

MOVING FORWARD

2012
ANNUAL REPORT



INTERNATIONAL EXPERTISE[®]
HUMAN ADVOCACY

OUR PROFILE

SEMAFO is a Canadian-based mining company with gold production and exploration activities in West Africa. The Corporation currently operates three gold mines: the Mana Mine in Burkina Faso, the Samira Hill Mine in Niger and the Kiniero Mine in Guinea. SEMAFO is committed to evolve in a conscientious manner to become a major player in its geographical area of interest.

SEMAFO's strategic focus is to maximize shareholder value by effectively managing its existing assets as well as pursuing organic and strategic growth opportunities.

VISION

Build an ethical, reputable, world-class gold company through a combination of exploration, development and acquisitions.

CORPORATE MISSION

Establish enduring relationships with the countries in which we operate and through our experience, expertise and financial acumen, partner to responsibly develop natural resources.

HUMANITARIAN MISSION

Make sustainable contributions to improve the quality of life and livelihoods of the communities in which we operate through sustainable social, health, education and environmental policies and programs.

VALUES

Respect and Integrity: It is the foundation of everything we do — through accountability, responsibility, honesty, transparency, environmental and employee safety and protection.

Excellence: We relentlessly pursue excellence in everything we do — through quality, effort, perseverance, continual improvement, honour, entrepreneurship, and leadership.

Know-How: We support individual and collective achievement as it directly impacts the organization — through leadership and employee performance, integration, management, evaluation, promotion, training, development and succession.

Teamwork: We believe in the power of people working together to attain common goals.

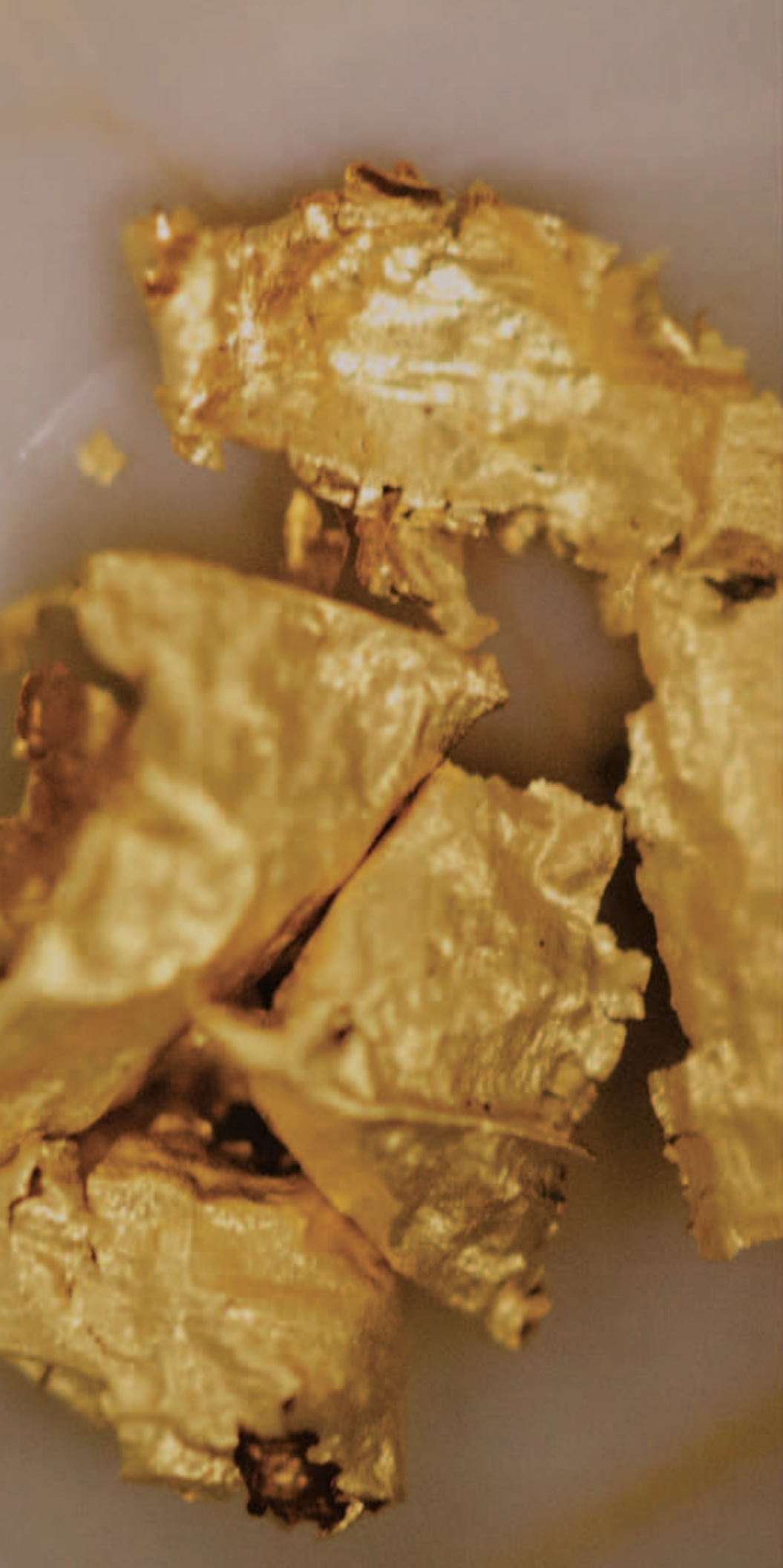


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COVER PHOTO

QUARTZ VEIN IN GRANODIORITE
HOLE WDC594
SIOU SECTOR

HOW WE PERFORMED

2012 OBJECTIVES

2012 ACHIEVEMENTS

MAXIMIZE VALUE

Continue exploration programs directed at growing reserves and resources with an initial global exploration budget of \$45 million, of which \$36 million is allocated to Mana

- Discovered the new Siou Sector with one million ounces of initial in-pit inferred resources at an average 4.62 g/t Au and a 95% recovery rate
- Updated Mana reserve and resource estimate as at December 31, 2012, net of mining depletion:
 - 1.9 million ounces of proven and probable reserves – 25.1 million tonnes at an average grade of 2.31 g/t Au
 - 3.0 million ounces measured and indicated resources – 48.6 million tonnes at an average grade of 1.93 g/t Au
 - 1.9 million ounces of inferred resources – 18.3 million tonnes at an average grade of 3.18 g/t Au
- Identified six important mineralized trends on the Mana property, including the 30-kilometer Kokoi Trend, host to the high-grade Siou Sector
- Adopted overall improved economic super-pit mining scenario at Wona-Kona
- Built and commissioned an on-site exploration laboratory and prep facility at Mana to accelerate turn-around time



2012 OBJECTIVES

2012 ACHIEVEMENTS

DISCIPLINED GROWTH / RESPONSIBLE MINING

Achieve production of between 235,000 and 260,000 ounces of gold at a cash operating cost of between \$700 and \$750 per ounce

Increase Mana plant capacity to attain throughput of up to 8,000 tonnes per day in blended ore

Attract and retain best mining talent

Continue human resources initiatives in the areas of health and safety, and employee training and development

Manage effectively to minimize our environmental footprint

Continue corporate philanthropy program, contributing up to 2% of net income to *Fondation SEMAFO*

Increase sustainable development programs in host countries

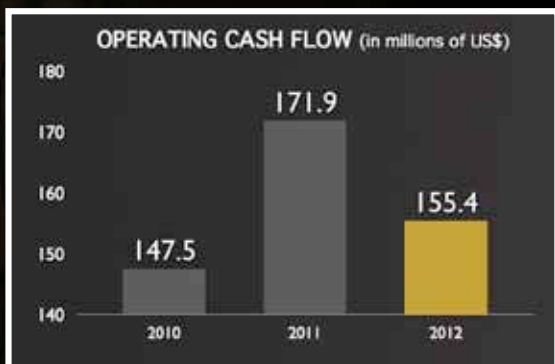
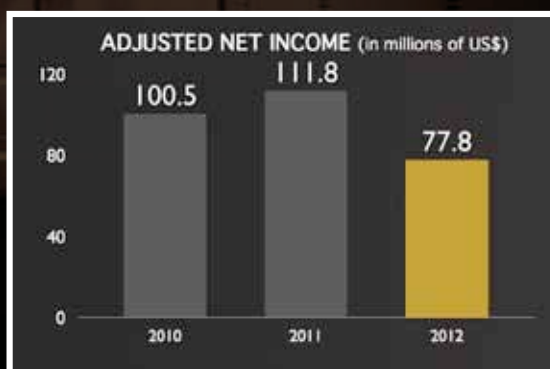
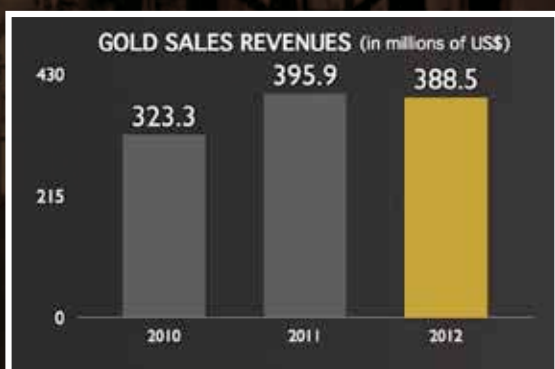
- Gold production of 236,100 ounces
- Cash operating cost of \$704 per ounce
- Completed Phase IV Plant expansion at Mana
- Achieved best ever annual throughput of 2.7 million tonnes at the Mana plant, an increase of 12% year over year
- Processed an average of 8,500 tonnes per day at Mana in the fourth quarter
- Completed 60-kilometer water pipeline to accommodate Mana processing plant at a cost of \$5.8 million less than the originally budgeted \$30.2 million
- Signed three-year labour agreement at Mana (early 2013)
- Third Annual Employee Recognition Program
- Delivered more than 11,200 hours of technical training and leadership development programs
- No lost-time injuries at Mana for a second consecutive year
- Expanded work safety prevention program
- Published SEMAFO's third annual sustainability report in keeping with Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines – Application Level B
- Contributed \$2 million to Fondation SEMAFO
- Continued informative "Together for a Better Society" national radio campaign in Burkina Faso.
- Maintained support of sustainable development initiatives in our host countries, including sesame production and Shea manufacturing
- Signatory of the United National Global Compact
- Recipient of the *Communitas Award* for Corporate Social Responsibility



2012 – THE YEAR IN REVIEW

- Gold production of 236,100 ounces compared to 250,100 ounces in 2011
- Gold sales of \$388.5 million, a 2% decrease compared to 2011
- Operating income of \$34.6 million compared to \$154.2 million in 2011
- Net loss attributable to equity shareholders of \$6.6 million or \$(0.02) per share compared to net income attributable to equity shareholders of \$111.8 million or \$0.41 per share in 2011
- Cash flow from operating activities¹ of \$155.4 million or \$0.57 per share
- Discovery of the high-grade Siou Sector at Mana, with one million ounces of initial in-pit inferred resources at an average grade of 4.62 g/t Au
- Decision to move from an underground mining project to an improved overall economic super pit scenario resulted in a non-recurring loss of \$17.0 million
- Completed 60-kilometer water pipeline to accommodate Mana processing plant at a cost of \$5.8 million less than the originally budgeted \$30.2 million
- Record throughput at Mana following the commissioning of Phase IV of the plant expansion
- Non-cash impairment charge of \$60.0 million on the Samira Hill Mine
- Sale of current investment resulted in a non-recurring loss of \$24.3 million
- Declaration of C\$0.04 per share dividends to equity shareholders
- SEMAFO's Board of Directors appointed Benoit Desormeaux, formerly Executive Vice-President and Chief Operating Officer to the position of President and Chief Executive Officer of the Corporation

¹Cash flow from operating activities excludes changes in non-cash working capital items.





2013 STRATEGIC PRIORITIES

WHAT WE PLAN TO DO

Maximize organic growth at our flagship Mana property

Develop and expand our project pipeline/portfolio

Optimize and improve efficiencies throughout the organization

Deliver a solid operational performance

Attract and retain the best mining talent

Maintain safe and reliable operations

Propagate SEMAFO's Savoir-faire in host countries

HOW WE PLAN TO DO IT

- Through disciplined exploration
- With an initial exploration budget of \$20 million for Mana
- By focusing exploration:
 - On expanding the Siou Sector
 - On adding Siou to reserves in 2013
 - Within a 20-kilometer radius of the processing plant
 - On potential new targets along the 30-kilometer Kokoi Trend, host to the Siou Sector
- By initiating the permitting process for Siou
- Through the ongoing exploration of high potential targets throughout the Mana property
- Through the ongoing assessment of accretive acquisition opportunities
- By focusing on quality ounces
- Through rigorous cost management
- By conducting internal reviews to improve efficiency
- By reviewing strategic alternatives for the Samira Hill and Kiniero assets
- By achieving production guidance of between 215,000 and 240,000 ounces of gold
- By achieving an overall average total cash cost of between \$855 and \$905 per ounce
- Through ongoing training and development, internship programs and employee-led work programs
- By developing local talent
- Through the nationalization of jobs
- By promoting an environment of mutual respect, diverse values and personal growth
- Through prudent environmental stewardship
- By continuously evolving our health and safety initiatives
- By continuing to foster good relationships with local communities, governments and non-governmental organizations
- By realizing and continuing to foster sustainable development initiatives
- Through the continued support of *Fondation SEMAFO*

MESSAGE TO SHAREHOLDERS



For SEMAFO, 2012 was a year of transition on many levels. Although disappointing in terms of shareholder value, it nevertheless gave rise to numerous positive aspects with regard to our core business, from both strategic and operational perspectives. We achieved production and cost guidance for a fifth consecutive year. Our production totalled 236,100 gold ounces, just slightly below our 2011 results, while our annual revenues from gold sales posted only a 2% decrease from 2011 to stand at \$388.5 million.

A comprehensive strategic review of the Corporation conducted during the latter part of the year facilitated the establishment of a realistic plan to move forward. We validated our top ensuing long-standing priority: to create value by generating future cash flow, while maintaining our solid operational performance. As the world economy continues to change shape, we will maintain our focus on quality ounces as part of our strategy and ongoing efforts to reduce costs and optimize cash flow.

During the year executive management made several difficult choices, including incurring a non-cash impairment of \$60 million for Samira Hill in the fourth quarter of 2012, which related to the reassessment of future cash flows to be generated by the mine following the review of technical and economical parameters.

Our strategy is to maximize organic growth at our flagship Mana property through the disciplined exploration and development of our core asset. We also intend to maintain our efforts to optimize and improve efficiencies throughout our operations as we continue to seek opportunities to develop our project portfolio. Attracting, retaining and motivating the best mining talent are also priorities for us, as is our commitment to continue delivering a solid operational performance.

An important event during the year was the conversion of the Mana underground project to a super-pit. This decision, although it led to a \$17 million write-off, was purely an economic decision based on the best return on investment as capital expenditures are spread out over the life of the mine.



The highlight of the year from our Corporation's standpoint was the discovery of the new high-grade Siou Sector at Mana. This vastly prospective area located approximately 15 kilometers east of our processing plant holds one million ounces of initial in-pit inferred resources at an average 4.62 g/t Au and a gold recovery rate of over 95%. Based on results to date, the Siou Sector where ongoing exploration work is being carried out has already become SEMAFO's most important find ever.

As gold finds become increasingly elusive, we were proud in 2012 to reaffirm the strength of our Mana operation and its potential for the future with the discovery of the new Siou Sector. Since then, we have expanded the area to incorporate six sub-zones, included one million ounces of inferred in-pit resources in our 2012 resource estimate, and plan to convert to reserves in the third quarter of 2013.

As at December 31, 2012, mineral reserves at Mana totalled 1.9 million gold ounces. Mana's total measured and indicated mineral resources increased to 3.0 million ounces at an average grade of 1.93 g/t Au and inferred mineral resources stand at 1.9 million ounces at an average grade of 3.18 g/t Au. The overall slight decrease in Mana's reserves and resources is the result of the removal of refractory sulphides from the south sector from our December 31, 2012 estimate due to the recovery challenges demonstrated in preliminary standard carbon in leach test results. SEMAFO's mineral reserves estimate is also net of mining depletion.

A significant event for SEMAFO took place in August when founder Benoit La Salle stepped down after over seventeen years at the helm of the Corporation, and I was appointed to the position of President and Chief Executive Officer. I respectfully moved into the role with a full appreciation of the fact that I am accompanied on this journey by a team of seasoned professionals that is second to none.

In the past year, SEMAFO shares fell prey to an extremely volatile financial market and increasingly apprehensive investors. But although our stock price decreased during the year, we believe that the Corporation's fundamentals and potential for creating shareholder value are as strong as ever.



SEMAFO is financially sound, has a solid cash position, is debt-free and completely unhedged. Since November 2011, our Corporation has paid out three dividends. We continue to strive for excellence in health and safety and lead the way in corporate responsibility. Our dedicated team continues to pull together in the pursuit of excellence and an overall commitment to simply doing more. We are determined to optimize operations at all levels, which includes initiatives such as development, realization and printing this annual report in house and fostering the distribution of electronic versions of the document to curb production and printing costs as well as to help save the environment. We are actively performing internal reviews in an effort to improve efficiency and contain costs.

I joined SEMAFO in 1997 and am well aware of the considerable potential of this organization, in particular of our Mana property. Truth be told, SEMAFO has built a reputation that is sometimes regrettably overlooked. For five years now, we have achieved our cash cost objective and met or exceeded our production guidance.

During the year, our Mana Mine entered its fifth year of operations. Since its commissioning in 2008, this remarkable property has produced over three quarters of a million ounces of gold, and holds the promise of millions more ounces moving forward. In 2013, an initial exploration budget of \$20 million has been established for Mana, 85% of which will be devoted to activities that will be carried out on the land within a 20-kilometer radius of the processing plant.

We are optimistic for 2013. We have established a clear strategy to identify new ounces, expand reserves and resources, and build future cash flow. The task at hand is to create value and, moving forward, we are confident that we have the assets, the talent and the ability to do just that.

In closing, I would like to take this opportunity to thank all of our stakeholders for their ongoing commitment. I would like to express my sincere gratitude to our dedicated employees for their sustained efforts, as well as to the communities and other stakeholders in our host countries for their continued support and conviction in our abilities.



Benoit Desormeaux, CPA, CA
President and Chief Executive Officer

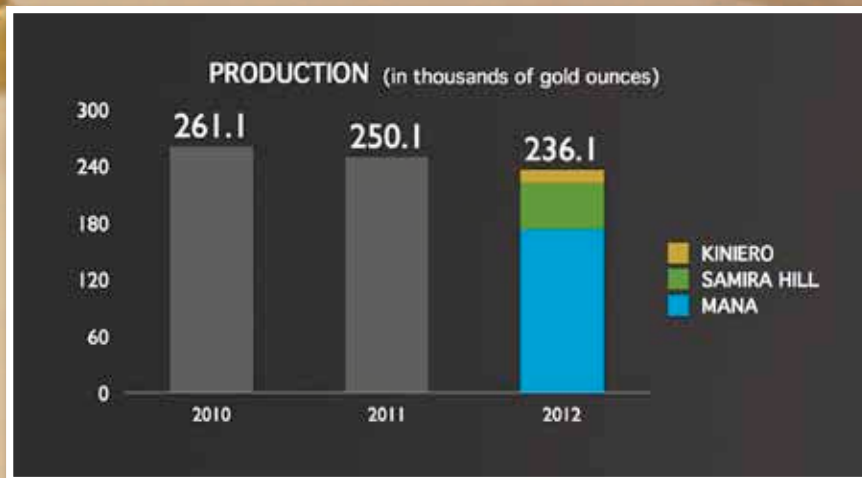
March 21, 2013



In 2012, SEMAFO founder Benoit La Salle stepped down after more than 17 years at the helm of the Corporation and has decided not to stand for re-election to SEMAFO's Board of Directors.

Benoit La Salle's perseverance, leadership and expertise have contributed to the establishment of a solid foundation on which SEMAFO will continue to build, moving forward. The Corporation wishes to thank Mr. La Salle for his unique perspectives, invaluable contributions and enduring commitment throughout all these years.

Several years ago, we initiated an employee recognition program aimed at recognizing employee achievement in connection with our corporate values: respect and integrity, excellence, know-how and teamwork. In 2012 and in honor of SEMAFO's founder and instigator of our deep-seeded values, the program was fittingly renamed the Benoit La Salle Recognition Program. Appropriately, Mr. La Salle's legacy will endure within the Corporation that he so fervently created so many years ago.



OUR ASSETS – KEY TO VALUE CREATION MOVING FORWARD

We are conscious that as a gold producer, tomorrow's success rests on effective exploration and discovery today. We are also fully aware that the key to unlocking SEMAFO's full potential and creating value is to focus on quality ounces and organic growth at our core asset, Mana.



MANA

Our Mana property is located approximately 200 kilometers west of Ouagadougou, the capital city of Burkina Faso. It is host to our flagship Mana Mine, an open-pit mining operation inaugurated in mid-2008. Permitted property at Mana currently totals 2,119 square kilometers of land over the resource-rich Houndé belt.

EXPLORATION

In 2012, we invested approximately \$40 million in exploration at Mana. Our program included over 32,300 meters of core, 252,800 meters of reverse-circulation ("RC") and air core ("AC"), and 86,000 meters of auger drilling, with a good portion of activities devoted to investigating yet-to-be-tested auger geochemical anomalies identified in 2010 and 2011.

As at December 31, 2012, one million ounces from the new Siou Sector were added to SEMAFO's inferred mineral resources for a total of 1.9 million ounces at an average grade of 3.18 g/t Au. Proven and probable mineral reserves totalled 1.9 million ounces at an average grade of 2.31 g/t Au. Mana's total measured and indicated mineral resources increased to 3.0 million ounces at an average grade of 1.93 g/t Au. Our 2012 reserve and resource estimate is net of mining depletion. Additionally, for economic reasons the majority of the refractory sulphides from the south sector have been removed from our mineral resources.

In a world where new gold finds are increasingly elusive, we enjoyed several noteworthy exploration accomplishments. The highlight of 2012 without a doubt is the new high-grade Siou Sector, SEMAFO's most important find to date. The Siou Sector was discovered last August with follow-up RC drilling on an auger geochemical anomaly and is located approximately 15 kilometers east of the Mana processing plant. To date, the Siou Sector boasts one million gold ounces at an average grade of 4.6 g/t Au.

Metallurgic test work performed on samples from the Siou Sector revealed gold recovery rates of over 95%. These represent higher recovery rates than those of any deposit found at Mana to date.

Delineation drilling at Siou in March 2013 confirmed both grade and vein thickness, particularly within the core 500-meter strike length of the mineralized zones. We also identified six different zones within the main Siou area.

In keeping with our objective to focus exploration on organic growth in the vicinity of the processing plant, we intend to add Siou to our reserve base in 2013. Our objective is to begin mining the zone in late 2014 or early 2015. Meanwhile, the deposit located along the 30-kilometer Kokoi trend continues to develop and provide excellent targets for additional resources.

If all goes according to plan, Siou would represent an opportunity to increase production and reduce total cash costs at Mana. The close proximity of the Siou Sector to the Mana processing plant offers considerable transportation, operations and infrastructure synergies.

Early in 2012, a compilation of auger drilling results identified six important gold anomalous trends on the property, once again validating the exceptional potential of the Mana property.

Results from the Wona-Kona Zone continued to reinforce our decision to proceed with the super pit scenario.



OPERATIONS

At Mana, we rallied in the fourth quarter to produce 45,600 ounces for a total annual production of 172,700 ounces at a total cash cost of \$750 per ounce. Mana's production was down despite a 12% increase in ore processed during the year as we successfully commissioned a fourth phase of plant expansion. This shortfall was due to a number of factors including a lower than expected average head-grade as we were unable to access higher-grade ore during the pushback of the Wona-Kona main pit walls.

From an operations standpoint, our decision to proceed with the super pit as opposed to the underground mining scenario was unquestionably the highlight of the year. A comprehensive review of the methodology and resource base, combined with continued positive results from Wona-Kona, motivated the decision to modify our mining method for this area. We remain confident that we made the right decision. The super pit mining method will improve the overall economics of the project, minimize risks, maximize flexibility, and significantly reduce capital investments during the early years.

In the third quarter, we completed the construction of a 60-kilometer water pipeline at a cost of \$5.8 million under originally budgeted \$30.2 million. The pipeline ensures a sufficient water supply to the current processing plant, thereby alleviating our dependency on rainfall and underground water sources and can support plant capacity of up to 14,000 tonnes per day.

In an effort to reduce the turnaround time for assay results, we inaugurated Mana's new on-site exploration laboratory. This new testing facility is housed in a building that is completely separate from the production test area and has a processing capacity of up to 900 samples per day.

An independently owned on-site preparation facility was also established at Mana during the year. This prep lab has the capacity to crush and pulverize up to 500 pulp samples per day and also plays an important role in significantly accelerating overall assay turnaround times.



SAMIRA HILL

The Samira Hill Mine is located on the 50-kilometer gold belt commonly referred to as the Samira Horizon. It is approximately 90 kilometers west of Niamey, the capital of Niger. Production for the property totalled 49,800 ounces of gold at a total cash cost of \$958 per ounce in 2012.

KINIERO

The Kiniero Mine is located in central Guinea, approximately 650 kilometers east of the capital of Conakry. In 2012, production totalled 13,600 ounces of gold at a total cash cost of \$753 during approximately nine months of operation.









MOVING FORWARD TOGETHER

We have often said that our experienced and dedicated team is the heart of SEMAFO's Savoir-faire and that our people, without a doubt, constitute our greatest asset. Our workforce is a key component to the success of our organization.


In an industry burdened by the complexities of a maturing workforce and a shrinking talent pool, the necessity to attract, grow, motivate, and retain talent becomes increasingly important. We view skilled trades as a core competency, crucial to our Corporation and to the reliability and efficiency of our operations. We empower our people to make continuous improvements in their areas of responsibility and we strive to create an environment in which all employees develop and contribute to their full potential.

Ours is an all-inclusive culture and work environment. It promotes mutual respect, diverse values, and the well-being and personal growth of each and every member of the SEMAFO team, which ultimately benefits our workforce, shareholders, business partners and the wider communities in which we operate.

We believe in recognizing and rewarding outstanding results and contributions to our organization. Accordingly, several years ago we initiated an employee recognition program aimed at acknowledging employee achievement in particular with respect to our corporate values: respect and integrity, excellence, know-how and teamwork. To date, more than 300 men and women have been nominated by their peers in various categories including the ability to establish and sustain a positive work environment, community involvement and individual initiatives that facilitate value creation for SEMAFO and its stakeholders.

The proportion of nationals that we employ in West Africa represents a significant 92% of our workforce. Our recruitment efforts remain focused on hiring and training local workers as part of our commitment to promote positive change within communities. Our idea: develop local talent so that they can eventually benefit from positions of responsibility. We continue to partner with Quebec-based school boards to develop and deliver tailor-made training programs and activities for our African workforces. Our expatriate employees work with national employees as mentors to transfer their Savoir-faire to their African colleagues. These programs aimed at developing local talent are at the core of our approach to improve operational competencies and have been an integral part of our organization since 2010.

We recently concluded negotiations securing a three-year collective agreement with our Mana employees in Burkina Faso.



In keeping with our mission, strategy and values, employee health and safety initiatives continue to focus on the factors that enable employees to maximize performance, while maintaining energy and engagement and striving for zero harm in the workplace. In 2012, we advocated health and safety through an expanded prevention program focusing on the systematic identification and monitoring of potential hazards and risks in the workplace. We also initiated a joint inspection program, partnering trained supervisors and employees who perform systematic inspections of various sectors of our operations with a particular focus on the rapidly changing dynamics of our environment. Validating these efforts is the achievement of a second consecutive year of no-lost-time injuries at Mana.

Through initiatives such as our employee-led work groups, our internship programs, the nationalization of jobs in our host countries and our commitment to health and safety in the workplace, SEMAFO continues to be considered an employer of choice at every level. We are proud of our reputation for offering a positive, respectful work environment and genuine career development opportunities, and we intend to continue to do so for years to come.

“It was interesting to see how small investments can generate such big results. For example how transmitting information via radio about health in different languages is an efficient way to reach large groups of people. To install a water pump can save hours for women and children who otherwise would have spent their time getting water. Time that the children can spend in school and the women can better spend on other tasks.”

John Howchin, Secretary-General
Ethical Council, Sweden's AP Funds

MOVING FORWARD RESPONSIBLY

At SEMAFO, our commitment to the responsible and ethical evolution of our business underlies everything we do. Corporate social responsibility is a fundamental part of the way we conduct ourselves and is symbolic of our dual mission and values.

At SEMAFO, how we work is as important as the results we deliver. Anticipating and managing the impacts of our operations on our neighbouring communities and the broader society is at the heart of our approach to social responsibility. Impacts from our operations vary, from the temporary inconvenience of increased noise to the positive benefits of employing native people and procuring local goods and services. SEMAFO's ultimate goal is to improve the lives and livelihoods of the communities in which we operate as we pursue our purpose: to responsibly develop natural resources.

Since our beginnings, we have striven to carry out our operations in a conscientious and respectful manner. We encourage prudent environmental stewardship and believe that being a good neighbour begins with effectively managing the social impacts of our operations and limiting our environmental footprint. Our environmental programs are managing our present and protecting our future.



Water management is one of the most significant environmental and operational aspects of the mining industry. In the sub-Saharan ecosystem of West Africa, water supply, capture, storage, distribution and use become even more challenging. Water management practices at our mines focus on conservation through the diligent prevention of waste, conscientious use and recycling practices, as well as employee awareness and training programs. Independent expert firms are mandated regularly to carry out comprehensive water analysis involving some 20 different parameters on our mine's water works systems. For SEMAFO, ensuring the availability and integrity of the existing natural water supply for local communities is imperative.

For us at SEMAFO, responsible mining includes post-mining rehabilitation. To the extent possible, we endeavour to restore any area affected by our operations to its original state and to assure the long-term stability of the land following termination of our activities. In 2012, our mine site rehabilitation activities included reforestation, restoration and mine planning. During the year, more than 1,500 trees and shrubs were planted in collaboration with local groups in the communities neighbouring our mine in Burkina Faso alone.

2013 Communitas Awards Excellence Winner



SEMAFO was nominated for and was the recipient of a Communitas Award. SEMAFO was recognized for its communication initiative “Together for a Better Society” and overall Excellence in Corporate Social Responsibility.



Drawing from the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, SEMAFO's 2012 Sustainable Development Report continues to reflect our performance across a broad range of social, environmental, and economic indicators. We are also a signatory of the United Nations Global Compact, a voluntary policy platform for organizations committed to sustainability and responsible business practices. Our participation in this leading corporate citizenship initiative attests to our commitment to align our business operations and strategies with ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption.

SEMAFO's "Together for a Better Society" is a national radio campaign in Burkina Faso that we debuted in 2011. The 30-minute weekly radio programs are aimed at raising awareness, providing information and facilitating discussion with regard to social, economic and environmental matters. The radio campaign continues to have an inestimable positive impact on the nation's population, with broadcasts reaching as far as neighbouring countries.







As part of our ongoing corporate philanthropy program, in 2012 we once again pledged up to two percent of our Corporation's net earnings to support the vital works of *Fondation SEMAFO*. Thanks to our contributions, numerous sustainable revenue-generating projects and programs have been established and continue to evolve in our West-African host countries. The economic benefits of these initiatives will endure to touch the lives of thousands of nationals for generations to come.

Most West-African countries have inadequate energy resources. With electrification rates below 30%, the negative repercussions on industrial and agricultural growth as well as on education are considerable. Accordingly, when possible, SEMAFO provides assistance to West-African countries to help them identify and generate new sources of energy and electricity.

Giving back to the communities in which we operate is a deeply-rooted value and an integral part of our *Savoir-faire*. At SEMAFO, we believe that building meaningful long-term relationships is the cornerstone to a solid foundation of social responsibility and that when our host communities thrive, long-term benefits will result for our organization and its shareholders.



BOARD OF DIRECTORS



JEAN LAMARRE
(Executive Chair)
President
Lamarre Consultants



BENOIT LA SALLE, FCPA, FCA
(Executive Vice-Chair)



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- 2 Member of Human Resources and Corporate Governance Committee
- 3 Member of Environment, Health and Safety and Sustainable Development Committee

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H3A 3S8

ANNUAL SHAREHOLDERS MEETING

The Annual General Shareholders

Meeting will be held at 4:00 p.m. on

Monday, May 13, 2013.

Le Centre Sheraton Montréal

Salon Drummond Ouest

1201 René-Lévesque Boulevard West

Montreal, Quebec

H3B 2L7

STOCK EXCHANGE LISTINGS

THE TORONTO STOCK EXCHANGE

THE STOCKHOLM STOCK EXCHANGE

Symbol: SMF

CUSIP: 816922

ISIN: CA8169221089

ANNUAL REPORT

For investor inquiries, including

additional copies of this report in

French or English, please contact

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FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and assumptions and accordingly, actual results and future events could differ materially from those expressed or implied in such statements. You are hence cautioned not to place undue reliance on forward-looking statements. Forward-looking statements include words or expressions such as "priorities", "create", "future", "initial", "expanding", "add", "potential", "targets", "ongoing", "plan", "develop", "expand", "pipeline", "improve", "guidance", "intend" "moving forward" and other similar words or expressions. Factors that could cause future results or events to differ materially from current expectations expressed or implied by the forward-looking statements include the ability to (i) execute on our strategic priorities, (ii) create future cash flows, (iii) expand the Siou Sector and add Siou to reserves in 2013, (iv) develop and expand our project pipeline/portfolio, (v) optimize and improve efficiencies throughout the organization, (v) achieve production of between 215,000 and 240,000 ounces of gold in 2013 at an overall average total cash cost of between \$855 and \$905 per ounce. Other risks and uncertainties relate to fluctuations in currency exchange rates, the price of gold and our operating costs, as well as mining industry risks and uncertainties as to calculation of mineral reserves and resources, delays, political and social stability in Africa (including our ability to maintain or renew licenses and permits) and other risks described in SEMAFO's annual documents for the financial year ended December 31, 2012 filed with Canadian securities regulatory authorities and available at www.sedar.com. These documents are also available on our website at www.semafo.com. SEMAFO disclaims any obligation to update or revise these forward-looking statements, except as required by applicable law.



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