes)	615,800	217,500	183%
Tonnes processed (tonnes)	2,061,200	2,573,900	(20%)
Head grade (g/t)	2.28	2.36	(3%)
Recovery (%)	90	93	(3%)
Gold ounces produced	135,700	181,000	(25%)
Gold ounces sold	131,700	181,100	(27%)

Financial Data (in thousands of dollars)

Revenues — Gold sales	179,992	229,713	(22%)
Mining operations expenses	97,762	132,252	(26%)
Government royalties	8,487	10,055	(16%)
Depreciation of PPE	53,829	81,626	(34%)
General and administrative	2,416	2,635	(8%)
Corporate social responsibility expenses	676	931	(27%)
Segment operating income	16,822	2,214	660%

Statistics (in dollars)

Average realized selling price (per ounce)	1,367	1,268	8%
Cash operating cost (per tonne processed) ¹	44	51	(14%)
Cash operating cost including stripping (per tonne processed) ¹	63	68	(7%)
Total cash cost (per ounce sold) ¹	762	786	(3%)

¹ Cash operating cost, cash operating cost including stripping, total cash cost and all-in sustaining cost are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS All-in sustaining cost (per ounce sold)" and "All-in sustaining cost (per ounce sold)" sections of the "Financial Performance Measures" defined at the end of this press release.

² Depreciation (per ounce sold)² is a non-IFRS financial performance measure with no standard definition under IFRS and represents the depreciation expense per ounce sold.

Mana, Burkina Faso

Mining Operations

Following a pit wall failure in the Wona pit in August 2019, processing of ore at Mana was suspended for a

10-week period. Subsequently, mining operations focused on stripping activities at the Siou and Wona open pits and on development of Siou underground.

In 2019, the ore mined from the open pit decreased and the strip ratio was higher compared to 2018, given our focus on development activities due to the pit wall failure at Mana. The ore processed and gold ounces produced and sold decreased compared to 2018, following the suspension of processing activities at the Mana Mine. Extraction of ore from Siou underground commenced in the fourth quarter 2019 providing 99,600 tonnes of ore at 4.6 g/t Au. In 2019, gold sales amounted to \$179,992,000 compared to \$229,713,000 in 2018. The variation between gold ounces sold and gold ounces produced is due to the timing of delivery. The lower mining operations expenses are mainly due to the focus on stripping activities. The decrease in depreciation of property, plant and equipment is due to the lower gold ounces sold compared to 2018.

Siou Underground Development

In the fourth quarter of 2019, underground development prior to production continued on time and on budget. First production occurred in December in line with reaching full production of 2,000-tpd in the first quarter of 2020.

In 2019, we decided to take advantage of available equipment and our mining contractor's productivity to get ahead of 2020 grade control drilling and mine development plans. As a result, by the end of 2019, we had grade-control drilled 50% of the orebody and developed up to 1,200 meters over our 2019 plan.

2019 Reserves and Resources - as at December 31, 2019

As at December 31, 2019, total proven and probable mineral reserves stood at 2,640,100 ounces of gold. Measured and indicated mineral resources increased by 9% to 3,302,500 ounces. Inferred mineral resources increased by 86% to 3,977,800 ounces compared to year-end 2018 mainly due to an increase at the Bantou Project.

Changes in reserves are net of 2019 depletion due to production. All mineral resources reported are exclusive of mineral reserves. Mineral reserves and resources reported at Mana and at Boungou were estimated using a gold price of \$1,200 and \$1,400 per ounce, respectively. Mineral resources at the Bantou and Nabanga Projects were estimated using a gold price of \$1,500 per ounce.

Boungou Mine

Total proven and probable reserves at Boungou were 10.3 million tonnes averaging 3.72 g/t Au for 1.2 million ounces of gold in 2019, compared to 10.9 million tonnes at 3.94 g/t Au for 1.4 million ounces in 2018. The decrease is due to depletion as Boungou Mine produced a total of 205,200 ounces in 2019. Total measured and indicated ("M&I") resources increased by 60% to 5.8 million tonnes at 3.25 g/t Au for 0.6 million ounces. The updated 2019 M&I resource is in-pit constrained and now incorporates remaining ounces at a cut-off grade of 2.0 g/t Au.

Mana

At year-end 2019, Mana's mineral reserves totalled 15 million tonnes at an average grade of 2.91 g/t Au for 1.4 million ounces, compared to 16 million tonnes averaging 2.96 g/t Au for 1.5 million ounces in 2018. Mana's mineral resources remained constant at 43.6 million tonnes at an average grade of 1.92 g/t Au for 2.7 million ounces.

Bantou Project

At the end of 2019, the Bantou Project hosted an inferred mineral resource estimate of 51 million tonnes at 1.37 g/t Au for 2.2 million ounces of gold. The Bantou Project, which is located approximately 170 kilometers

south of the Mana Mine in Burkina Faso, comprises three groups of deposits: Bantou, Bantou Nord and Karankasso.

The mineral resources at Bantou Project were estimated using a gold price of \$1,500 per ounce. For further details, refer to the February 24, 2020 press release.

Yactibo (Nabanga Deposit)

Inferred resources at the Nabanga deposit remain unchanged at 3.4 million tonnes at 7.69 g/t Au for 841,000 ounces of contained gold.

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.

Fourth Quarter Conference Call

A conference call will be held tomorrow, March 4, 2020 at 10:00 EST, to discuss the fourth quarter results. Interested parties are invited to call the following telephone numbers to participate in the call. A live audio webcast of the conference call will be accessible for a period of 90 days through SEMAFO's website at www.semafo.com.

Tel. local & overseas: +1 (514) 225 7341
Tel. North America: 1 (888) 390 0605
Webcast: www.semafo.com
Replay overseas: +1 (416) 764 8677
Replay N. America: 1 (888) 390 0541
Replay pass code: 086322#
Expiration: April 4, 2020

Annual General Meeting of Shareholders

SEMAFO's Annual General Meeting of Shareholders will be held on Tuesday, May 14, 2020 at 15:00 EDT at SEMAFO's office, 100 boul. Alexis-Nihon, 7th floor, Saint-Laurent (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 intermediate gold producer with over twenty years' experience building and operating mines in West Africa. The Corporation operates two mines, the Boungou and Mana Mines in Burkina Faso. SEMAFO is committed to building value through responsible mining of its quality assets and leveraging its development pipeline.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements. All statements other than statements of present or historical facts are forward-looking. 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", "expected", "plan", "increase", "ramp-up", "positions us well", "potential", "initial", "priority", "likely", "objective", "estimated", "committed", "building", "leveraging", "pipeline" 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 (i) produce 42,000 - 46,000 ounces during the initial three-month phase at Boungou at an AISC of between \$530 and \$560 per ounce, (ii)

restart mining at Boungou in Q4 2020, (iii) produce between 88,000 and 104,000 ounces at Boungou at an AISC of between \$745 and \$795 per ounce during Phase two of our Boungou plan, (iv) produce between 185,000 - 205,000 ounces of gold from Siou underground and the Siou and Mana open pits, (v) increase cash flow from Mana with the successful ramp-up of Siou underground, (vi) reach the resource goal of 2.5 - 3.0M ounces at Bantou by the end of 2020 and demonstrate the potential of the district land package,, (vii) meet our initial exploration budget of \$7 million, (viii) identify new near-mine resources at Boungou, (ix) reach full production of 2,000 tpd at Siou Underground in the first quarter of 2020, the ability to increase reserves and resources, 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), the security of our operations 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 2019 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.

Consolidated Results and Mining Operations

	2019	2018	2017
Gold ounces produced ¹	340,900	244,600	206,400
Gold ounces sold ²	346,100	235,400	205,300
(in thousands of dollars, except amounts per ounce and per share)			
Revenues - Gold sales ²	475,750	296,679	258,993
Operating income	113,670	10,321	11,494
Net income (loss) attributable to shareholders of the Corporation	50,187	(8,192)	20,036
Basic earnings (loss) per share	0.15	(0.03)	0.06
Diluted earnings (loss) per share	0.15	(0.03)	0.06
Adjusted operating income ³	133,382	8,494	10,659
Adjusted net income (loss) attributable to shareholders of the Corporation ³	73,715	(4,462)	864
Per share ³	0.22	(0.01)	—
Cash flow from operating activities before changes in non-cash working capital ³	247,427	110,203	107,023
Per share ³	0.75	0.34	0.33
Average realized selling price (per ounce)	1,375	1,260	1,261
Total cash cost (per ounce sold) ³	525	698	655
All-in sustaining cost (per ounce sold) ³	724	951	942

¹ Gold ounces produced exclude pre-commercial production of 12,000 ounces from Boungou in 2018.

² Gold sales exclude those resulting from pre-production activities that were offset against capitalized construction costs and amounted to \$14,994,000 from Boungou in 2018.

³ Adjusted operating income, adjusted net income (loss) attributable to shareholders of the Corporation, adjusted basic earnings (loss) per share, cash flow from operating activities before changes in non-cash working capital and per share, 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" defined at the end of this press release.

Fourth Quarter Consolidated Results and Mining Operations

	Three-month period ended December 31,		
	2019	2018	Variation
Gold ounces produced ¹	69,900	95,200	(27%)
Gold ounces sold ²	68,900	92,900	(26%)
(in thousands of dollars, except amounts per ounce and per share)			
Revenues – Gold sales ²	101,923	114,692	(11%)
Operating income	13,539	21,431	(37%)
Net income attributable to shareholders of the Corporation	7,913	6,486	22%
Basic earnings per share	0.02	0.02	—
Diluted earnings per share	0.02	0.02	—
Adjusted operating income ³	26,101	20,957	25%
Adjusted net income attributable to shareholders of the Corporation ³	16,288	7,754	110%
Per share ³	0.05	0.02	150%
Cash flow from operating activities before changes in non-cash working capital ³	44,589	54,932	(19%)
Per share ³	0.13	0.17	(24%)
Average realized selling price (per ounce)	1,482	1,234	20%
Total cash cost (per ounce sold) ³	569	559	2%
All-in sustaining cost (per ounce sold) ³			

(11%)

1	Gold ounces produced exclude pre-commercial production of 12,000 ounces from Boungou in 2018.
2	Gold sales exclude those resulting from pre-production activities that were offset against capitalized construction costs and amounted to \$14,994,000 from Boungou in 2018.
3	Adjusted operating income, adjusted net income (loss) attributable to shareholders of the Corporation, adjusted basic earnings (loss) per share, cash flow from operating activities before changes in non-cash working capital and per share, 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" defined at the end of this press release.

Non-IFRS Financial Performance Measures

Cash Operating Cost and Cash Operating Cost including Stripping

The Corporation reports cash operating costs and cash operating cost including stripping per tonne processed. The Corporation believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors may find that the cash operating costs and cash operating cost including stripping per tonne processed provided useful information to assist investors with their evaluation of the Corporation's performance and ability to generate cash flow from its operations. A reconciliation of cash operating cost calculated in accordance with the Gold Institute Standard to operating costs is included in the following table, for the years ended December 31, 2019 and 2018:

	2019		2018	
	Bougou Mana		Bougou Mana	
Per tonne processed				
Tonnes of ore processed	999,700	2,061,200	368,100	2,573,900
(in thousands of dollars except per tonne)				
Mining operation expenses (relating to ounces sold)	86,486	106,249	21,902	142,307
Fixed expenses incurred during shutdown and suspension period	(5,095)	(5,933)	—	—
Government royalties, development taxes and selling expenses	(17,763)	(8,891)	(3,537)	(10,592)
Effects of inventory adjustments (doré bars and gold in circuit)	(2,286)	(1,136)	2,323	36
Operating costs (relating to tonnes processed)	61,342	90,289	20,688	131,751
Cash operating cost (per tonne processed)	61	44	56	51

	2019		2018	
	Bougou Mana		Bougou Mana	
Per tonne processed				
Tonnes of ore processed	999,700	2,061,200	368,100	2,573,900
(in thousands of dollars except per tonne)				
Stripping cost ¹	21,282	38,613	8,497	42,608
Stripping cost (per tonne processed)	21	19	23	17
Cash operating cost (per tonne processed)	61	44	56	51
Cash operating cost including stripping (per tonne processed)	82	63	79	68

1	Stripping cost excludes mining costs incurred during the shutdown period at the Mana Mine.			

Total Cash Cost

The Corporation reports total cash costs based on ounces sold. The Corporation believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors may find that the total cash cost per ounce sold provided useful information to assist investors with their evaluation of the Corporation's performance and ability to generate cash flow from its operations. A reconciliation of total cash cost is included in the following table, for the years ended December 31, 2019 and 2018:

	2019			2018		
	Bougou Mana		Total	Bougou Mana		Total
Per ounce sold						
Gold ounces sold	214,400	131,700	346,100	54,300	181,100	235,400
(in thousands of dollars except per ounce)						
Mining operation expenses	86,486	106,249	192,735	21,902	142,307	164,209
Fixed expenses incurred during shutdown and suspension period	(5,095)	(5,933)	(11,028)	—	—	—
Cash cost (relating to ounce sold)	81,391	100,316	181,707	21,902	142,307	164,209
Total cash cost (per ounce sold)	380	762	525	403	786	698

All-in Sustaining Cost

All-in sustaining cost represents the total cash cost plus sustainable capital expenditures and stripping costs presented per ounce sold. The Corporation believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors may find that the all-in sustaining cost per ounce sold better meets their needs by assessing the Corporation's operating performance and its ability to generate free cash flow. The Corporation classified sustaining capital expenditures which are required to maintain existing operations and capitalized stripping. A reconciliation of all-in sustaining cost is included in the following table, for the years ended December 31, 2019 and 2018:

	2019			2018		
	Bougou Mana		Total	Bougou Mana		Total
Per ounce sold						
Gold ounces sold	214,400	131,700	346,100	54,300	181,100	235,400
(in thousands of dollars except per ounce)						
Sustaining capital expenditure ¹	25,168	43,869	69,037	10,465	48,974	59,439
Sustaining capital expenditure (per ounce sold)	117	333	199	193	270	253
Total cash cost (per ounce sold)	380	762	525	403	786	698
All-in sustaining cost (per ounce sold)	497	1,095	724	596	1,056	951

Cash Flow from Operating Activities before Changes in non-Cash Working Capital

The Corporation uses cash flow from operating activities before changes in non-cash working capital to supplement its consolidated financial statements, and calculates it by not including the period to period movement of non-cash working capital items, like trade and other receivables, income tax receivable, inventories, other current assets, trade payables and accrued liabilities, share unit plan liabilities and provisions. The Corporation believes this provides an alternative indication of its cash flow from operating activities and may be meaningful to investors in evaluating our past performance or future prospects. It is not

meant to be a substitute for cash flow from operating activities, which is calculated according to IFRS.

¹ Sustaining capital expenditure excludes sustaining capital expenditure incurred during the shutdown period at the Mana Mine and suspension period at the Boungou Mine.

Cash Flow from Operating Activities before Changes in non-Cash Working Capital per Share

The Corporation presents cash flow from operating activities before changes in non-cash working capital per share as it believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors may find that the cash flow from operating activities before changes in non-cash working capital per share provided useful information to assist investors with their evaluation of the Corporation's performance and ability to generate cash flow from its operations. A reconciliation of cash flow from operating activities before changes in non-cash working capital per share is included in the following table, for the years ended December 31, 2019 and 2018:

	2019	2018
(in thousands of dollars except per share)		
Cash flow from operating activities before changes in non-cash working capital	247,427	110,203
Weighted average number of outstanding common shares - Basic	331,392	325,478
Cash flow from operating activities before changes in non-cash working capital per share	0.75	0.34

Adjusted Accounting Measures

Net income and operating income have been adjusted with items considered temporal and that do not reflect the Corporation core mining operations. The Corporation believes certain investors may find that the adjusted net income (loss) attributable to shareholders of the Corporation, adjusted basic earnings (loss) per share and adjusted operating income (loss) provided useful information to assist investors with their evaluation of the Corporation's performance and ability to generate cash flow from its operations. Reconciliations of adjusted accounting measures is included in the following tables, for the years ended December 31, 2019 and 2018:

	2019	2018
(in thousands of dollars except per share)		
Net income (loss) attributable to shareholders of the Corporation as per IFRS	50,187	(8,192)
Foreign exchange loss	877	1,613
Tax effect of currency translation on tax base	2,939	3,944
Share-based compensation recovery related to change in the fair value of the share price (575)		(1,827)
Impairment of PPE	9,259	—
Fixed expenses incurred during shutdown and suspension period	11,028	—
Adjusted net income (loss) attributable to shareholders of the Corporation	73,715	(4,462)
Weighted average number of outstanding shares	331,392	325,478
Adjusted basic earnings (loss) per share	0.22	(0.01)
	2019	2018
(in thousands)	\$	\$
Operating income as per IFRS	113,670	10,321
Share-based compensation recovery related to change in the fair value of the share price (575)		(1,827)
Impairment of PPE	9,259	—
Fixed expenses incurred during shutdown and suspension period	11,028	—
Adjusted operating income	133,382	8,494

Consolidated Statements of Financial Position
(Expressed in thousands of US dollars - audited)

	As at December 31, 2019 \$	As at December 31, 2018 \$
Assets		
Current assets		
Cash and cash equivalents	98,297	96,519
Trade and other receivables	44,645	29,434
Income tax receivable	4,434	6,390
Inventories	98,072	83,211
Other current assets	5,380	5,378
	250,828	220,932
Non-current assets		
Advance receivable	1,421	2,117
Restricted cash	9,964	25,340
Property, plant and equipment	843,123	782,060
Intangible asset	1,079	1,204
Other non-current financial assets	3,698	2,622
	859,285	813,343
Total assets	1,110,113	1,034,275
Liabilities		
Current liabilities		
Trade payables and accrued liabilities	67,819	63,905
Current portion of long-term debt	59,275	60,181
Current portion of lease liabilities	13,073	7,820
Current portion of share unit plan liabilities	3,269	3,311
Provisions	2,843	3,051
	146,279	

138,268

Non-current liabilities

Long-term debt	—	57,388
Lease liabilities	15,244	20,144
Share unit plan liabilities	2,755	2,263
Provisions	25,617	23,561
Deferred income tax liabilities	72,478	39,548
	116,094	142,904
Total liabilities	262,373	281,172

Equity

Shareholders of the Corporation

Share capital	647,251	623,604
Contributed surplus	6,105	6,771
Accumulated other comprehensive loss	(17,351)	(18,909)
Retained earnings	162,127	109,216
	798,132	720,682
Non-controlling interests	49,608	32,421

Consolidated Statements of Income (Loss)

Total equity	847,748	753,103
Total equity	847,748	753,103
(Expressed in thousands of US dollars, except per share amounts - audited)		
Total liabilities and equity	1,110,113	1,034,275

2019 2018

\$ \$

Revenue – Gold sales	475,750	296,679
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Costs of operations

Mining operation expenses	192,735	164,209
Depreciation of property, plant and equipment	139,824	103,758
General and administrative	16,811	15,826
Corporate social responsibility expenses	859	1,262
Share-based compensation	2,592	1,303
Impairment of property, plant and equipment	9,259	—

Operating income	113,670	10,321
Other expenses (income)		
Finance income	(2,233)	(2,283)
Finance costs	10,774	5,722
Foreign exchange loss	877	1,613
Income before income taxes	104,252	5,269
Income tax expense		
Current	9,858	2,136
Deferred	33,639	9,986
	43,497	12,122
Net income (loss) for the year	60,755	(6,853)
Attributable to:		
Shareholders of the Corporation	50,187	(8,192)
Non-controlling interests	10,568	1,339
	60,755	(6,853)
Earnings (loss) per share		
Basic	0.15	(0.03)
Diluted	0.15	(0.03)

Consolidated Statements of Cash Flows
For the years ended December 31, 2019 and 2018
(Expressed in thousands of US dollars - audited)

	2019	2018
	\$	\$
Cash flows from (used in):		
Operating activities		
Net income (loss) for the year	60,755	(6,853)
Adjustments for:		
Depreciation of property, plant and equipment	139,824	103,758
Share-based compensation	2,592	1,303
Amortization of deferred transaction costs	1,218	—
Unrealized foreign exchange loss	208	1,608
Impairment of property, plant and equipment	9,259	—
Deferred income tax expense	33,639	9,986
Other	(68)	401
Cash flow from operating activities before changes in non-cash working capital	247,427	110,203
Changes in non-cash working capital items	(30,189)	(2,279)
Net cash provided by operating activities	217,238	107,924
Financing activities		
Repayment of long-term debt	(60,000)	—
Repayment of equipment financing	(181)	(310)
Payments of lease liabilities	(10,958)	(5,485)
Proceeds on issuance of share capital, net of expenses	2,282	861
Net cash used in financing activities	(68,857)	(4,934)
Investing activities		
Acquisition of property, plant and equipment	(160,042)	(198,740)
Net cash received on acquisition of Savary Gold Corp.	232	—
Net acquisitions of equity investments	(1,449)	(1,740)
Decrease (increase) in restricted cash		

(2,491)

Net cash used in investing activities	(146,047)	(202,971)
Effect of exchange rate changes on cash and cash equivalents	(556)	(2,450)
Change in cash and cash equivalents during the year	1,778	(102,431)
Cash and cash equivalents – Beginning of year	96,519	198,950
Cash and cash equivalents – End of year	98,297	96,519
SOURCE Semafo	9,689	9,850
Interest received	2,261	2,464
Contact Corporate tax paid	1,385	5,127

SEMAFO

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