No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

*This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws. Accordingly, subject to certain exceptions, these securities may not be offered, sold or delivered, and this short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities, within the United States of America or to, or for the benefit of a U.S. person (as defined in Regulation S under the U.S. Securities Act). See "Plan of Distribution".*

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents or parts thereof incorporated herein by reference may be obtained on request without charge from the secretary of Semafo inc. at 750, Marcel-Laurin Boulevard, Suite 375, Saint-Laurent, Québec, H4M 2M4, telephone (514) 744-4408, and are also available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.*

Short Form Prospectus

New Issue

SEMAFO INC.

December 19, 2008

$20,040,000
16,700,000 Common Shares

This short form prospectus (the "**Prospectus**") qualifies the distribution (the "**Offering**") of 16,700,000 common shares (the "**Common Shares**") of Semafo inc. (the "**Company**" or "**Semafo**") at a price of $1.20 (the "**Offering Price**") per Common Share pursuant to an underwriting agreement (the "**Underwriting Agreement**") among the Company and each of Thomas Weisel Partners Canada Inc. ("**TWP**"), BMO Nesbitt Burns Inc., Clarus Securities Inc., Haywood Securities Inc. and Jennings Capital Inc. (collectively, the "**Underwriters**") dated December 12, 2008.

$1.20 per Common Share

	Price to the Public	Underwriters' Fee[1]	Net Proceeds to the Company[2][3]
Per Common Share	$1.20	$0.063	$1.137
Total	$20,040,000	$1,052,100	$18,987,900

Notes:

(1) The Company has agreed to pay the Underwriters a cash commission (the "**Underwriters' Fee**") equal to 5.25% of the aggregate purchase price paid by the Underwriters to the Company for the Common Shares.

(2) After deducting the Underwriters' Fee but before deducting expenses of the Offering, estimated to be $350,000. The Underwriters' Fee will be paid to the Underwriters from the proceeds of the Offering on the Closing Date (as defined below).

(3) The Company has granted to the Underwriters an option (the "**Underwriters' Option**"), exercisable by no later than 7:30 p.m. (Toronto time) on the second business day prior to the Closing Date (as defined below) to purchase up to an additional 2,505,000 Common Shares at the Offering Price. If the Underwriters' Option is exercised in full, the Price to the Public, Underwriters' Fee and Net Proceeds to the Company, before deducting expenses of the Offering, will be $23,046,000, $1,209,915 and $21,836,085, respectively. This Prospectus also qualifies both the grant of the Underwriters' Option and the issuance of Common Shares issuable upon exercise of the Underwriters' Option. A purchaser who acquires Common Shares forming part of the Underwriters' Option acquires those Common Shares under this Prospectus, regardless of whether the Underwriters' Option is ultimately filled through the exercise of the Underwriters' Option or secondary market purchases.

Underwriters' Position	Maximum size or number of securities available	Exercise period	Exercise price
Underwriters' Option	2,505,000	By no later than 7:30 p.m. (Toronto Time) on the second business day prior to the Closing Date	$1.20

In Canada, the Common Shares will be offered only in the Provinces of British Columbia, Alberta and Ontario.

The Common Shares may be offered for sale in the United States under certain exemptions from the registration requirements of the U.S. Securities Act. See "Plan of Distribution".

The Company's outstanding Common Shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "SMF". On December 18, 2008, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was $1.31. The TSX has conditionally approved the listing of the Common Shares distributed under this Prospectus, including the Common Shares issuable on the exercise of the Underwriters' Option, on the TSX. Listing is subject to the Company fulfilling all of the requirements of the TSX on or before March 12, 2009.

The Underwriters, as principals, conditionally offer a total of 16,700,000 Common Shares, subject to prior sale, if, as and when issued by Semafo and accepted by the Underwriters in accordance with the terms and conditions contained in the Underwriting Agreement referred to under "Plan of Distribution", and subject to the approval of certain legal matters on behalf of the Company by Lang Michener LLP and La Roche Rouleau & Associates and on behalf of the Underwriters by Ogilvy Renault LLP. In connection with the Offering, the Underwriters may, subject to applicable laws, effect transactions intended to stabilize or maintain the market price for the Common Shares at levels above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

The Offering Price was determined by negotiation between the Company and the Underwriters with reference to the prevailing market price of the Common Shares.

Subscriptions for the Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. To the extent required, definitive certificates evidencing the Common Shares will be available for delivery at closing of the Offering, which is expected to occur on or about December 30, 2008, or such earlier or later date as may mutually be agreed to by the Company and the Underwriters, but in any event no later than January 30, 2009 (the "**Closing Date**").

An investment in the Common Shares involves a high degree of risk. Prospective investors should carefully consider the risk factors described in this Prospectus under "Risk Factors".

Investors should rely only on the information contained in or incorporated by reference in this Prospectus. The Company has not authorized anyone to provide investors with different information. The Company is not offering the Common Shares in any jurisdiction in which the offer is not permitted. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front page of this Prospectus.

Unless otherwise indicated, all references to dollar amounts in this Prospectus are to Canadian dollars.

The Company's head and registered office is located at 750, Marcel-Laurin Boulevard, Suite 375, Saint-Laurent, Québec, Canada, H4M 2M4.

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ELIGIBILITY FOR INVESTMENT

In the opinion of Lang Michener LLP, counsel to the Company, and Ogilvy Renault LLP, counsel to the Underwriters, the Common Shares, if issued on the date hereof, would be qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder in force as of the date hereof for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans and registered disability savings plans.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained upon request without charge from the secretary of the Company at 750, Marcel-Laurin Boulevard, Suite 375, Saint-Laurent, Québec, H4M 2M4, telephone (514) 744-4408, and are also available electronically at www.sedar.com.

The following documents or parts thereof ("documents incorporated by reference" or "documents incorporated herein by reference") filed by the Company with various securities commissions or similar authorities in each of the Provinces of British Columbia, Alberta, Ontario and Québec are specifically incorporated by reference herein and form an integral part of this Prospectus:

(a) the annual information form of the Company for the year ended December 31, 2007, as filed on SEDAR in the English language version on March 28, 2008;

(b) the audited annual financial statements of the Company and the notes thereto for the year ended December 31, 2007, together with the auditors' report thereon dated March 25, 2008, as filed on SEDAR in the English language version on March 25, 2008;

(c) management's discussion and analysis of the financial condition and results of operations of the Company for the year ended December 31, 2007, as filed on SEDAR in the English language version on March 25, 2008;

(d) the unaudited interim financial statements of the Company and the notes thereto for the three-month and nine-month periods ended September 30, 2008, as filed on SEDAR in the English language version on November 11, 2008;

(e) management's discussion and analysis of the financial condition and results of operations of the Company for the three-month and nine-month periods ended September 30, 2008, as filed on SEDAR in the English language version on November 11, 2008;

(f) the management information circular of the Company dated May 13, 2008 relating to the annual general meeting of shareholders of the Company held on June 18, 2008, as filed on SEDAR in the English language version on May 27, 2008;

(g) the material change report of the Company dated February 25, 2008 in connection with mill start-up at the Mana Gold Mine in Burkina Faso, as filed on SEDAR in the English language version on February 25, 2008;

(h) the material change report of the Company dated December 15, 2008 in connection with the Offering, as filed on SEDAR in the English language version on December 15, 2008;

(i) parts 3.2, 4, 5.1, 7, 8, 11, 12.3 and 13.2 of the English language version of the technical report prepared by Mr. Michel A. Crevier, the Company's qualified person and Geology Manager, entitled "*Technical Report on the Mineral Reserves and Resources, Mana Mine, Burkina Faso, as of December 31, 2007*" dated March 27, 2008 (the "**Mana Technical Report**"), as filed on SEDAR on March 27, 2008;

(j) parts 4.1, 5, 7, 8 and 9 of the English language version of the technical report prepared by Mr. Michel A. Crevier, the Company's Qualified Person and Geology Manager**,** entitled "*Technical Report on the Mineral Reserves and Resources of the Samira Hill Mine, Niger, as of December 31, 2007*" dated March 27, 2008 (the "**Samira Technical Report**"), as filed on SEDAR on March 27, 2008; and

(k) parts 6.4, 7, 8.2, 13, 14, 15, 18 and 20 of the English language version of the technical report prepared by Mr. Michel Dagbert, Senior Consultant at Geostat Systems International Inc. ("**Geostat"**) and Mr. Gaston Gagnon, Senior Consultant at Geostat, entitled **"***Technical Report on the Resources and Reserves of the Kiniero gold deposits, Guinea (As of December 31, 2007)*" dated March 26, 2008 (the "**Kiniero Technical Report**"), as filed on SEDAR on March 27, 2008.

Any document of the type referred to above in (a) through (h) (other than confidential material change reports) and all business acquisition reports filed by the Company with a Canadian securities regulatory authority after the date of this Prospectus and prior to the termination of the distribution hereunder shall be deemed to be incorporated by reference in this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Prospectus.

FORWARD-LOOKING STATEMENTS

This Prospectus, and the documents incorporated by reference herein, contain forward-looking information as defined in applicable securities laws and forward-looking statements (as defined in the United States *Securities Exchange Act of 1934*) (collectively referred to herein as "**forward-looking statements**"). Generally, forward-looking statements can be identified by the use of words such as "may", "will", "should", "plans", "anticipates", "believes", "estimates", "predicts", "intends", "potential" or the negative of such terms, or other comparable terminology. Forward-looking statements express the Company's estimates, forecasts, projections, expectations and beliefs as to future events or results. These forward-looking statements include statements regarding:

- the market price of gold;
- strategic plans;
- future commercial production and production targets;
- timetables;
- mining operating costs and cash operating costs;
- exploration activities;
- fixed asset expenses;
- capital expenditures;
- asset retirement obligations; and
- the quantity and quality of mineral reserve and resource estimates and perspectives.

Although the Company believes that these statements are based on reasonable assumptions, inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, fluctuations in the market price of precious metals, mining industry risks, uncertainty as to the calculation of mineral reserves and resources, risks related to hedging strategies, risks of delays in construction, requirements of additional financing and those risk factors listed in the "Risk Factors" section of this Prospectus. Investors are cautioned that the forgoing list of factors is not exhaustive of the factors that may affect the actual outcome of events that are the subject of forward-looking statements. These and other factors should be considered carefully by prospective investors. Actual results and

developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Prospectus or documents incorporated by reference herein. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- interest rates and foreign exchange rates;
- the Company's reserve and resource estimates, and the geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral resources) and operational and price assumptions on which the resource estimates are based;
- the supply and demand for, deliveries of, and the level and volatility of prices of gold;
- the availability of financing for the Company's development projects on reasonable terms;
- the costs of production and the Company's production and productivity levels, as well as those of its competitors;
- market competition;
- risks involved in mining, processing, exploration and research and development activities; and
- the Company's ongoing relations with its employees and with local communities and local governments.

Forward-looking statements involve known and unknown risks and uncertainties which may cause the Company's actual results, performance or achievements to differ materially from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, investors should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law.

MINERAL RESERVES

The Company's Kiniero Mine in Guinea has been producing gold since April 2002, the Samira Hill Mine in Niger has been producing gold since September 2004, and the Mana Mine in Burkina Faso has been producing gold since April 2008. Some of the Company's other properties are still at the exploration stage, but at different levels of advancement. On certain properties, mineral resource and mineral reserve estimates have been established. "Mineral reserves" means the economically mineable part of mineral resources demonstrated by a preliminary feasibility study and based on relevant factors including economic conditions at the time of the study. The mineral resource and mineral reserve estimates are uncertain and cannot assure future production. Until mineral reserves are actually mined and processed, quantity of mineral resources and grades must be considered as estimates only. Although the mineral resource and mineral reserve figures included in this Prospectus or in the documents incorporated by reference in this Prospectus have been carefully prepared, reviewed and verified by mining experts, these amounts remain estimates only and no assurance can be given that any particular level of recovery of gold from ore resources will in fact be reached.

Inferred mineral resources are not included in the total resource estimates provided in this Prospectus or in the documents incorporated by reference in this Prospectus.

These estimates were reviewed and approved by the Company's qualified person and Geology Manager, Mr. Michel Crevier, P. Geo, with respect to the Mana Mine and Samira Hill Mine, and by Mr. Michel Dagbert, Senior Consultant at Geostat and Mr. Gaston Gagnon, Senior Consultant at Geostat, with respect to the Kiniero Mine, under the terms of *National Instrument 43-101 – Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

CAUTIONARY NOTE TO U.S. INVESTORS

The Company's mineral reserve and resource estimates are not directly comparable to those made in filings subject to the reporting and disclosure requirements of the Securities and Exchange Commission (the "**SEC**"), as the Company reports mineral reserves and resources in accordance with Canadian practices. These practices are different from the practices used to report mineral reserve and resource estimates in reports and other materials filed with the SEC. Among other differences, Canadian rules allow companies to report measured, indicated and inferred resources. In the United States, mineral resources as reported by Canadian issuers may not be disclosed. Investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into

reserves. Furthermore, "inferred resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Accordingly, information concerning descriptions of mineralization and resources contained in this Prospectus, or in the documents incorporated herein by reference, may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC.

THE COMPANY

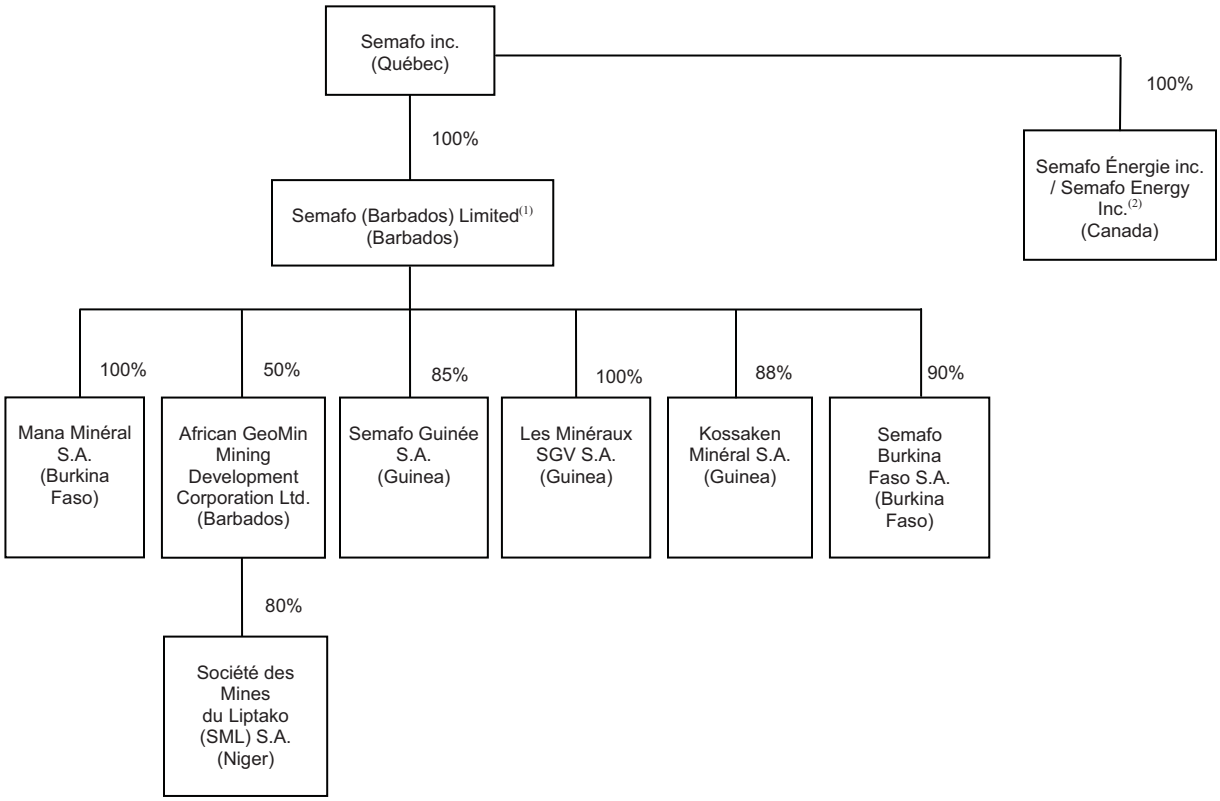
Name and Incorporation

The Company is a company incorporated under Part 1A of the *Companies Act* (Québec), and results from the amalgamation of SEG Exploration inc. and Orimar Resources inc. pursuant to a certificate and articles of amalgamation dated January 31, 1994. SEG Exploration inc. was the company resulting from the amalgamation of Bay Resources and Services inc., Exploration Duverny inc., Exploration Monique inc. and Explorations Ste-Geneviève (1991) inc., pursuant to a certificate and articles of amalgamation dated January 1, 1992 and issued under Part 1A of the *Companies Act* (Québec). In 1995, SEG Exploration inc. changed its name to West Africa Mining Exploration Corporation inc., by the certificate and articles of amendment of the Company dated June 21, 1995. West Africa Mining Exploration Corporation inc. further changed its name to Semafo inc. pursuant to a certificate and articles of amendment dated May 13, 1997. "Semafo" is the acronym of "Société d'exploration minière d'Afrique de l'Ouest", the French version of the Company's former name. By certificate and articles of amendment dated November 23, 1999, the number of directors was fixed at a minimum of one (1) director and a maximum of fifteen (15) directors.

The head and registered office of the Company is located at 750, Marcel-Laurin Boulevard, Suite 375, Saint-Laurent, Québec, H4M 2M4.

Principal Subsidiaries

The following diagram presents, as at December 19, 2008, the name of the Company's principal subsidiaries, where they were incorporated or continued as well as the percentage of votes attaching to all voting securities of each such subsidiary beneficially owned, controlled or directed by the Company.



Notes:

(1) Semafo (Barbados) Limited also holds 99.049% of the non-voting preferred shares of African GeoMin Mining Development Corporation Ltd.

(2) Semafo Énergie inc. / Semafo Energy Inc. holds 9,800,000 shares of Govi High Power Exploration Inc. ("**GoviEx**"). See "Summary Description of the Business – Exploration Properties and Mining Licenses".

SUMMARY DESCRIPTION OF THE BUSINESS

The Company is primarily a gold mining company with mineral production, exploration and development properties in West Africa. The Company currently holds interests in three operating mines – the Kiniero Mine, located in Guinea, the Samira Hill Mine, located in Niger, and the Mana Mine located in Burkina Faso.

Mineral Reserves and Mineral Resources

The following tables set forth the Company's estimates of mineral reserves and mineral resources as at December 31, 2007. These estimates of mineral reserves and resources were calculated as at December 31, 2007 in accordance with the definitions adopted by the Canadian Institute of Mining Metallurgy and Petroleum and incorporated into NI 43-101. The estimates were reviewed and approved by Michel Crevier, the Company's qualified person, with respect to the Mana Mine and Samira Hill Mine, and by Michel Dagbert, Senior Consultant at Geostat, and Gaston Gagnon, Senior Consultant at Geostat, with respect to the Kiniero Mine, under the provisions of NI 43-101. The Company is presenting 100% of the reserves and resources of the mines in the tables below as they are mostly attributable to the Company in accordance with its financial structure.

Mines	Mana Mine (1)(2) Burkina Faso	Samira Hill Mine(2)(3) Niger	Kiniero Mine(2)(4) Guinea	Total
Proven Mineral Reserves				
Tonnes	8,558,000	10,339,800	549,000	19,447,300
Grade *(g/t Au)*	3.01	1.81	3.30	2.38
Ounces(5)	828,900	600,100	59,000	1,488,000
Probable Mineral Reserves				
Tonnes	1,265,900	2,281,200	1,721,000	5,268,100
Grade *(g/t Au)*	2.35	1.85	4.50	2.84
Ounces(5)	95,700	135,800	250,200	481,700
Total Mineral Reserves				
Tonnes	9,824,400	12,621,000	2,270,000	24,715,400
Grade *(g/t Au)*	2.93	1.81	4.24	2.48
Ounces(5)	**924,600**	**735,900**	**309,200**	**1,969,700**

Mines	Mana Mine(1)(2) Burkina Faso	Samira Hill Mine(2)(3) Niger	Kiniero Mine(2)(4) Guinea	Total
Measured Mineral Resources				
Tonnes	2,165,900	12,976,000	645,000	15,786,900
Grade *(g/t Au)*	1.90	1.14	2.50	1.30
Ounces(4)	132,000	476,900	52,900	661,800
Indicated Mineral Resources				
Tonnes	2,709,200	20,390,400	7,415,000	30,514,600
Grade *(g/t Au)*	2.13	1.15	2.90	1.65
Ounces(4)	185,800	751,800	683,000	1,620,600
Total Mineral Resources				
Tonnes	4,875,100	33,366,400	8,060,000	46,301,500
Grade *(g/t Au)*	2.03	1.15	2.84	1.53
Ounces(5)	**317,800**	**1,228,700**	**735,900**	**2,282,400**

Mines	Mana Mine (1)(2) Burkina Faso	Samira Hill Mine(2)(3) Niger	Kiniero Mine(2)(4) Guinea	Total
Total Mineral Reserves and Resources				
Tonnes	14,699,500	45,987,400	10,330,000	71,016,900
Grade *(g/t Au)*	2.63	1.33	3.15	1.86
Ounces(5)	**1,242,400**	**1,964,600**	**1,045,100**	**4,252,100**

Mines	Mana Mine (1)2) Burkina Faso	Samira Hill Mine(2)(3) Niger	Kiniero Mine(2)(4) Guinea	Total
Inferred Mineral Resources				
Tonnes	25,297,100	18,755,875	975,000	45,027,975
Grade *(g/t Au)*	2.30	0.99	3.20	1.77
Ounces(5)	**1,867,100**	**597,800**	**101,000**	**2,565,900**

Notes :

(1) The Company indirectly owns 90% of Semafo Burkina Faso S.A. which directly holds the interest in the Mana mine reserves and resources.

(2) Mineral reserves estimated using US$650 per ounce of gold for the Samira Hill and Mana mines and US$750 per ounce of gold for the Kiniero mine.

(3) Mineral reserves and resources at the Samira Hill Mine represent the combined reserves & resources of Société des Mines du Liptako ("**SML**") S.A. and African Geomin Mining Develoment Corporation ("**African Geomin**"). The company indirectly owns 40% of SML and indirectly controls SML through its control of African GeoMin pursuant to the company's right to elect a majority of Board members of African Geomin.

(4) The Company indirectly owns 85% of Semafo Guinée S.A. ("**Semafo Guinée**") which directly holds the interest in the Kiniero Mine reserves and resources.

(5) Rounding of numbers to the nearest hundred of tonnes may introduce slight differences in the figures representing the ounces contained.

Gold Production

The following table presents the respective gold production of the Kiniero Mine and the Samira Hill Mine for the past three years.

	2007		2006		2005	
Mine Contribution	**Ounces**	**% of total production**	**Ounces**	**% of total production**	**Ounces**	**% of total production**
Kiniero Mine[(1)]	27,100	25	47,200	50	61,400	39
Samira Hill Mine[(2)]	79,300	75	47,600	50	96,500	61
Total	106,400	100	94,800	100	157,900	100

Notes:
(1) Semafo Guinée is the owner of the Kiniero Mine. The Company indirectly owns 85% of Semafo Guinée.
(2) SML is the owner of the Samira Hill Mine. The Company indirectly owns 40% of SML and indirectly controls SML through African Geomin pursuant to the Company's right to elect a majority of the board members of African Geomin.

The Mana Mine commercial production phase started on April 1, 2008.

As at September 30, 2008, the Company's 2008 combined annual production guidance for the Kiniero, Samira Hill and Mana mines was between 185,000 to 195,000 ounces of gold.

Kiniero Mine

The Kiniero Mine is an open pit mine and, since September 2006, mining activities have been performed by the Company. Commercial production commenced in April 2002, with the first gold ingot poured on April 25, 2002.

As at December 31, 2007, the total measured and indicated mineral resources are estimated at 8,060,000 tonnes at a grade of 2.84 gram per tonne ("**g/t**") Au containing 735,900 ounces of gold.

The following table sets out the production figures for the specified periods.

	Year ended December 31						
Production Update	**2007**	**2006**	**2005**	**2004**	**2003**	**2002[(1)]**	**Total**
Gold production (ounces)	27,100	47,200	61,400	41,000	46,700	42,100	265,500
Plant throughput (tonnes)	465,100	576,200	617,100	411,900	437,600	295,900	2,803,800
Head-grade (g/t)	1.99	2.70	3.28	3.36	3.71	5.42	3.25
Recovery (%)	92	94	93	93	88	85	91
Cash operating cost [(2)] (US$/ounce)	707	407	276	283	232	170	320

Notes:
(1) Commercial production since April 2002.
(2) The 2006 cash operating costs were restated following the application of EIC-160 "Stripping Costs Incurred in the Production Phase of a Mining Operation".

For the nine-month period ended September 30, 2008, the Kiniero Mine processed 408,700 tonnes of ore at an average grade of 3.43 g/t, to produce 41,800 ounces of gold at a cash operating costs of US$405 per ounce.

From its startup to December 31, 2007, the Kiniero Mine has produced a total of 265,500 ounces of gold by processing a total of 2,803,800 tonnes of ore at an average grade of 3.25 g/t and an average recovery rate of 91%.

As at December 31, 2007, the total proven and probable mineral reserves were of 2,270,000 tonnes at a grade of 4.24 g/t Au containing 309,200 ounces of gold, using a price of gold of US$750, representing approximately five years of mine life.

Samira Hill Mine

The Samira Hill Mine, like the Kiniero Mine, is an open pit mine. Mining is conducted by a mining subcontractor. The first gold ingot of the Samira Hill Mine was poured on September 25, 2004, while the commercial production phase officially started on October 1, 2004.

As at December 31, 2007, measured and indicated mineral resources are estimated at 33,366,400 tonnes at a grade of 1.15 g/t Au containing 1,228,700 ounces of gold.

The following table sets out the production figures for the specified periods.

	Year ended December 31				
Production Update	**2007**	**2006**	**2005**	**2004[1]**	**Total**
Gold production (ounces)	79,300	47,600	96,500	21,500	244,900
Plant throughput (tonnes)	1,510,500	880,600	1,373,600	398,400	4,163,100
Head-grade (g/t)	1.99	2.14	2.41	2.03	2.16
Recovery (%)	83	80	88	89	85
Cash operating cost[2] (US$/ounce)	425	397	216	192	317

Notes:
(1) Commercial production since October 2004.
(2) The 2006 cash operating costs were restated following the application of EIC-160 "Stripping Costs Incurred in the Production Phase of a Mining Operation".

For the nine-month period ended September 30, 2008, the Samira Hill Mine processed 1,095,600 tonnes of ore at an average grade of 1.90 g/t, to produce 52,700 ounces of gold at a cash operating cost of US$551 per ounce.

From its startup to December 31, 2007, the Samira Hill Mine produced a total of 244,900 ounces of gold by processing 4,163,100 tonnes of ore at an average grade of 2.16 g/t with an average recovery rate of 85%.

According to a review of the mineral reserves carried out by the geologists of the Samira Hill Mine, and using a price of gold of US$650 per ounce and a Au cut-off established with NPV Scheduler software over mill recovered grade integrated in each block of the block model, the total mineral reserves of the Samira Hill Mine are estimated, as at December 31, 2007, at 12,621,000 tonnes grading 1.81 g/t Au and containing 735,900 ounces of gold, representing over nine years of mine life.

Mana Mine (formerly the Mana Gold Project)

The Mana Mine is an open pit mine exploiting two important gold deposits, namely the Wona and Nyafe deposits. Mining activities at the Mana Mine are performed by the Company.

The first gold ingot of the Mana Mine was poured on March 31, 2008 and commercial production commenced on April 1, 2008. The larger 4,000 tonne-per-day ball mill was commissioned in the third quarter of 2008 at the Mana Mine and the design throughput of the ball mill was reached in September, 2008.

As at December 31, 2007, measured and indicated mineral resources were estimated at 4,875,100 tonnes of ore at a grade of 2.03 g/t Au containing 317,800 ounces of gold.

For the nine-month period ended September 30, 2008, the Mana Mine processed 420,500 tonnes of ore at an average grade of 4.08 g/t, to produce 44,100 ounces of gold at a cash operating cost of US$361 per ounce.

According to the review of the mineral reserves performed in 2007, using a price of gold of US$650 per ounce, the total proven and probable mineral reserves of the Nyafé and Wona deposits are estimated, as at December 31, 2007, at 9,824,400 tonnes grading 2.93 g/t Au containing 924,600 ounces of gold. These estimations of the mineral reserves represent over eight years of mine life.

Exploration Properties and Mining Licenses

The Company, indirectly through its subsidiaries, owns interests in 16 gold exploration properties located in Guinea, Niger and Burkina Faso.

The Company holds, through Semafo Guinée, two gold mining licenses in Guinea. The Company also indirectly holds a 50% interest in the share capital of African GeoMin and has the right to elect a majority of the board members of African GeoMin. African GeoMin owns an 80% participation interest in the share capital of SML, a Niger operating company which holds a gold mining license in Niger. In addition, the Company indirectly holds a 90% interest in the share capital of Semafo Burkina Faso S.A., a Burkina Faso company which holds a gold mining license in Burkina Faso.

The Company, indirectly through its subsidiary, Semafo Energy (Barbados) Limited, held 5 uranium exploration licenses in Niger. In February 2008, the Company completed a transaction with GoviEx, a private company, to combine their uranium interests and to create an Africa-focused uranium exploration, development and production company. On closing of the transaction, the Company exchanged all of its shares of Semafo Energy (Barbados) Limited, in consideration of the issuance of 10,000,000 common shares of GoviEx. Through the transaction, GoviEx also acquired ownership of Semafo Niger S.A., a wholly-owned subsidiary of Semafo Energy (Barbados) Limited. As at December 18, 2008, the Company owned 9,800,000 common shares of GoviEx, representing approximately 9% of GoviEx's issued and outstanding common shares.

RECENT DEVELOPMENTS

On March 24, 2008, the Company provided an update on its exploration program undertaken on the Wona North East Extension at the Mana Mine. The Company determined that the Wona deposit, which is advantageously situated adjacent to the Mana processing plant, extends in a north-east direction as well as at depth.

On August 7, 2008, the Company announced additional results from its 2008 ongoing exploration program at the Mana mine in Burkina Faso. The recent core drilling program at Wona had returned the most significant drill intercepts at Mana to date.

On September 4, 2008, the Company announced that the new larger ball mill was in full operation at the Mana Mine, with a throughput rate reaching 4,000 tonnes per day, representing an increase of almost 100% over the smaller ball mill throughput.

On September 8, 2008, the Company announced that it completed preliminary engineering studies to increase plant capacity at the Mana Mine. The studies confirmed that using only the large ball mill and current installations, plant capacity can reach throughput rates of up to 5,000 and 4,000 tonnes per day for saprolite and bedrock ores respectively.

CONSOLIDATED CAPITALIZATION

The Company had 213,501,435 Common Shares outstanding as of December 18, 2008. After giving effect to the Offering, the number of issued and outstanding Common Shares will be 230,201,435, assuming no exercise of the Underwriters' Option, or 232,706,435, assuming full exercise of the Underwriters' Option.

USE OF PROCEEDS

The estimated net proceeds to the Company from the issue and sale of the Common Shares will be approximately $18.6 million after deducting the Underwriters' Fee and the estimated expenses of the Offering. If the Underwriters' Option is exercised in full, the estimated net proceeds to the Company, after deducting the Underwriters' Fee and the estimated expenses of the Offering, will be approximately $21.5 million. The Company intends to use the estimated net proceeds as follows: (a) approximately US$15 million for the selective reduction of a portion of the Company's gold hedge position as described below, and (b) the remainder for general corporate purposes.

With respect to the Company's gold hedge position, the Company has an obligation to deliver 35,000 ounces at a price of US$375 per ounce during the first six months of 2009. The Company has entered into contracts to purchase for delivery 18,000 ounces at the price of US$993 per ounce. Therefore, in the first six months of 2009, the Company will have to pay a fixed amount of US$11,124,000, corresponding to the difference between US$993 and US$375 multiplied by 18,000 ounces.

With respect to the remaining 17,000 ounces that must be delivered at US$375 per ounce, the spot price was US$870 per ounce on December 17, 2008, and accordingly it is expected that it will cost the Company approximately US$8,415,000 to buy back this position. The Company expects to buy back 50% (8,500 ounces) of the 17,000 ounce position within one week following the closing of the Offering, and the remaining 50% (8,500 ounces) will be bought back prior to June 30, 2009.

If the Underwriters' Option is exercised, the net proceeds from such exercise will be used for general corporate purposes.

The amount actually expended for the purposes described above could vary significantly depending on, among other things, the progress of the Company's exploration and development programs, regulatory approvals, and the Company's operating and capital needs from time to time. While the Company intends to use the proceeds of the Offering as described above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

PLAN OF DISTRIBUTION

In Canada, the Common Shares will be offered only in the Provinces of British Columbia, Alberta and Ontario.

The Common Shares may be offered for sale in the United States under certain exemptions from the registration requirements of the U.S. Securities Act.

Under the Underwriting Agreement, the Company has agreed to sell and the Underwriters have severally agreed to purchase on the Closing Date or such other date as the Company and the Underwriters may agree but, in any event, no later than January 30, 2009, as principals, subject to compliance with all necessary legal requirements and to the terms and conditions contained in the Underwriting Agreement, a total of 16,700,000 Common Shares at a price of $1.20 per Common Share, payable in cash to the Company against delivery of certificates representing the Common Shares on the Closing Date. The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Common Shares if any of the Common Shares are purchased under the Underwriting Agreement. The Offering Price of the Common Shares was determined by negotiation between the Company and the Underwriters.

The Company has granted the Underwriters' Option to the Underwriters, exercisable by no later than 7:30 p.m. (Toronto time) on the second business day prior to the Closing Date, to purchase up to an additional 2,505,000 Common Shares at the Offering Price. If the Underwriters' Option is exercised in full, the Price to the Public, the Underwriters' Fee and the Net Proceeds to the Company before deducting expenses of the Offering will be $23,046,000, $1,209,915 and $21,836,085, respectively. This Prospectus also qualifies the grant of the Underwriters' Option and the issuance of the Common Shares on the exercise of the Underwriters' Option.

Under the Underwriting Agreement, the Company has agreed to pay to the Underwriters a cash commission equal to 5.25% of the aggregate purchase price paid by the Underwriters to the Company for the Common Shares. The

Company has also agreed to indemnify each of the Underwriters and their respective affiliates and each of their respective directors, officers, employees, partners, agents, and each other person, if any, controlling each Underwriter or any of their subsidiaries and each shareholder of the Underwriters from and against certain liabilities and expenses and to contribute to payments that the Underwriters may be required to make in respect thereof. The Company and Benoit La Salle, Chief Executive Officer and President of the Company, have agreed that they will not, for a period of 90 days after the Closing Date, without the prior written consent of TWP, such consent not to be unreasonably withheld, authorize, sell or issue or announce an intention to authorize, sell or issue or negotiate or enter into an agreement to sell or issue any securities of the Company (including those that are convertible or exchangeable into securities of the Company) other than (a) pursuant to this Offering, (b) the issue of non-convertible debt securities, (c) upon the exercise of convertible securities, options or warrants of the Company outstanding as of the date of the Underwriting Agreement, (d) pursuant to the Company's stock option plan, or (e) pursuant to acquisitions of shares or assets of arm's length persons which do not result in a change of control of the Company.

The Underwriters may not, throughout the period of distribution under this Prospectus, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Common Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing and applicable regulations, the Underwriters may over-allot or effect transactions in connection with the Offering intended to stabilize or maintain the market price of the Common Shares at levels above that which would otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Common Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act. The Underwriters have agreed that, except as permitted by the Underwriting Agreement and as expressly permitted by applicable laws of the United States, they will not offer or sell the Common Shares at any time within the United States or to, or for the account or benefit of, U.S. persons. The Underwriting Agreement permits the Underwriters to offer and sell the Common Shares through certain of their qualified U.S. broker dealer affiliates in transactions that comply with exemptions from registration under the U.S. Securities Act.

In addition, until 40 days after the Closing Date, an offer or sale of the Common Shares within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in compliance with Rule 144A under the U.S. Securities Act. All sales of Common Shares in the United States will be made by U.S. registered broker/dealers.

The TSX has conditionally approved the listing of the Common Shares distributed under this Prospectus, including the Common Shares issuable on the exercise of the Underwriters' Option, on the TSX. Listing is subject to the Company fulfilling all of the requirements of the TSX on or before March 12, 2009.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Authorized Capital

The authorized capital of the Company consists of an unlimited number of Common Shares, an unlimited number of Class "A" preferred shares (the "**Class A Shares**") and an unlimited number of Class "B" preferred shares (the "**Class B Shares**") of which, as at December 18, 2008, 213,501,435 Common Shares and no Class A Shares or Class B Shares were outstanding.

Offering

The Offering consists of 16,700,000 Common Shares. The Common Shares are offered hereunder at a price of $1.20 per Common Share. See "Plan of Distribution".

Common Shares

Holders of the Company's Common Shares are entitled to one vote for each Common Share held at all meetings of shareholders of the Company, to participate rateably in any dividend declared by the Company's board of directors on the Common Shares, and, subject to any rights attaching to the Class A Shares and Class B Shares, to receive the remaining property of the Company in the event of the voluntary or involuntary liquidation, dissolution, winding-up or other distribution of assets of the Company.

Prior Sales

The following table outlines the number of Common Shares issued by the Corporation during the 12-month period before the date of this Prospectus.

Date	Price per Common Share	Common Shares Issued	Issued on Exercise of:
January 18, 2008	$1.14	25,000	Options
June 13, 2008	$0.83	6,000	Options
August 15, 2008	$0.83	4,500	Options

Trading Price and Volume

The Company's Common Shares are traded on the TSX. The following table shows the high and low trading prices and average daily trading volume of the Common Shares for each month traded on the TSX from December 1, 2007 to December 18, 2008.

Monthly	High (Cdn$)	Low (Cdn$)	Average Daily Trading Volume
December 2007	$1.03	$0.73	935,856
January 2008	$1.40	$1.03	521,563
February 2008	$1.59	$1.12	436,809
March 2008	$1.65	$1.22	374,898
April 2008	$1.72	$1.22	515,672
May 2008	$1.56	$1.32	401,784
June 2008	$1.40	$1.22	388,450
July 2008	$1.62	$1.29	394,283
August 2008	$1.43	$1.10	221,922
September 2008	$1.32	$0.89	412,297
October 2008	$1.12	$0.75	298,258
November 2008	$1.16	$0.85	309,687
December 2008 (1)	$1.42	$1.02	905,985

Notes:
(1) From December 1 to December 18, 2008

INTEREST OF EXPERTS

The experts who are named as having prepared or certified a report, valuation, statement or opinion in this Prospectus, either directly or in a document incorporated by reference herein, and whose profession or business gives authority to the report, valuation, statement or opinion made by the expert, are Lang Michener LLP, Ogilvy Renault LLP, Breton, Banville International inc. ("**BBA**"), Micon International Limited ("**Micon**"), Mr. Michel Crevier, Mr. Michel Dagbert and Mr. Gaston Gagnon.

As at December 18, 2008, the partners and associates of Lang Michener LLP, as a group, and the partners and associates of Ogilvy Renault LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the Company's outstanding Common Shares.

Certain disclosure with respect to the bankable feasibility study of the Company's Mana Gold Project located in Burkina Faso contained in documents incorporated herein by reference is derived from a report prepared jointly by BBA and Micon in July 2005. (However, this study has been superseded by the Mana Technical Report dated March 27, 2008). As at December 18, 2008, neither BBA nor Micon beneficially owned, directly or indirectly, any Common Shares or held any options to acquire Common Shares.

Certain disclosure with respect to mineral resources and mineral reserves of the Samira Hill and the Mana Mines contained in this Prospectus or in documents incorporated herein by reference is derived from the Samira Technical Report and the Mana Technical Report prepared by Mr. Michel Crevier, the Company's qualified person and Geology Manager. As at December 18, 2008, Mr. Michel Crevier owned 20,000 Common Shares and held 300,000 options to acquire Common Shares at an average exercise price of $1.97 per Common Share.

Certain disclosure with respect to the mineral resources and mineral reserves of the Kiniero Mine contained in this Prospectus or in documents incorporated herein by reference is derived from the Kiniero Technical Report prepared by Mr. Michel Dagbert, Senior Consultant at Geostat and Mr. Gaston Gagnon, Senior Consultant at Geostat. As at December 18, 2008, neither Mr. Michel Dagbert nor Mr. Gaston Gagnon owned any Common Shares or held any options to acquire Common Shares.

PricewaterhouseCoopers LLP is independent in accordance with auditors' rules of professional conduct of the Ordre des comptables agréés du Québec.

RISK FACTORS

As a mining company, the Company faces the financial and operational risks inherent to the nature of its activities. These risks may affect the Company's profitability and level of operating cash flow. As a result, an investment in the Company and the Common Shares should be considered speculative. Prospective purchasers of the Common Shares should give careful consideration to all of the information contained or incorporated by reference in this Prospectus and, in particular, the following risk factors:

Financial Risks

Fluctuation in Gold Prices

The profitability of the Company's operations will be significantly affected by changes in the market price of gold. Gold production from mining operations and the willingness of third parties, such as central banks, to sell or lease gold affects the gold supply. Demand for gold can be influenced by economic conditions, gold's attractiveness as an investment vehicle and the strength of the US dollar and local investment currencies. Other factors include the level of interest rates, exchange rates, inflation and political stability. The aggregate effect of these factors is impossible to predict with accuracy. Gold prices are also affected by worldwide production levels. In addition, the price of gold has on occasion been subject to very rapid short-term changes because of speculative activities. Fluctuations in gold prices may adversely affect the Company's financial performance and results of operations.

Fluctuation in Petroleum Prices

Because the Company uses petroleum fuel to power its mining equipment and to generate electrical energy to supply its mining operations, the Company's operating results and financial results may be adversely affected by rising petroleum prices.

Fluctuation in Interest Rates

As a borrower, the Company is subject to the risk of increases in interest rates. The Company has long-term debts bearing interest at a LIBOR-based rate. As at September 30, 2008, the Company's long-term outstanding debt totaled approximately US$62,500,000 of which US$3,750,000 bears LIBOR-based interest rates.

Exchange Rate Fluctuations

The operations of the Company in West Africa are subject to currency fluctuations and such fluctuations may materially affect the financial position and results of the Company. Gold is currently sold in US dollars and although the majority of the costs of the Company are also in US dollars, certain costs are incurred in other currencies. The appreciation of non-US dollar currencies against the US dollar can increase the cost of exploration and production in US dollar terms, which could materially and adversely affect the Company's profitability, results of operations and financial condition.

Access to Capital Markets

To fund its growth, the Company is often dependent on securing the necessary capital through loans or permanent capital. The availability of this capital is subject to general economic conditions and lender and investor interest in the Company's projects. To ensure the availability of capital, the Company maintains an investor relations program in order to inform all shareholders and potential investors of the Company's developments.

Use of Derivatives

Since 2005, the Company has focused on reducing its outstanding gold forward sales contracts. Nonetheless, the Company continues to use certain derivative products to manage the risks associated with gold price volatility and changes in interest rates. The use of derivative instruments involves certain inherent risks including: (i) the risk of default on amounts owing to the Company by the counterparties with which the Company has entered into such transactions; (ii) the risk that the Company has entered into a derivative position that cannot be closed out quickly, by either liquidating such derivative instrument or by establishing an offsetting position; and (iii) the risk that, in respect of certain derivative products, an adverse change in the market prices for commodities or interest rates will result in the Company incurring an unrealized mark-to-market loss in respect of such derivative products.

When gold price rises above the price at which future production has been committed under the Company's existing forward sales contracts, the Company may not benefit fully from price increases.

Operational Risks

Uncertainty of Reserve and Resource Estimates

The figures for reserves and resources presented herein, and in the documents incorporated by reference, are estimates based on limited information acquired through drilling and other sampling methods. No assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. The ore grade actually recovered may differ from the estimated grades of the reserves and resources. Such figures have been determined based upon assumed gold prices and operating costs. Future production could differ dramatically from reserve estimates for, among others, the following reasons:

- mineralization or formations could be different from those predicted by drilling, sampling and similar examinations;
- increases in operating mining costs and processing costs could adversely affect reserves;
- the grade of the reserves may vary significantly from time to time and there is no assurance that any particular level of gold may be recovered from the reserves; and
- declines in the market price of gold may render the mining of some or all of the reserves uneconomic.

Any of these factors may require the Company to reduce its reserves estimates or increase its costs. Short-term factors, such as the need for the additional development of a deposit or the processing of new different grades, may impair the Company's profitability. Should the market price of gold fall, the Company could be required to materially write down its investment in mining properties or delay or discontinue production or the development of new projects.

Production

No assurance can be given that the intended or expected production schedules or the estimated direct operating cash costs will be achieved in respect of the operating gold mines in which the Company has an interest. Many factors may cause delays or cost increases, including, without limitation, labour issues, disruptions in power, transportation or supplies, and mechanical failure. The revenues of the Company from the operating gold mines will depend on the extent to which expected operating costs in respect thereof are achieved. In addition, short-term operating factors, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause a mining operation to be unprofitable in any particular accounting period.

Nature of Mineral Exploration and Mining

The Company's profitability is significantly affected by the Company's exploration and development programs. The exploration and development of mineral deposits involves significant financial risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a gold-bearing structure may result in substantial rewards, few properties explored are ultimately developed into mines. Major expenses may be required to establish and replace reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on the Company's exploration properties will result in profitable commercial mining operations.

The Company's operations are, and will continue to be, subject to all of the hazards and risks normally associated with the exploration, development and production of gold, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. The Company's activities may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which the Company has interests. Hazards, such as unusual or unexpected formations, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs which may be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company's earnings and competitive position in the future and, potentially, its financial position and results of operations.

Whether a gold deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of gold, revenue repatriation and environmental protection. The effects of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Depletion of the Company's Mineral Reserves

The Company must continually replace mining reserves depleted by production to maintain production levels over the long term. This is done by expanding known mineral reserves or by locating or acquiring new mineral deposits. There is, however, a risk that depletion of reserves will not be offset by future discoveries of mineral reserves. Exploration for minerals is highly speculative in nature and involves many risks. Many projects are unsuccessful and there are no assurances that current or future exploration programs will be successful. Further, significant costs are incurred to establish mineral reserves, open new pits and construct mining and processing facilities. Development projects have no operating history upon which to base estimates of future cash flow and are subject to the successful completion of feasibility studies, obtaining necessary government permits, obtaining title or other land rights and the availability of financing. In addition, assuming discovery of an economic mine or pit, depending on the type of mining operation involved, many years may elapse before commercial operations commence. Accordingly, there can be no assurances that the Company's current programs will result in any new commercial mining operations or yield new reserves to replace and/or expand current reserves.

Dependence on Key Personnel

The Company is dependent on a relatively small number of key employees, the loss of any of whom could have an adverse effect on its operations. The Company currently does not have key person insurance on these individuals.

Licenses and Permits

The Company requires licenses and permits from various governmental authorities. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations in respect of its properties and that it is presently complying in all material respects with the terms of such licenses and permits. Such licenses and permits, however, are subject to change in various circumstances. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities and properties under exploration or development or to maintain continued operations that economically justify the cost.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and the acquisition of attractive mineral properties. The Company's ability to acquire royalties or properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

Cash Cost of Gold Production

The Company's cash operating cost to produce an ounce of gold is dependent on a number of factors, including the grade of reserves, recovery and plant throughput. In the future, the actual performance of the Company may differ from the estimated performance. As these factors are beyond the Company's control, there can be no assurance that the Company's cash operating cost will continue at historical levels.

Title Matters

While the Company has no reason to believe that the existence and extent of any mining property in which it has a participating interest is in doubt, title to mining properties is subject to potential claims by third parties. The failure to comply with all applicable laws and regulations, including failure to pay taxes and carry out and file assessment work, may invalidate title to portions of the properties where the mineral rights are not held by the Company.

Outside Contractor Risk

A significant portion of the Company's operations in Niger will continue to be conducted by outside contractors. As a result, the Company's operations at these sites will be subject to a number of risks, some of which will be outside the Company's control, including:

- negotiating agreements with contractors on acceptable terms;
- the inability to replace a contractor and its operating equipment in the event that either party terminates the agreement;
- reduced control over such aspects of operations that are the responsibility of the contractor;
- failure of a contractor to perform under its agreement with the Company;
- interruption of operations in the event that a contractor ceases its business due to insolvency or other unforeseen events;
- failure of a contractor to comply with applicable legal and regulatory requirements, to the extent that it is responsible for such compliance; and
- problems of a contractor with managing its workforce, labour unrest or other employment issues.

In addition, the Company may incur liability to third parties as a result of the actions of a contractor. The occurrence of one or more of these risks could have a material adverse effect on the Company's business, results of operations and financial condition.

Safety and Other Hazards

The mining industry is characterized by significant safety risks. To minimize these risks, the Company provides training and awareness programs to its employees to continuously improve work practices and the work environment.

Political Risk

The Company believes that governments in Niger, Burkina Faso and Guinea support the development of their natural resources by foreign companies. There is no assurance, however, that future political and economic conditions in these and other countries in which the Company has exploration properties and royalties will not result in their governments adopting different policies respecting foreign ownership of mineral resources, taxation, rates of exchange, environmental protection, labour relations, repatriation of income or return of capital. The possibility that a future government in any of these countries may adopt substantially different policies, which might extend to the expropriation of assets, cannot be ruled out. Political risk also includes the possibility of civil disturbances and political instability in these countries.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which they operate. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. Environmental hazards which are unknown to the Company at present and which have been caused by previous or existing owners or operations of the properties may exist on the Company's properties. Failure to comply with applicable environmental laws and regulations may result in enforcement actions thereunder and may include corrective measures that require capital expenditures or remedial actions. There is no assurance that future changes in environmental laws and regulations and permits governing operations and activities of mining companies, if any, will not materially adversely affect the Company's operations or result in substantial costs and liabilities to the Company in the future.

Production at the Company's mines involves the use of sodium cyanide which is a toxic material. Should sodium cyanide leak or otherwise be discharged from the containment system, the Company may become subject to liability for clean up work that may not be insured. While all steps will be taken to prevent discharges of pollutants into ground water and the environment, the Company may become subject to liability for hazards that it may not be insured against.

Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. Semafo has in the past been, currently is, and may in the future be, involved in various legal proceedings. While the Company believes it is unlikely that the final outcome of these legal proceedings will have a material adverse effect on the financial position or results of operations, defence costs will be incurred, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Company's future cash flow, results of operations or financial condition.

Risks Associated with Securities of the Company

Share Price Fluctuations

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility and the market price of securities of many companies, particularly those considered development-stage companies, have experienced wide fluctuations in price which would have not necessarily been related to the operating performance,

underlying asset values or prospects of such companies. There can be no assurance that continual fluctuation in price will not occur.

Financing

The Company may require additional funds to fund further exploration, development and production activities, or to take advantage of unanticipated opportunities. The ability of the Company to arrange such financing in the future will depend in part upon obtaining appropriate consents from its lenders, prevailing capital market conditions, as well as the business success of the Company. If the Company raises additional funding by issuing additional equity securities, such financing may dilute the ownership of the Company's shareholders including purchasers of the Common Shares.

Recent market events and conditions, including disruptions in the U.S. and international credit markets and other financial systems and the deterioration of the U.S. and global economic conditions, has, among other things, impeded access to capital or increased the cost of capital, which had had an adverse effect on our ability to fund our working capital and other capital requirements.

In 2007 and into 2008, the U.S. credit markets began to experience serious disruption due to a deterioration in residential property values, defaults and delinquencies in the residential mortgage market (particularly, subprime and non-prime mortgages) and a decline in the credit quality of mortgage backed securities. These problems led to a slow-down in residential housing market transactions, declining housing prices, delinquencies in non-mortgage consumer credit and a general decline in consumer confidence. These conditions continued and worsened in 2008, causing a loss of confidence in the broader U.S. and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by the U.S. and foreign governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. In addition, general economic indicators have deteriorated, including declining consumer sentiment, increased unemployment and declining economic growth and uncertainty about corporate earnings.

These unprecedented disruptions in the current credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. These disruptions may, among other things, make it more difficult for us to obtain, and may increase our cost of obtaining, capital and financing for our operations. Our access to additional capital may not be available on terms acceptable to us or at all.

LEGAL MATTERS

Certain legal matters relating to the Offering will be passed upon by Lang Michener LLP and La Roche Rouleau & Associates, on behalf of the Company, and by Ogilvy Renault LLP, on behalf of the Underwriters.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is PricewaterhouseCoopers LLP, Chartered Accountants, at its office in Montréal, Québec.

The registrar and transfer agent for the Common Shares is Computershare Trust Company of Canada at its principal office in Montréal, Québec.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for

rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENT

We have read the short form prospectus of Semafo inc. ("**Semafo**") dated December 19, 2008 relating to the issue and sale of 16,700,000 common shares of Semafo. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the shareholders of Semafo on the consolidated balance sheets of Semafo as at December 31, 2007 and 2006 and the consolidated statements of operations, comprehensive loss, deficit and cash flows for the years then ended. Our report is dated March 25, 2008.

Montréal, Québec
December 19, 2008

(signed) PricewaterhouseCoopers LLP
Chartered Accountants

CERTIFICATE OF THE COMPANY

DATED: December 19, 2008

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

By: (Signed) Benoit La Salle
President and Chief Executive Officer

By: (Signed) Martin Milette
Chief Financial Officer

On Behalf of the Board of Directors

By: (Signed) Jean-Pierre Lefebvre
Director

By: (Signed) Jean Lamarre
Director

CERTIFICATE OF THE UNDERWRITERS

DATED: December 19, 2008

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

Thomas Weisel Partners Canada Inc.

By: (Signed) John Jentz
Director

BMO Nesbitt Burns Inc.

By: (Signed) Peter Collibee
Managing Director

Clarus Securities Inc.

By: (Signed) James Lorimer
Managing Director

Haywood Securities Inc.

By: (Signed) John Willett
Managing Director

Jennings Capital Inc.

By: (Signed) Daryl Hodges
Senior Managing Director,
Investment Banking