Expanding Our Horizons

First Quarter
For the period ended March 31, 2009

SEM AFO

SEMAFO (the "Company") is a Canadian-based mining company with gold production and exploration activities in West Africa. The Company and its subsidiaries currently operate three gold mines in Burkina Faso, Niger and Guinea. SEMAFO is committed to evolve in a conscientious manner to become a major player in its geographical areas of interest, while maintaining principles and strengthening relationships to increase shareholder value.

The Management's Discussion and Analysis ("MD&A") provides an analysis to enable readers to assess material changes in financial condition and results of operations for the three-month period ended March 31, 2009 compared to the corresponding period last year. This MD&A, prepared as of May 12, 2009, is intended to complement and supplement our Consolidated Interim Unaudited Financial Statements. It should be read in conjunction with the MD&A for the period ended December 31, 2008, our Audited Consolidated Annual Financial Statements for the year ended December 31, 2008 and notes thereto, together with our Consolidated Interim Unaudited Financial Statements and notes thereto for the quarter ended March 31, 2009. Our financial statements and this MD&A are intended to provide investors with a reasonable basis for assessing our results of operation and our financial performance.

Our Consolidated Interim Unaudited Financial Statements are prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). All dollar amounts contained in this MD&A are expressed in US dollars, unless otherwise specified. Effective January 1, 2009, the Company adopted two new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") addressing Goodwill and Intangible assets as well as Mining Exploration Costs. See note 3 of the Consolidated Interim Unaudited Financial Statements as at March 31, 2009.

Since the start of commercial production at the Mana mine in Burkina Faso on April 1st, 2008, the operating results have been recognized in the Statements of Operations.

1. Financial and Operating Highlights

	Three-month period ended March 31		
	2009	2008	2007
Gold ounces produced	**58,100**	28,700	29,000
Gold ounces sold	**53,600**	28,200	28,100
(In thousands of dollars, except amounts per ounce, per tonne and per share)			
Revenues – Gold sales	**49,495**	25,540	18,576
Operating costs	**27,515**	17,129	13,479
Operating income	**11,173**	2,801	70
Adjusted net income (loss) [4]	**8,902**	(5,347)	(3,233)
Net income (loss)	**8,902**	12,502	(3,233)
Basic and diluted net income (loss) per share	**0.04**	0.06	(0.02)
Cash flow from operating activities [1]	**18,500**	6,143	3,871
Average selling price (per ounce)	**923**	906	661
Cash operating cost (per ounce produced) [2]	**460**	528	450
Cash operating cost (per tonne processed) [2]	**31**	27	23
Total cash cost (per ounce sold) [3]	**513**	607	480

[1] Cash flow from operating activities excludes changes in non-cash working capital items and settlement of liabilities related to asset retirement obligations.

[2] Cash operating cost is calculated using ounces produced and tonnes processed. See the section ''Non-GAAP measures'' of this MD&A.

[3] Total cash cost represents the cash operating cost plus royalties and selling expenses as well as the effects of inventory adjustments.

[4] Adjusted net income in 2008 excludes the gain on disposal of investment in subsidiaries in the amount of $17,849,000.

A Word from the CEO

We are pleased to report that for the first quarter of 2009, SEMAFO continued to build on the positive momentum established in 2008.

Operationally, SEMAFO achieved a new quarterly production record of 58,100 ounces of gold for the three-month period ended March 31, 2009, representing a 102% increase over the same period last year. This increase is mainly due to the Mana mine, which began commercial production in April 2008. The Mana mine continued to meet expectations and its output represented 62% of the Company's total gold production for the quarter.

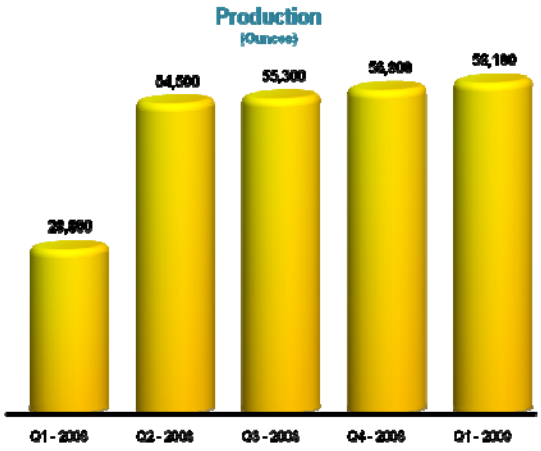
During the first quarter of 2009, SEMAFO realized gold sales of $49.5 million, representing a 94% increase over the same period last year. Despite the substantial volatility in the market price of gold during this period, the Company achieved an average selling price of $923 per ounce. SEMAFO recorded an operating income of $11.2 million for the quarter, compared to $2.8 million in 2008. This significant growth is directly attributable to Mana's contribution to SEMAFO's overall results. Consequently, SEMAFO's cash flow from operations totalled $18.5 million for the first quarter of 2009, compared to $6.1 million for the same period the year prior.

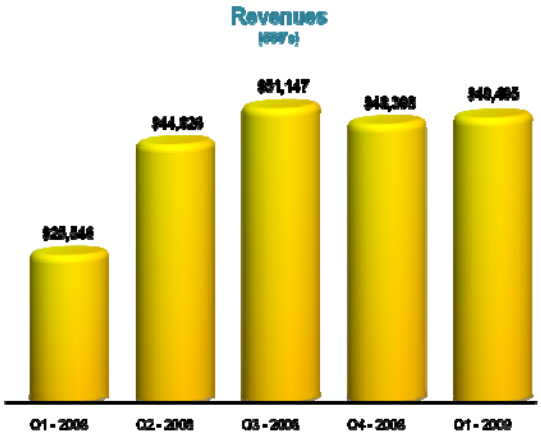
The Company settled 11,500 ounces of gold sales contracts and is committed to retire all of its outstanding gold sales contracts by June 30, 2009. Effective July 1, 2009, SEMAFO will fully benefit from the market price of gold hence improving the Company's cash position.

SEMAFO continued to focus on the efficient and effective management of its operations, achieving a cash operating cost of $460 per ounce, representing a 7% improvement over the fourth quarter of 2008. This improvement was achieved despite the higher than expected cash operating cost at the Samira Hill mine. During the first quarter, initiatives undertaken to rectify the situation resulted in an improvement in April 2009.

In February, the Company announced an investment of $4 million in an in-depth drilling exploration program at its Mana mine in Burkina Faso. This new program is intended to evaluate the underground mine potential, and in conjunction with regular exploration work, is ultimately aimed at growing SEMAFO's reserves and resources.

Moving forward and based on the SEMAFO's first quarter 2009 performance, we remain confident that we will attain our 2009 production guidance of between 220,000 and 240,000 ounces of gold. The Company is well-positioned for the future and we remain committed to the diligent management of our operations and the earnest pursuit of accretion initiatives and acquisition opportunities.





Benoit La Salle
President and Chief Executive Officer

FIRST QUARTER 2009 – HIGHLIGHTS

- Gold production of 58,100 ounces, a 102% increase over the same period last year
- Cash operating cost of $460 per ounce, an improvement of 13% over the same period last year
- Gold sales of $49,495,000 an increase of 94% over the same period last year
- Operating income of $11,173,000 compared to $2,801,000 for the same period last year
- Net income of $8,902,000 or $0.04 per share an improvement of 266% over the adjusted net income of the same period last year
- Cash flow from operating activities of $18,500,000 compared to $6,143,000 for the same period last year
- Long-term debt reimbursement of $5,207,000

2009 – OBJECTIVES

- Increase gold production by 18% to achieve total annual gold production of between 220,000 and 240,000 ounces
- Increase plant capacity at the Mana mine to attain 6,000 tonnes-per-day in saprolite ore
- Continue the exploration programs focusing on increasing mineral resources in the high-potential Wona zone in Burkina Faso
- Maintain stable production at the Samira Hill and Kiniero gold mines
- Pursue accretive acquisition opportunities

Outlook

Overall production for the month of April 2009 totalled 19,500 ounces of gold; 11,600 ounces at Mana, 5,200 ounces at Samira Hill and 2,700 ounces at Kiniero.

The Company therefore maintains its previously announced production guidance of between 220,000 and 240,000 ounces for 2009.

Exploration

Burkina Faso

The North East extension of Wona, discovered in 2007, was our main zone of interest in 2008. This zone, and particularly its mineralization lode, will remain the focus of our exploration programs at Mana in 2009-2010.

The increase of 9.4 million tonnes or almost 750,000 ounces in measured and indicated resources is primarily the result of exploration work, including drilling over a 100m x 50m grid, carried out on this zone in 2008. A $4 million drilling program is underway on this area with the first results expected in May 2009.

With regard to the surface extensions, the deformation corridor, host to Wona and Nyafé, is deemed highly favourable to the discovery of other important mineralizations. Auger drilling geochemical programs will be carried out during the year. Having well-defined and well-understood the geological context of the Wona and Nyafé mineralization, low altitude airborne radiometric-magnetic surveys are scheduled for 2010 on the Wona corridor in order to identify potential zones for subsequent drilling.

Niger

The Samira Horizon remains an important target. In 2009, however, exploration activities will focus on the Boulon Jounga zone, where mining activities are scheduled to begin during the coming months.

Guinea

Given the success of our exploration programs in the West Balan zone over the last two years, this zone continues to be our main focus in 2009. Exploration programs will be aimed at identifying drilling targets located near the existing deposits, particularly in the South West and North East extensions of the West Balan pits.

2. Consolidated Results and Mining Operations

	Three-month period ended March 31		
	2009	2008	Variation
Operating Highlights			
Gold ounces produced	**58,100**	28,700	102%
Gold ounces sold	**53,600**	28,200	90%
(In thousands of dollars, except amounts per ounce and per tonne)			
Revenues – Gold sales	**49,495**	25,540	94%
Operating costs	**27,515**	17,129	61%
Operating income	**11,173**	2,801	299%
Net income	**8,902**	12,502	(29%)
Average selling price (per ounce)	**923**	906	2%
Cash operating cost (per ounce produced) [1]	**460**	528	(13%)
Cash operating cost (per tonne processed) [1]	**31**	27	15%
Total cash cost (per ounce sold) [2]	**513**	607	(15%)

[1] Cash operating cost is calculated using ounces produced and tonnes processed. See the section ''Non-GAAP measures'' of this MD&A.

[2] Total cash cost represents the cash operating cost plus royalties and selling expenses as well as the effects of inventory adjustments.

First quarter 2009 v. first quarter 2008

- For the three-month period ended March 31, 2009, gold sales totalled $49,495,000 compared to $25,540,000 for the corresponding period of 2008. This 94% improvement is due to the increase in gold ounces sold resulting from the commencement of commercial production at the Mana mine on April 1st, 2008.
- Operating income greatly improved reaching $11,173,000 compared to an operating income of $2,801,000 for the first quarter of 2008. This improved operating income is primarily due to increased gold sales and to a decrease in the total cash cost per ounce.
- Net income reached $8,902,000 or $0.04 per share in the first quarter of 2009 compared to $12,502,000 or $0.06 per share for the first quarter of 2008 representing a variation of $3,600,000. The comparative net income includes a gain on disposal of our uranium subsidiary in the amount of $17,849,000 and unrealized losses in the amount of $7,807,000 following the change to the fair value of derivative financial instruments. In addition, the variation is explained by the improvement of $8,372,000 in the operating income in the first quarter of 2009.

Operating Income by Segment

(In thousands of dollars)	Three-month period ended March 31		
	2009	2008	Variation
Mana mine, Burkina Faso	**9,892**	-	-
Samira Hill mine, Niger	**127**	2,106	(94%)
Kiniero mine, Guinea	**2,475**	2,361	5%
Corporate and others	**(1,321)**	(1,666)	21%
Total	**11,173**	2,801	299%

Mining Operations

Mana, Burkina Faso

	Three-month period ended March 31		
	2009	2008	Variation
Operating Data			
Ore mined (tonnes)	**381,500**	168,500	-
Ore processed (tonnes)	**353,400**	41,700	-
Head grade (g/t)	**2.86**	2.29	-
Recovery (%)	**95**	94	-
Gold ounces produced	**36,000**	100	-
Gold ounces sold	**31,100**	-	-
Financial Data (In thousands of dollars) [3]			
Revenues – Gold sales	**28,466**	-	-
Mining operations expenses	**13,275**	-	-
Amortization	**4,997**	-	-
Administration	**274**	-	-
Accretion expense of asset retirement obligations	**28**	-	-
Segment operating income	**9,892**	-	-
Statistics ($) [3]			
Average selling price (per ounce)	**915**	-	-
Cash operating cost (per ounce produced) [1]	**388**	-	-
Cash operating cost (per tonne processed) [1]	**33**	-	-
Total cash cost (per ounce sold) [2]	**427**	-	-
Amortization (per ounce sold)	**161**	-	-

[1] Cash operating cost is calculated using ounces produced and tonnes processed. See the section ''Non-GAAP measures'' of this MD&A.
[2] Total cash cost represents the cash operating cost plus royalties and selling expenses as well as the effects of inventory adjustments.
[3] Commercial production commenced on April 1, 2008.

First quarter 2009 v. first quarter 2008

- For the three-month period ended March 31, 2009, a total of 381,500 tonnes of ore and 2,297,900 tonnes of waste material were extracted resulting in a stripping ratio of 6:1. In addition, 179,400 tonnes of waste material were extracted from the Filon 67 pit during the stripping phase. This compares to 168,500 tonnes of ore and 1,838,200 tonnes of waste for the same period in 2008.
- The variation in the ore processed is a direct result of the plant start-up which took place in February 2008 with the smaller ball mill.
- The average grade of the ore processed was consistent with the grade of the reserves. In 2009, 80% of the ore will be extracted from the Wona pit.
- During the first quarter of 2009, Mana produced 36,000 ounces of gold compared to 100 ounces representing the first gold pour at Mana during the first quarter of 2008.
- The cash operating cost for the three-month period ended March 31, 2009 was $388 per ounce produced or $33 per tonne processed. This compares to $418 per ounce produced or $35 per tonne processed during the fourth quarter of 2008. As commercial production commenced in the second quarter of 2008, no comparable figures were recorded for the first quarter of 2008.
- During the first quarter of 2009, detailed engineering work continued and purchase orders were issued to suppliers for the first phase of the processing plant expansion which will increase plant capacity to up to 6,000 tonnes-per-day in saprolite ore by the end of the year.
- As planned, during the first quarter of 2009, additional mining equipment was purchased and is expected to be on site in May 2009.

Mining Operations

Samira Hill, Niger

	Three-month period ended March 31		
	2009	2008	Variation
Operating Data			
Ore mined (tonnes)	**393,300**	393,600	0%
Ore processed (tonnes)	**310,300**	404,000	(23%)
Head grade (g/t)	**1.84**	1.91	(4%)
Recovery (%)	**64**	66	(3%)
Gold ounces produced	**10,900**	16,300	(33%)
Gold ounces sold	**11,600**	15,300	(24%)
Financial Data (In thousands of dollars)			
Revenues – Gold sales	**10,659**	13,918	(23%)
Mining operations expenses	**8,668**	9,869	(12%)
Amortization	**1,410**	1,718	(18%)
Administration	**410**	188	118%
Accretion expense of asset retirement obligations	**44**	37	19%
Segment operating income	**127**	2,106	(94%)
Statistics ($)			
Average selling price (per ounce)	**919**	910	1%
Cash operating cost (per ounce produced) [1]	**714**	586	22%
Cash operating cost (per tonne processed) [1]	**28**	24	17%
Total cash cost (per ounce sold) [2]	**747**	645	16%
Amortization (per ounce sold)	**122**	112	9%

[1] Cash operating cost is calculated using ounces produced and tonnes processed. See the section ''Non-GAAP measures'' of this MD&A.

[2] Total cash cost represents the cash operating cost plus royalties and selling expenses as well as the effects of inventory adjustments.

First quarter 2009 v. first quarter 2008

- During the three-month period ended March 31, 2009, 393,300 tonnes of ore and 1,123,100 tonnes of waste material were extracted from the Samira East and Libiri pits, resulting in a strip ratio of 2.9:1. In addition, 42,000 tonnes of waste material were extracted from the Long Tom pit during the stripping phase. For the corresponding period in 2008, 393,600 tonnes of ore and 1,383,300 tonnes of waste material were extracted for a strip ratio of 3.5:1.
- The 23% decrease in ore processed is mainly due to harder ore from the pits at depth. For the remainder of the year, ore processed will essentially be sourced from the Long Tom and Boulon Jounga pits which mainly contain saprolite ore; therefore allowing higher throughput. Issuance of the Boulon Jounga mining license is expected during the second quarter of 2009. The Boulon Jounga pit contains more than 570,000 tonnes of ore at an average grade of 2.38 g/t with a stripping ratio of 3.8:1.
- The slight decrease in grade is mainly due to the processing of ore from the Libiri pits in the first quarter of 2009 compared to Samira Main pit in the first quarter of 2008. The Libiri pits' average head grade is lower than the Samira pits.
- The recovery rate for the first quarter of 2009 is comparable to that of the first quarter 2008. It is, however, lower than the last quarter of 2008 with the reduction mainly due to the processing of sulphide ore from Libiri pits at depth. In addition, the presence of graphite had a negative impact on recovery during the quarter. As the main source of ore for the rest of the year is planned to come from the Long Tom and the Boulon Jounga pits, the recovery rate is expected to increase and return to historical values.
- The decrease in ounces produced, compared to the corresponding quarter in 2008, is essentially the result of lower throughput.
- The higher cash operating cost per ounce is mainly due to the decrease of the head grade recovered as explained in the following table.

Mining Operations

Samira Hill, Niger (continued)

Changes in Cash Operating Cost:	Per tonne processed $	Per ounce produced $
Cash Operating Cost – first quarter 2008	**24**	**586**
Increase in direct costs	4	26
Decrease of head grade recovered in ore processed	-	102
Cash Operating Cost – first quarter 2009	**28**	**714**

Mining Operations

Kiniero, Guinea

	Three-month period ended March 31		
	2009	2008	Variation
Operating Data			
Ore mined (tonnes)	**106,900**	164,900	(35%)
Ore processed (tonnes)	**132,100**	148,300	(11%)
Head grade (g/t)	**2.68**	2.81	(5%)
Recovery (%)	**87**	95	(8%)
Gold ounces produced	**11,200**	12,400	(10%)
Gold ounces sold	**10,900**	12,900	(16%)
Financial Data (In thousands of dollars)			
Revenues – Gold sales	**10,370**	11,622	(11%)
Mining operations expenses	**5,572**	7,260	(23%)
Amortization	**1,762**	1,640	7%
Administration	**536**	330	62%
Accretion expense of asset retirement obligations	**25**	31	(19%)
Segment operating income	**2,475**	2,361	5%
Statistics ($)			
Average selling price (per ounce)	**951**	901	6%
Cash operating cost (per ounce produced) [1]	**446**	451	(1%)
Cash operating cost (per tonne processed) [1]	**33**	37	(11%)
Total cash cost (per ounce sold) [2]	**511**	563	(9%)
Amortization (per ounce sold)	**162**	127	28%

[1] Cash operating cost is calculated using ounces produced and tonnes processed. See the section ''Non-GAAP measures'' of this MD&A.

[2] Total cash cost represents the cash operating cost plus royalties and selling expenses as well as the effects of inventory adjustments.

First quarter 2009 v. first quarter 2008

- During the first quarter of 2009, 106,900 tonnes of ore and 373,000 tonnes of waste material were extracted compared to 164,900 tonnes of ore and 1,383,300 tonnes of waste material during the corresponding period in 2008. This represents a stripping ratio, of 3.5:1 for the first quarter 2009, compared to 8:1 in the first quarter 2008. This reduction is mainly due to the mining of the West Balan and the Gobele C pits which have lower strip ratios. In addition, 963,100 tonnes of waste were extracted during the first quarter of 2009, representing the stripping of the West Balan BC pit.
- Throughput decreased by 11% during the three-month period ended March 31, 2009 compared to the first quarter of 2008. This reduction is mainly due to harder ore extracted from the pits at depth. For the remainder of the year, the main source of ore will be the West Balan BC pit.
- The recovery rate decreased from 95% in 2008 to 87% in the first quarter of 2009. This decrease is mainly the result of the processing of sulphide ore from the West Balan and the Gobele C pits at depth. Historical studies indicate that recovery rates may decrease to 80% when processing sulphide ore at Kiniero.
- The cash operating cost per ounce in the first quarter of 2009 compared to the same period in 2008 is explained in the following table.

Mining Operations

Kiniero, Guinea (continued)

Changes in Cash Operating Cost:	Per tonne processed $	Per ounce produced $
Cash Operating Cost – first quarter 2008	**37**	**451**
Decrease in direct costs	(4)	(10)
Decrease of the head grade recovered in ore processed	-	5
Cash Operating Cost – first quarter 2009	**33**	**446**

Administration

Administration expenses totalled $2,520,000 for the first quarter of 2009 compared to $2,151,000 for the same period in 2008. The addition of the Mana mine in the second quarter of 2008 explains the overall increase.

Interest on Long-Term Debt

The interest on long-term debt totalled $1,431,000 for the first quarter of 2009 compared to $354,000 for the corresponding period in 2008, representing an increase of $1,077,000. The increase is mainly due to the interest on the Mana mine $45,000,000 term facility that is no longer capitalised since the commencement of commercial production on April 1, 2008.

Change to the Fair Value of Derivative Financial Instruments

Pursuant to the variation in the gold prices during the first quarter of 2009, an unrealized gain of $58,000 on derivative financial instruments (gold sales contracts, gold purchase contracts and put options) was recorded, compared to an unrealized loss of $7,807,000 for the same period in 2008.

Gain on Disposal of Investment in Subsidiaries

In February 2008, the Company completed a transaction with Govi High Power Exploration Inc. ("GoviEx") aimed at combining the companies' interests in uranium mining projects (Energy–Projects). As part of this transaction, the Company sold all of its shares in its subsidiary Semafo Energy (Barbados) Limited in consideration of approximately 12% of GoviEx's outstanding shares at the transaction date. This transaction resulted in a non-cash gain of $17,849,000 in 2008.

3. Cash Flow

The following table summarizes our cash flow activities:

	Three-month period ended March 31	
	2009	2008
(In thousands of dollars)		
Cash flow		
Operations	**18,500**	6,143
Working capital items	**(2,840)**	(1,710)
Operating activities	**15,660**	4,433
Financing activities	**(5,202)**	2,894
Investing activities	**(13,484)**	(21,845)
Change in cash and cash equivalents during the period	**(3,026)**	(14,518)
Cash and cash equivalents - Beginning of period	**23,442**	30,044
Cash and cash equivalents - End of period	**20,416**	15,526

Operating

Operating activities before working capital items generated liquidities of $18,500,000 in the first quarter of 2009 reflecting the increase in the ounces sold, as well as the decrease in the total cash cost. During the same period in 2008, the operating activities generated liquidities of $6,143,000.

Working capital items required liquidities of $2,840,000 in the first quarter of 2009 representing mainly the decrease in accounts payable and accrued liabilities. Detail in changes in working capital items is provided in note 14 a) of our Consolidated Interim Unaudited Financial Statements as at March 31, 2009.

Financing

The Company reimbursed $5,207,000 of its long-term debt in the three-month period ended March 31, 2009. During the same period in 2008, $1,384,000 was reimbursed.

During the first quarter of 2008, the Company made its final drawdown of its term facility of $45,000,000, in the amount of $4,250,000.

During the first quarter of 2009, 5,000 options were exercised for a cash consideration of $5,000 (CA $5,700).

Use of proceeds as at March 31, 2009 in comparison to the previously proposed use of proceeds of our 2008 and 2007 public offerings is as follows:

	Investment announced-financing 2008 $	Actual use of proceeds, March 31, 2009 $	Investment announced-financing 2007 $	Actual use of proceeds, March 31, 2009 $
Reduction in hedge program	15,000,000	11,375,000	15,000,000	15,000,000
Working capital, including acquisition of spare parts and building of ROM pad	-	-	8,982,000	8,982,000
General corporate purposes	2,466,000	2,466,000	-	-
	17,466,000	**13,841,000**	**23,982,000**	**23,982,000**

Investing

Investments of $6,626,000 in property, plant and equipment were made in the first quarter of 2009 compared to investments of $15,746,000 during the same period in 2008.

Liquidities of $1,940,000 were invested in the finalization of the Mana project during the first quarter of 2009. These investments also represent exploration expenditures totalling $663,000, the expansion of the Mana mine totalling $1,140,000, improvements to the water dam in Niger and in Burkina Faso in the amount of $516,000, stripping costs capitalized in the amount of $1,021,000 as well as sustainable capital expenditures in the amount of $1,346,000. Investments in the corresponding period in 2008 mainly represented the construction of the Mana mine.

In the first quarter of 2009, the Company proceeded to the settlement of gold sales contracts, representing 11,500 ounces for a total amount of $6,850,000, and disbursed $8,000 in relation to the interest rate swap. The commitments on gold sales contracts are expected to be fully settled by the end of June 2009. In the corresponding period in 2008, the Company proceeded to the settlement of gold sales contracts representing 12,000 ounces for a total amount of $6,225,000 and cashed $126,000 in relation to the interest rate swap.

Financial Position

As at March 31, 2009, the Company benefited from a solid financial situation with $25,716,000 in cash and cash equivalents and restricted cash.

The Company's cash requirements over the next twelve months relate primarily to the following activities:

- Long-term debt reimbursement;
- Mana expansion project;
- Settlement of gold contracts; and
- Exploration programs.

4. Balance Sheets

(In thousands of dollars)	As at March 31, 2009	As at December 31, 2008
Current assets	**79,549**	82,457
Restricted cash	**4,050**	4,050
Property, plant and equipment	**201,482**	202,980
Investment and other assets	**25,483**	25,186
Total Assets	**310,564**	314,673
Total Liabilities	**107,031**	120,353
Shareholders' Equity	**203,533**	194,320

The Company's total assets amounted to $310,564,000 as at March 31, 2009, compared to $314,673,000 as at December 31, 2008.

As at March 31, 2009, the Company held cash and cash equivalents of $20,416,000, compared to $23,442,000 as at December 31, 2008. In addition, the Company held $5,300,000 in restricted accounts according to conditions associated to its loans as described in note 8 of the Consolidated Interim Unaudited Financial Statements. The Company does not anticipate that these restrictions will cause any impact on its capacity to honor its obligations.

The Company's property, plant and equipment totalled $201,482,000 as at March 31, 2009 compared to $202,980,000 as at December 31, 2008.

Total liabilities amounted to $107,031,000 as at March 31, 2009, compared to $120,353,000 as at December 31, 2008. Reimbursement of long-term debt and financial instruments settled during the first quarter of 2009 explain the decrease in liabilities.

Share capital totalled $293,918,000 as at March 31, 2009, compared to $293,910,000 as at December 31, 2008.

5. Derivative Financial Instruments

The following table presents a summary as at March 31, 2009 of the Company's commitments relating to gold forward contracts.

	2009 (remaining ounces)	$/oz
Gold sales contracts (a)	14,500	375
Gold purchase contracts (c)	(9,000)	993
Gold contracts – net sales commitment	5,500	

The above commitments are expected to be settled by the end of June 2009.

a) Gold Sales Contracts

During the first quarter of 2009, the Company proceeded to the settlement of gold sales contracts, representing 11,500 ounces for a total amount of $6,850,000 (12,000 ounces for a total amount of $6,225,000 for the same period in 2008).

b) Interest-Rate Swap

The gold sales contracts include an interest rate swap on a nominal amount corresponding to the ounces at the contractual price as disclosed above (a). Pursuant to the swap agreement, the Company is committed to pay the difference between the LIBOR USD three (3) months and the GOFO three (3) months interest rate, whereas the counterparty is committed to pay a fixed interest rate of 1% per annum.

c) Gold Purchase Contracts

In 2008, the Company purchased gold futures contracts to apply against its gold delivery commitments from February 2008 to June 2009. In so doing, as at March 31, 2009, the Company limited the potential accounting loss arising from a revaluation of its financial instruments with respect to these 9,000 ounces of gold.

d) Put Options

In 2007, the Company implemented a 55,000 ounces gold price put protection program for the Mana mine, which was a requirement under the $45,000,000 debt facility.

The Company purchased put options allowing it to price-protect at a minimum price of $600 per ounce for 55,000 ounces of gold broken down on a monthly basis as follows: 5,000 ounces in 2009, 5,000 ounces in 2010 and 45,000 ounces in 2011. Consequently, the entire production will be available to be sold at spot prices and fully exposed to any increase in the gold price with the downward price protected at $600 per ounce on 55,000 ounces.

The cost of the options totalled $1,000,000 in 2007 and is valued at $2,430,000 on March 31, 2009.

6. Contractual Obligations and Commitments

Long-Term Debt

Pursuant to the Company's long-term debt agreements, the aggregate amount of the long-term debt payments required in each of the next five calendar years is as follows:

	$
2009	17,902
2010	22,914
2011	15,169
2012	169
2013 onwards	552
	56,706

Asset Retirement Obligations

The Company's operations are governed by mining agreements covering the protection of the environment. The Company conducts its operations in such a manner as to protect public health and the environment. The Company will implement progressive measures for rehabilitation work during the operation, closing-down and follow-up work upon closing of the mines in accordance with its mining agreements. The estimated undiscounted cash flow required to settle the asset retirement obligations is $6,392,000. These disbursements are expected to be made during the years 2009 to 2017. The amount accounted for as liabilities in the Company's consolidated financial statements represent the discounted obligations from rehabilitation and closing plans. An 8% discount rate was used to evaluate those obligations.

Royalties and Development Taxes

Pursuant to the Company's mining agreements, the Company has royalty commitments, which generate obligations upon gold deliveries. If the Company's mines do not produce gold, it has no payment obligation. Each gold shipment is subject to royalty fees of 5% in Guinea, 5.5% in Niger and 3% in Burkina Faso, based on the value of the shipment, evaluated at the spot price on the delivery date. In Guinea, the Company is also committed to invest 0.4% of its gold sales in local development projects.

Payments to Maintain Mining Rights

In the normal course of business, in order to obtain and maintain all the advantages of the Company's permits, the Company must commit to invest a specific amount in exploration and development on the permits during their validity period. Moreover, the Company must make annual payments in order to maintain certain property titles.

7. Risks and Uncertainties

As a mining company, the Company faces the financial, operational, political and environmental risks inherent to the nature of its activities. These risks may affect the Company's profitability and level of operating cash flow. The Company also faces risks stemming from other factors, such as fluctuations in gold prices, petroleum prices, interest rates, exchange rates and financial market conditions in general. As a result, the securities of the Company must be considered speculative. Prospective purchasers of the common shares of the Company should give careful consideration to all of the information contained or incorporated by reference in this Management's Discussion and Analysis 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 March 31, 2009, the Company's long-term outstanding debt totalled $56,706,000 of which $2,500,000 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.

Gold Sales Contracts

In the past, the Company has entered into gold sales contracts to sell gold at a fixed or capped price on a future delivery date, pursuant to the terms of loan agreements. When the gold price rises above the price at which future production has been committed under the Company's 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;
- Grades 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, mechanical failure, and access to adequate water supply . 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 involve 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.

Operational Risks (continued)

Nature of Mineral Exploration and Mining (continued)

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.

Operational Risks (continued)

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 are 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 in Niger 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;
- 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.

Operational Risks (continued)

Outside Contractor Risk (continued)

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 Risks

The Company believes that governments in Burkina Faso, Niger and Guinea support the development of their natural resources by foreign companies. There is no assurance, however, that future political and economic condition in these and other countries in which the Company has exploration properties and royalties payable 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.

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.

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.

8. Additional Information

Exchange rates are as follows:

CA $ / US $	2009	2008
December 31 (closing)	-	1.2246
March 31 (closing)	**1.2602**	1.0279
First quarter (average)	**1.2424**	1.0050

9. International Financial Reporting Standards- Changeover plan

In February 2008 the Canadian Accounting Standards Board (AcSB) confirmed that the use of IFRS would be required for Canadian publicly accountable enterprises for years beginning on or after January 1, 2011. We have established a changeover plan to adopt IFRS by 2011. An implementation team has been created. The implementation team has started the process of assessing accounting policy choices and elections that are allowed under IFRS. We are also assessing the impact of the conversion on our business activities including the effect on information technology and data systems, internal controls over financial reporting and disclosure controls. We will continually review and adjust our changeover plan to ensure our implementation process properly addresses the key elements of the plan.

10. Disclosure Controls and Procedures

In accordance with Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, an evaluation of the effectiveness of the Company's disclosure controls and procedures (DC&P) and its internal control over financial reporting (ICFR) was conducted. Based on this evaluation, the Chief Executive Officer, and the Chief Financial Officer have concluded that DC&P and ICFR were effective as of the three-month period ended March 31, 2009, and that, as a result, ICFR design provides reasonable assurance that material information relating to the Company, is made known to them by others within those entities, particularly during the period in which the annual filings are being prepared, and the information that the Company must present in its annual documents, its interim documents or in other documents it files or submits under securities regulations is recorded, processed, condensed and presented within the times frames prescribed by this legislation. Furthermore, ICFR design provides reasonable assurance that the Company's financial information is reliable and that its financial statements have been prepared, for the purpose of publishing financial information, in accordance with the Company's GAAP. Lastly, no changes to the ICFR that have had or are likely to have a significant effect on this control mechanism were identified by management during the accounting period commencing on January 1, 2009 and ending on March 31, 2009.

11. Non-GAAP Measures

Throughout this document, the Company has provided measures prepared according to Canadian GAAP, as well as some non-GAAP performance measures. Because the non-GAAP performance measures do not have any standardized meaning prescribed by GAAP, they may not be comparable to similar measures presented by other companies. The Company provides these non-GAAP measures as they may be used by some investors to evaluate the Company's performance. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP. The Company has defined the non-GAAP measures below and reconciled them to reported GAAP measures.

Cash Operating Cost

A reconciliation of cash operating cost calculated in accordance with the Gold Institute Standard to the operating costs is included in the following table:

	Three-month period ended March 31, 2009			
	Mana	Samira Hill	Kiniero	Total
Gold ounces produced	**36,000**	**10,900**	**11,200**	**58,100**
(In thousands of dollars)				
Operating costs (relating to ounces sold)	**13,275**	**8,668**	**5,572**	**27,515**
Royalties and selling expenses	**(1,029)**	**(689)**	**(612)**	**(2,330)**
Effects of inventory adjustments	**1,721**	**(196)**	**31**	**1,556**
Operating costs (relating to ounces produced)	**13,967**	**7,783**	**4,991**	**26,741**
Cash operating cost (per ounce produced)	**388**	**714**	**446**	**460**

	Three-month period ended March 31, 2008			
	Mana	Samira Hill	Kiniero	Total
Gold ounces produced	-	16,300	12,400	28,700
(In thousands of dollars)				
Operating costs (relating to ounces sold)	-	9,868	7,261	17,129
Royalties and selling expenses	-	(924)	(708)	(1,632)
Effects of inventory adjustments	-	631	(962)	(331)
Operating costs (relating to ounces produced)	-	9,575	5,591	15,166
Cash operating cost (per ounce produced)	-	586	451	528

12. Summary of Quarterly Information

(In thousands of dollars, except for amounts per share)	2009	2008				2007		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Gold sales	49,495	48,398	51,147	44,826	25,540	21,044	16,314	18,136
Operating income (loss)	11,173	4,526	11,959	13,822	2,801	857	(3,910)	(2,039)
Net income (loss)	8,902	3,980	11,366	11,681	12,502	(7,477)	(10,317)	(2,083)
Basic and diluted net income (loss) per share	0.04	0.02	0.06	0.05	0.06	(0.04)	(0.05)	(0.01)
Cash flow from operating activities [1]	18,500	10,824	20,068	19,304	6,143	3,924	859	1,591

[1] Cash flow from operating activities excludes changes in non-cash working capital items and settlement of liabilities related to asset retirement obligations.

13. Additional Information and Continuous Disclosure

This MD&A has been prepared as of May 12, 2009. Additional information on the Company is available through regular filings of press releases, financial statements and its Annual Information Form on SEDAR (www.sedar.com).

14. Forward-Looking Statements

This MD&A contains forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding expectations of the Company as to the market price of gold, strategic plans, future commercial production, production targets, timetables, mining operating expenses, capital expenditures, and mineral reserve and resource estimates. Forward-looking statements involve known and unknown risks and uncertainties and accordingly, actual results and future events could differ materially from those anticipated in such statements. Factors that could cause future results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, fluctuations in the market price of precious metals, mining industry risks, uncertainty as to calculation of mineral reserves and resources, risks related to hedging strategies, risks of delays in construction, requirements of additional financing and other risks described in this MD&A and in the Company's other documents filed from time to time with Canadian securities regulatory authorities. Although the Company is of the opinion that these forward-looking statements are based on reasonable assumptions, those assumptions may prove to be incorrect. Accordingly, readers should not place undue reliance on forward-looking statements. Readers can find further information with respect to risks in the Annual Information Form of the Company and other filings of the Company with Canadian securities regulatory authorities available at www.sedar.com . The Company disclaims any obligation to update or revise these forward-looking statements, except as required by applicable law.

Consolidated Balance Sheets

(unaudited, expressed in thousands of U.S. dollars)

	As at March 31, 2009 $	As at December 31, 2008 $
Assets		
Current assets		
Cash and cash equivalents	20,416	23,442
Restricted cash (note 8)	1,250	1,250
Accounts receivable	3,229	5,067
Inventories (note 4)	49,231	49,152
Other short-term assets (note 5)	5,423	3,546
	79,549	82,457
Restricted cash (note 8)	4,050	4,050
Property, plant and equipment (note 6)	201,482	202,980
Investment and other assets (note 7)	25,483	25,186
	310,564	314,673
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	26,085	28,843
Current portion of long-term debt (note 8)	22,279	22,390
Fair value of derivative financial instruments (note 13)	8,469	15,020
	56,833	66,253
Long-term debt (note 8)	33,108	38,076
Advances payable (note 9)	8,739	8,890
Asset retirement obligations (note 10)	5,078	4,846
Future income taxes	3,273	2,288
	107,031	120,353
Shareholders' Equity		
Share capital (note 11)	293,918	293,910
Contributed surplus (note 12)	5,100	4,797
Deficit	(95,485)	(104,387)
	203,533	194,320
	310,564	314,673

Approved by the board of directors,

Jean Lamarre, Director

Benoit La Salle, Director

Consolidated Statements of Deficit and Comprehensive Income

(unaudited, expressed in thousands of U.S. dollars)

Consolidated Deficit

	Three-month period ended March 31, 2009 $	Three-month period ended March 31, 2008 $
Balance – beginning of period	**(104,387)**	(142,600)
Net income for the period	**8,902**	12,502
Balance – end of period	**(95,485)**	(130,098)

Consolidated Comprehensive Income

	Three-month period ended March 31, 2009 $	Three-month period ended March 31, 2008 $
Net income for the period	**8,902**	12,502
Other components of comprehensive income		
• Net variation on the latent gain on available-for-sale financial assets	**-**	(402)
Comprehensive income	**8,902**	12,100

Consolidated Statements of Operations

(unaudited, expressed in thousands of U.S. dollars)

	Three-month period ended March 31, 2009 $	Three-month period ended March 31, 2008 $
Revenue – Gold sales	49,495	25,540
Expenses		
Mining operations	27,515	17,129
Amortization of property, plant and equipment	8,190	3,391
Administration	2,520	2,151
Accretion expense of asset retirement obligations (note 10)	97	68
	38,322	22,739
Operating income	11,173	2,801
Interest, financing fees and other income	420	(337)
Interest on long-term debt	1,431	354
Stock-based compensation	306	351
Change to the fair value of derivative financial instruments (note 13)	(58)	7,807
Gain on disposal of investment in subsidiaries (note 6 b)	-	(17,849)
Foreign exchange gain	(813)	(27)
Net income before taxes	9,887	12,502
Future income tax expense	(985)	-
Net income for the period	8,902	12,502
Basic and diluted net income per share	0.04	0.06

Consolidated Statements of Cash Flows

(unaudited, expressed in thousands of U.S. dollars)

	Three-month period ended March 31, 2009 $	Three-month period ended March 31, 2008 $
Cash flows from :		
Operating activities		
Net income for the period	8,902	12,502
Adjustment for :		
Change to fair value of derivative financial instruments	(58)	7,807
Amortization of property, plant and equipment	8,190	3,391
Amortization of stripping costs	101	48
Stock-based compensation	306	351
Accretion expense of asset retirement obligations	97	88
Amortization of deferred transaction costs	231	65
Gain on disposal of investment in subsidiaries	-	(17,849)
Unrealized foreign exchange gain	(254)	(260)
Future income taxes	985	-
	18,500	6,143
Changes in non-cash working capital items and settlement of liabilities related to asset retirement obligations (note 14 a)	(2,840)	(1,710)
	15,660	4,433
Financing activities		
Reimbursement of long-term debt	(5,207)	(1,384)
Term facility, net of transaction costs	-	4,250
Issuance of share capital	5	28
	(5,202)	2,894
Investing activities		
Additions to property, plant and equipment	(6,626)	(15,746)
Financial instruments settled	(6,858)	(6,099)
	(13,484)	(21,845)
Change in cash and cash equivalents during the period	(3,026)	(14,518)
Cash and cash equivalents – beginning of period	23,442	30,044
Cash and cash equivalents – end of period	20,416	15,526

1 Basis of presentation

These consolidated interim unaudited financial statements are prepared in accordance with Canadian generally accepted accounting principles. These consolidated interim unaudited financial statements do not include all disclosures required under Canadian generally accepted accounting principles for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended December 31, 2008.

The preparation of the consolidated financial statements compliant with generally accepted accounting principles requires management to make estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

In the opinion of management, all adjustments considered necessary for fair presentation of the results for the periods presented have been reflected in the consolidated interim unaudited financial statements.

Those consolidated interim unaudited financial statements were prepared using the same accounting policies in application for the consolidated financial statements as of December 31, 2008, with the exception of the modifications specified below.

2 Incorporation and nature of activities

SEMAFO inc. (the « company ») was incorporated under Part IA of the Quebec Companies Act.

The company, its subsidiaries and its joint venture are engaged in gold mining activities including exploration, development and operations. These activities are conducted in West Africa. The company and its subsidiaries presently own and operate three gold mines in Burkina Faso, Niger and Guinea. The operating results of the Mana project in Burkina Faso were capitalized to assets under construction up to the start of the commercial production on April 1, 2008. Since that date, the operating results have been recognized in the statements of operations.

The company, its subsidiaries and its joint venture have interests in mining properties currently at the operation and the exploration or development stage. Certain of these properties are in the process of evaluation to determine the economics of putting them into production. The potential for recovery of costs incurred on these properties and of related deferred charges depends on the existence of sufficient quantities of reserves, obtaining all required permits, the company's ability to obtain appropriate financing to put these properties into production, and the ability to realize a profitable return for the company.

3 Accounting policies modification

Effective January 1, 2009, the company adopted two new accounting standards issued by the Canadian Institute of Chartered Accountants ('CICA') addressing "Goodwill and Intangible Assets" and "Mining Exploration Costs".

Goodwill and Intangible Assets

In January 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets". This section establishes standards for the recognition, measurement, presentation and the disclosure of goodwill and intangible assets. The primary reason for the issuance of this new standard is to provide clarity on the recognition and measurement of internally developed intangible assets, including research and development costs. Section 3064 reinforces a principle-based approach whereby assets are only accounted for if they meet the definition of an asset and the criteria for such classification the standard was applied prospectively. The company has adopted these requirements effective January 1, 2009. The adoption of this new accounting standard does not have any impact on the consolidated interim unaudited financial statements.

Mining Exploration Costs

Effective January 1, 2009, the company adopted the new accounting recommendations contained in EIC-174 "Mining Exploration Costs" published in March 2009 by the Emerging Issues Committee of the CICA. The EIC provides guidance on the accounting and the impairment review of exploration costs. The application of this EIC does not have any impact on the consolidated interim unaudited financial statements.

4 Inventories

	As at March 31, 2009 $	As at December 31, 2008 $
Doré bars	4,279	1,865
Gold in circuit	4,635	7,525
Stockpiles	9,195	9,203
Supplies and spare parts	31,122	30,559
	49,231	49,152

The cost of inventory that was charged to expense represents all mining operations expense and essentially all of the amortization of property, plant and equipment.

5 Other short-term assets

	As at March 31, 2009 $	As at December 31, 2008 $
Prepaid expenses	5,378	3,501
Fair value of derivative financial instruments (note 13)	45	45
	5,423	3,546

6 Property, plant and equipment

	As at March 31, 2009			As at December 31, 2008		
	Cost $	Accumulated depreciation $	Net $	Cost $	Accumulated depreciation $	Net $
Property, plant and equipment – producing properties:						
Property acquisition costs, deferred exploration and development costs	150,671	52,782	97,889	149,225	48,530	100,695
Buildings and equipment related to mining production	104,185	24,426	79,759	100,631	21,445	79,186
Mining equipment	23,367	5,326	18,041	22,674	4,611	18,063
Rolling stock, communication and computer equipment	8,225	5,333	2,892	8,161	5,107	3,054
Stripping costs (a)	2,627	553	2,074	1,607	452	1,155
	289,075	88,420	200,655	282,298	80,145	202,153
Property, plant and equipment – exploration properties: (b)	827	-	827	827	-	827
Total property, plant and equipment	289,902	88,420	201,482	283,125	80,145	202,980

a) Reconciliation of capitalized stripping costs is as follows:

	Three-month period ended March 31, 2009 $
Balance – beginning of period	1,155
Stripping costs capitalized	1,020
Amortization	(101)
Balance – end of period	2,074

6 Property, plant and equipment (continued)

b) Exploration properties comprise wholly owned mining rights, undivided interests in properties and deferred exploration and development costs.

	As at March 31, 2009 $	As at December 31, 2008 $
Burkina Faso (Datambi)	827	827
	827	827

Royalties will be paid if commercial operations are attained.

The following table sets forth the evolution of the costs capitalized to exploration properties:

	Three-month period ended March 31, 2009 $	Twelve-month period ended December 31, 2008 $
Balance – beginning of period	827	16,583
Increase in deferred exploration costs related to the projects –		
Mana	-	834
Datambi	-	2
Increase in deferred development costs related to the Energy projects	-	1,012
Transfer to property, plant and equipment – producing properties i)	-	(15,453)
Disposal of Energy – Projects ii)	-	(2,151)
Balance – end of period	827	827

i) The exploration property assets of the Mana project in the amount of $15,453,000 were transferred to property, plant and equipment – producing properties on April 1, 2008.

ii) In February 2008, the company completed a transaction with Govi High Power Exploration Inc. ("GoviEx"), a private company, aimed at combining the companies' interests in uranium mining projects (Energy – Projects). As part of this transaction, the company sold all of its shares in its subsidiary Semafo Energy (Barbados) Limited in consideration for approximately 12% of GoviEx's outstanding shares at the transaction date. This transaction resulted in a non-cash gain of $17,849,000 in the first quarter of 2008.

7 Investment and other assets

	As at March 31, 2009 $	As at December 31, 2008 $
Investment in GoviEx and a related company of GoviEx, at cost (note 6 b ii)	19,600	19,600
Fair value of derivative financial instruments (note 13)	2,385	2,020
Other	3,498	3,566
	25,483	25,186

8 Long-term debt

Long-term debt consists of the following:

	As at March 31, 2009 $	As at December 31, 2008 $
Bank loan of $12,500,000, bearing interest at 3.00% over LIBOR payable semi-annually, principal repayable in ten equal semi-annual installments starting April 1, 2005, secured by a pledge of the shares and assets of a subsidiary. The loan is also secured by a guarantee (limited to 40% of any outstanding amounts on the loan) granted by the company. [1]	2,500	2,500
Bank loan of $20,000,000, bearing interest at 8.50% payable quarterly, principal repayable in thirteen quarterly installments of $1,250,000 starting September 30, 2007 and a final payment of $3,750,000 on December 31, 2010, secured by a pledge of certain assets and by an assignment of claims of certain inter company advances. [2]	11,250	12,500
Term facility of $45,000,000, bearing interest at 7.62% payable quarterly, principal repayable in twelve equal quarterly installments starting March 31, 2009. The facility is secured by a pledge of shares of a subsidiary and a pledge of assets. The facility is also secured by pledges and assignments of bank accounts, inter company advances and other intangibles. [3] [4]	41,250	45,000
Other loans (denominated in euros, bearing interest at rates between 8.85% and 10.00%)		
Historical amount	1,809	2,016
Exchange rate fluctuation	(103)	-
Long-term debt	56,706	62,016
Deferred transaction costs	(1,319)	(1,550)
Long-term debt, net of deferred transaction costs	55,387	60,466
Current portion of long-term debt	22,279	22,390
Long-term portion of long-term debt	33,108	38,076

8 Long-term debt (continued)

1) The company is required to maintain a cash balance of $1,250,000 in a distinct account until the full repayment of the loan.
2) The company issued 800,000 warrants to the lender. Each warrant entitles its holder to purchase one common share of the company at a price of $1.79 (CA $2.25) on or prior to July 19, 2011. The fair value of the warrants has been established at $656,000.
3) The company issued 1,000,000 warrants to the lender. Each warrant entitles its holder to purchase one common share of the company at a price of $1.59 (CA $2.00) on or prior to February 20, 2012. The fair value of the warrants has been established at $800,000.
4) The company is required to maintain a cash balance of $3,750,000 in a distinct account until the full repayment of the loan.

The aggregate amount of the long-term debt payments required in each of the next five calendar years is as follows:

	$
2009	17,902
2010	22,914
2011	15,169
2012	169
2013 onwards	552
	56,706

9 Advances payable

	As at March 31, 2009 $	As at December 31, 2008 $
Advances payable to a minority interest [1]	5,732	5,883
Advance payable to the Republic of Niger [2]	3,007	3,007
	8,739	8,890

The Republic of Niger has a 20% ownership interest in a subsidiary of the company.

Under the mining agreement, the Republic of Niger is entitled to receive a reimbursement for its exploration costs previously incurred on the Samira Hill project. These costs will be repaid from the operating surplus of the subsidiary, the owner of the Samira Hill permit.

1) These advances are non-interest bearing and have no specific terms of repayment. From these advances, $5,400,000 ($5,557,000 in 2008) is denominated in Canadian dollars.
2) This advance is non-interest bearing.

10 Asset retirement obligations

The company's operations are governed by mining agreements covering the protection of the environment. The company conducts its operations in such a manner as to protect public health and environment. The company will implement progressive measures for rehabilitation work during the operation, closing down and follow-up work upon closing of the mines, in accordance with its mining agreements. Consequently, the company accounted for its asset retirement obligations of the mining sites using cost estimates. Those estimates are subject to changes following modifications to laws and regulations or as new information becomes available.

The table below presents the evolution of asset retirement obligations for the period.

	Three-month period ended March 31, 2009 $	Twelve-month period ended December 31, 2008 $
Balance – beginning of period	4,846	4,408
Increase due to accretion expense	97	452
New liabilities	137	773
Revision of estimated cash flows	-	(755)
Liabilities paid off	(2)	(32)
Balance – end of period	5,078	4,846

The estimated undiscounted cash flow required to settle the asset retirement obligations is $6,392,000. The disbursements are expected to be made during the years from 2009 to 2017. An 8% discount rate was used to evaluate those obligations.

11 Share capital

Authorized

Unlimited number of common shares without par value

Unlimited number of Class "A" preferred shares, no par value, non-voting, non-participating and redeemable at the option of the holder at a price of $0.26 (CA $0.33) per share

Unlimited number of Class "B" preferred shares, no par value, non-voting, non-participating and redeemable at the option of the company at a price of $0.10 (CA $0.12) per share

Movements in the company's share capital are as follows:

	Three-month period ended March 31, 2009		Twelve-month period ended December 31, 2008	
	Number (in thousands)	Amount $	Number (in thousands)	Amount $
Common shares				
Balance – beginning of period	232,706	292,455	213,465	273,622
Issued and paid in cash	-	-	19,205	18,782
Issued for exercises of options	5	8	36	51
Balance – end of period	232,711	292,463	232,706	292,455
Warrants				
Balance – beginning of period	1,800	1,455	3,019	2,060
Expired	-	-	(1,219)	(605)
Balance – end of period	1,800	1,455	1,800	1,455
Common shares and warrants	234,511	293,918	234,506	293,910

11 Share capital (continued)

On December 30, 2008, the company closed a public offering of 19,205,000 common shares at $0.98 (CA $1.20) per share, for gross proceeds of $18,782,000 (CA $23,046,000). Share issue expenses related to this public offering totaled $1,316,000.

Warrants

Warrants outstanding as at March 31, 2009:

Expiration date	Exercise price	Number of warrants
July 2011	$1.79 (CA $2.25)	800,000
February 2012	$1.59 (CA $2.00)	1,000,000
		1,800,000

Options

A total of 535,000 new options were issued to employees, officers, consultants and directors of the company during the three-month period ended March 31, 2009 (1,050,000 for the same period in 2008). The fair market value of these new options is evaluated at $454,000 (CA $562,000).

A total of 5,000 options were exercised during the three-month period ended March 31, 2009 under the Plan for a cash consideration of $5,000 (CA $5,700). An amount of $3,000 from these options has been reclassified from contributed surplus to share capital.

The following presents the assumptions used to establish the fair value assigned to the options issued using the Black-Scholes valuation model:

	Three-month period ended March 31, 2009	Twelve-month period ended December 31, 2008
Average dividend per share	0%	0%
Forecasted volatility	60%	40%
Risk-free interest rate	1.63%	3.30%
Expected life	5 years	5 years
Fair value – weighted average of options issued	$0.85	$0.53

11 Share capital (continued)

The following table sets forth the options granted to employees, officers, consultants and directors as part of their remuneration under the Plan:

	Three-month period ended March 31, 2009		Twelve-month period ended December 31, 2008	
	Number of options (in thousands)	Weighted average exercise price ($)	Number of options (in thousands)	Weighted average exercise price ($)
Balance – beginning of period	7,417	1.48 (CA $1.81)	6,578	1.97 (CA $1.94)
Expired	-	-	(25)	1.43 (CA $1.75)
Forfeited	(350)	1.48 (CA $1.86)	(900)	1.50 (CA $1.84)
Exercised	(5)	0.90 (CA $1.14)	(36)	0.86 (CA $1.05)
Issued	535	1.61 (CA $2.03)	1,800	1.09 (CA $1.33)
Balance – end of period	7,597	1.45 (CA $1.83)	7,417	1.48 (CA $1.81)
Options exercisable – end of period	3,052	1.49 (CA $1.88)	2,741	1.59 (CA $1.95)

12 Contributed surplus

The contributed surplus account is composed of:

	Three-month period ended March 31, 2009 $	Twelve-month period ended December 31, 2008 $
Balance – beginning of period	4,797	3,022
Exercised options	(3)	(16)
Stock-based compensation cost	306	1,186
Expired warrants	-	605
Balance – end of period	5,100	4,797

13 Financial instruments

The following table presents a summary as at March 31, 2009 of the company's commitments relating to gold forward contracts:

	2009 (remaining ounces)	$/oz
Gold sales contracts (a)	14,500	375
Gold purchase contracts (c)	(9,000)	993
Gold contracts– net sales commitment	5,500	

The above commitments are expected to be settled by the end of June 2009.

Fair market value

The gold sales contracts, gold purchase contracts and put options did not qualify for hedge accounting. Consequently, changes in the fair value of these derivative financial instruments are recognized in net earnings. The company recorded a gain of $58,000 for the period ended March 31, 2009 (a loss of $7,807,000 for the same period in 2008) following the change in the fair value of derivative financial instruments.

13 Financial instruments (continued)

The following table sets forth the changes in the fair value of the derivative instruments accounted for in the consolidated financial statements.

	Asset	Liability
	$	$
Fair value at beginning of period (calculated using a spot market price of $881 per ounce as at December 31, 2008)	2,065	(15,020)
Financial instruments settled :		
Gold sales contracts (a)	-	6,850
Interest rate swap (b)	-	8
Changes to fair value recognized in results	365	(307)
Fair value at end of period (calculated using a spot market price of $921 per ounce as at March 31, 2009)	2,430	(8,469)
Current portion of derivative financial instruments	(45)	(8,469)
Long-term portion of derivative financial instruments	2,385	-

Short-term financial assets and liabilities are valued at their carrying amounts, which are reasonable estimates of their fair value due to their near-term maturities.

The investment in GoviEx is valued at cost which is a reasonable estimate of its fair value.

The carrying value of long-term debt bearing interest at fixed rates is $54,237,000 and is considered to approximate fair value.

It is impossible, without considerable effort, to evaluate the fair value of advances payable as they are non-interest bearing and have no fixed terms of repayment.

a) Gold sales contracts

During the first quarter of 2009, the company proceeded to the settlement of gold sales contracts, representing 11,500 ounces for a total amount of $6,850,000 (12,000 ounces for a total amount of $6,225,000 for the same period in 2008).

b) Interest-rate swap

The gold sales contracts include an interest rate swap on a nominal amount corresponding to the ounces by the contractual price as disclosed above (a). Pursuant to the swap agreement, the company is committed to pay the difference between the LIBOR USD three (3) months and the GOFO three (3) months interest rate, whereas the counterparty is committed to paying a fixed interest rate of 1% per annum.

c) Gold purchase contracts

In 2008, the company purchased gold futures contracts to apply against its gold delivery commitments from February 2008 to June 2009. In so doing, as at March 31, 2009, the company limited the potential accounting loss arising from a revaluation of its financial instruments with respect to these 9,000 ounces of gold.

d) Put options

In 2007, the company implemented a 55,000 ounces gold price put protection program for the Mana mine, which was a requirement under the $45,000,000 debt facility (note 8).

The company purchased put options allowing it to price-protect at a minimum price of $600 per ounce for 55,000 ounces of gold broken down on a monthly basis as follows: 5,000 ounces in 2009, 5,000 ounces in 2010 and 45,000 ounces in 2011. Consequently, the entire production will be available to be sold at spot prices and fully exposed to any upward increase in the gold price with the downward price protected at $600 per ounce on 55,000 ounces.

The cost of the options totalled $1,000,000 in 2007 and is valued at $2,430,000 on March 31, 2009.

14 Financial information included in consolidated statements of cash flows

a) Changes in non-cash working capital items and settlement of liabilities related to asset retirement obligations

	Three-month period ended March 31, 2009 $	Three-month period ended March 31, 2008 $
Accounts receivable	1,838	1,882
Prepaid expenses	(1,877)	(2,347)
Inventories	(109)	(2,258)
Other assets	68	85
Accounts payable and accrued liabilities	(2,758)	933
Settlement of liabilities related to asset retirement obligations	(2)	(5)
	(2,840)	(1,710)

b) Supplemental information on items not affecting cash and cash equivalents

	Three-month period ended March 31, 2009 $	Three-month period ended March 31, 2008 $
Unrealized foreign exchange gain on advances payable	(151)	(260)
Amortization of property, plant and equipment allocated to mining assets or property, plant and equipment	14	13
Amortization of property, plant and equipment allocated to assets under construction	-	190
Net effect of amortization of property, plant and equipment allocated to inventories	30	401
New asset retirement obligations allocated to property, plant and equipment	137	193
Accretion expense allocated to mining assets or property, plant and equipment	-	20

c) Cash flows related to interest

	Three-month period ended March 31, 2009 $	Three-month period ended March 31, 2008 $
Interest paid during the period	1,163	1,238

15 Segmented information

The company is conducting exploration and production activities on different sites in Burkina Faso, Niger and Guinea. These sites are managed separately given their different locations and laws.

					Three-month period ended March 31, 2009
	Mana Mine, Burkina Faso $	Samira Hill Mine, Niger $	Kiniero Mine, Guinea $	Corporate and others $	Total $
Revenue – Gold sales	28,466	10,659	10,370	-	49,495
Operating expenses	13,275	8,668	5,572	-	27,515
Amortization of property, plant and equipment	4,997	1,410	1,762	21	8,190
Administration	274	410	536	1,300	2,520
Accretion expense of asset retirement obligation	28	44	25	-	97
Operating income (loss)	**9,892**	**127**	**2,475**	**(1,321)**	**11,173**
Property, plant and equipment	119,700	50,864	30,498	420	201,482
Total assets	156,199	77,252	46,718	30,395	310,564

					Three-month period ended March 31, 2008
Revenue – Gold sales	-	13,918	11,622	-	25,540
Operating expenses	-	9,869	7,260	-	17,129
Amortization of property, plant and equipment	-	1,718	1,640	33	3,391
Administration	-	188	330	1,633	2,151
Accretion expense of asset retirement obligation	-	37	31	-	68
Operating income (loss)	**-**	**2,106**	**2,361**	**(1,666)**	**2,801**
Property, plant and equipment	114,103	51,248	32,835	1,315	199,501
Total assets	128,018	74,126	48,430	39,772	290,346