NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

MAY 15, 2014

MANAGEMENT PROXY CIRCULAR

SEMAFO INC.

NOTICE OF OUR 2014 ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

You are invited to our 2014 annual general and special meeting of shareholders

When	**Where**
Thursday, May 15, 2014 10:00 am	Le Centre Sheraton Montreal Hotel 1201, René-Lévesque Boulevard West Salon Jarry & Joyce Montréal, Québec H3B 2L7

Your vote is important

If you held common shares of SEMAFO on March 31, 2014, you are entitled to receive notice of and to vote at this meeting.

The enclosed management proxy circular describes who can vote, what the meeting will cover and how to vote. Please read it carefully.

By order of the Board.

(Signed)

Eric Paul-Hus
Vice-President, Law, Chief Compliance Officer and Corporate Secretary

April 2, 2014
Saint-Laurent, Québec

MANAGEMENT PROXY CIRCULAR

In this document, *you* and *your* refer to the shareholder. *We, us, our* and SEMAFO mean SEMAFO Inc.

You have received this circular because you owned SEMAFO common shares on March 31, 2014.

As a shareholder, you have the right to attend our annual general and special meeting of shareholders on May 15, 2014 at 10:00 am and to vote your shares in person or by proxy. Your proxy is solicited by management.

The information in this circular is as of March 11, 2014 unless otherwise indicated.

On March 11, 2014, the Board of Directors approved the contents of this document and authorized us to send it to you. We have also sent a copy to each director and to the auditors.

Your vote is important. This circular describes what the meeting will cover and how to vote. Please read it carefully and vote, either by proxy or by attending the meeting in person.

(Signed)

Eric Paul-Hus
Vice-President, Law, Chief Compliance Officer and Corporate Secretary

April 2, 2014

LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of SEMAFO's Board of Directors, management and employees, it is with great pleasure that we invite you to attend our Annual General and Special Meeting of Shareholders to be held on Thursday, May 15, 2014 at 10:00 am at Le Centre Sheraton Montreal Hotel.

At the meeting, you will vote and have the opportunity to hear about our performance in 2013, get an update on SEMAFO and our flagship Mana asset as well as meet face to face with management and the Board members.

We invite you to read our *Annual Report 2013* and this *Management Proxy Circular* and to exercise your right to vote.

We look forward to seeing you at the meeting.

Yours sincerely,

(Signed)

Jean Lamarre
Executive Chair of the Board

(Signed)

Benoit Desormeaux, CPA, CA
President and Chief Executive Officer

OUR SHAREHOLDERS' MEETING

WHAT THE MEETING IS ABOUT

Directors – see pages 7 to 12

You will elect directors to the Board. *Nominee directors* starting on page 7 tells you about the nominee directors, their background, experience, the Board committees they sit on, the other companies they serve as board members, their continuing education activities in 2013 as well as their ownership in SEMAFO. All directors are elected for a term of one year.

Auditors – see page 13

You will vote on appointing the auditors. The Board, on the recommendation of the Audit committee, proposes that PricewaterhouseCoopers LLP (*PwC*) be reappointed as auditors. *Auditors* on page 13 tells you about the services PwC provided in 2013 and 2012 and the fees we paid them. A representative of PwC has been invited to and will attend the meeting.

Extension of shareholder rights plan – see pages 14 to 17

You will vote on extending your shareholder rights plan. *Extension of shareholder rights plan* starting on page 14 tells you about the plan and why it needs to be extended.

Say on Pay – see page 18

You will vote on our approach to executive compensation. Your vote is advisory and non-binding and will provide the Human resources and corporate governance committee and the Board with important feedback.

Financial statements – see our 2013 consolidated audited financial statements included in our *Annual Report 2013* or go to www.semafo.com. You will examine the consolidated audited financial statements for the year ended December 31, 2013 and the auditors' report on these statements.

WHO CAN VOTE

If you held common shares at the close of business on March 31, 2014 (known as the *record date),* you are (or the person you appoint as proxyholder is) entitled to vote at the meeting. Each common share gives you the right to one vote. As of March 11, 2014, we had 275,009,182 common shares outstanding entitled to be voted at the meeting.

You can vote by proxy, or you can attend the meeting and vote your shares in person.

Voting by proxy

Voting by proxy means that you are giving someone else (your *proxyholder)* the authority to attend the meeting (or any postponement or adjournment) and vote for you.

Jean Lamarre, the Executive Chair of the Board of SEMAFO, or in his absence, John LeBoutillier, the Lead Director of the Board, or in his absence, Benoit Desormeaux, our President and Chief Executive Officer, have agreed to act as proxyholders to vote your shares at the meeting according to your instructions. **Alternatively, you can appoint someone else to represent you and vote your shares at the meeting.**

If you appoint the people named above (*named proxyholders*) but do not tell them how you want to vote your shares, your shares will be voted:

- ***FOR*** electing the nominee directors who are named in the proxy form and management proxy circular
- ***FOR*** appointing PwC as auditors
- ***FOR*** extending the shareholder rights plan
- ***FOR*** the advisory resolution on our approach to executive compensation (Say on Pay).

If there are amendments or other items of business that are properly brought before the meeting, the named proxyholders (or alternatively, your proxyholder) can vote as he or she sees fit.

Proxy voting process

The voting process is different depending on whether you are a registered or non-registered shareholder.

You are a *registered* shareholder if your name appears on your share certificate.

You are a *non-registered* shareholder if your bank, trust company, securities broker, trustee or other financial institution holds your shares (your *nominee*). This means the shares you own are registered in your nominee's name.

Registered shareholders

You can vote by:

1. Mail
2. Telephone
3. Internet
4. In person at the meeting
5. Appointing someone else to attend the meeting and vote your shares for you.

1. By Mail

Complete your proxy form, sign and date it, and send it to Computershare Trust Company of Canada (*Computershare*) in the envelope provided.

2. By Telephone

Call toll free 1-866-732-vote (8683) from a touch tone phone. Follow the instructions. You will need your control number, which appears on your proxy form. We need to receive your voting instructions before 5:00 pm (EDT) on May 13, 2014.

3. On the Internet

Go to www.investorvote.com and follow the instructions on screen. You will need your control number, which appears on your proxy form. We need to receive your voting instructions before 5:00 pm (EDT) on May 13, 2014.

4. In person at the meeting

Do not complete the enclosed proxy form. When you arrive at the meeting, please see a representative of Computershare. Your vote will be taken and counted at the meeting.

5. Appointing someone else to attend the meeting and vote your shares for you.

Insert the name of the person you are appointing as your proxyholder where provided. This person does not need to be a shareholder. Make sure your proxyholder attends the meeting. He or she will need to see a representative of Computershare upon arrival.

Non-registered shareholders

If you plan to vote by proxy, follow the instructions on the enclosed form. If you plan to vote in person at the meeting, follow the instructions on the enclosed form, or contact your nominee to find out how you can attend the meeting and vote in person. If you plan to appoint a proxyholder to attend the meeting for you, your nominee has its own voting instructions. Be sure to follow the instructions on the enclosed form.

Signing the proxy

If you are an administrator, trustee, attorney or guardian for a person who beneficially holds or controls SEMAFO common shares, or an authorized officer or attorney acting on behalf of a corporation, estate or trust that beneficially holds or controls our common shares, please follow the instructions on the proxy form.

Send us your proxy form right away

Your vote will be counted if Computershare receives your proxy form before 5:00 pm (EDT) on May 13, 2014 or 5:00 pm (EDT) on the business day preceding any meeting that is postponed or adjourned, and the form has been completed properly.

Changing your vote

If you have voted by proxy, you can revoke your vote in the following ways:

Registered shareholders

Instructions that are provided by a form with a later date, or at a later time in the case of voting by telephone or on the Internet, will revoke any prior instructions if they are received before the meeting (or by 5:00 pm (EDT) on May 13, 2014 if voting by telephone). Otherwise:

- Send a notice in writing to the corporate secretary at:

  SEMAFO Inc.
  100, Alexis-Nihon Blvd., 7th Floor
  St-Laurent (Québec) H4M 2P3
  Canada

  so it is received by 5:00 pm (EDT) on May 13, 2014. If the meeting is postponed or adjourned, you will need to send the notice by 5:00 pm (EDT) on the business day before the postponed or adjourned meeting is held.

- give notice in writing to the chair of the meeting at the meeting or the postponed or adjourned meeting.

Non-registered shareholders

Instructions that are provided by a form with a later date, or at a later time in the case of voting by telephone or on the Internet, will revoke any prior instructions provided they are received before the meeting (or by 5:00 pm (EDT) on May 13, 2014 if voting by telephone). Otherwise, contact your nominee if you want to revoke your proxy, change your voting instructions or if you change your mind and decide to vote in person.

The notice can be from you or your attorney if he or she has your written authorization. If the shares are owned by a corporation, the written notice must be from its authorized officer or attorney.

Delivery of proxy-related material to certain non-registered shareholders

We do not intend to pay for a proximate intermediary to send the proxy-related material and request for voting instructions made by an intermediary to non-registered shareholders who are objecting beneficial owners (known as *OBO*s). Consequently, if you are an OBO, you may not receive our proxy-related material unless an intermediary assumes the costs of the delivery.

NOMINEE DIRECTORS

Our articles and by-laws provide that the minimum number of directors is three and the maximum number is 15. This year, the Board has passed a resolution to the effect that seven directors are to be elected. All of them currently serve on the Board.

We have assembled a Board that is the right size and has the relevant skills and experience to function efficiently and manage our business and affairs.

Five of the nominee directors are independent, while Mr. Jean Lamarre, who is the Executive Chair of the Board and Mr. Benoit Desormeaux, our President and Chief Executive Officer, are not independent directors. Directors who are elected will serve until the end of the next annual meeting of shareholders or until a successor is elected or appointed.

None of the nominee directors serve together on the board of a public company other than SEMAFO.

The next five pages give you more information about each nominee director.

Unless otherwise instructed, the named proxyholders will vote ***FOR*** the election of each nominee director.

POLICY ON MAJORITY VOTING

The Board believes that each of its members should carry the confidence and support of the majority of shareholders and, consequently, adopted a majority voting policy.

In the event that a nominee director receives more *WITHHELD* than *FOR* votes, then the nominee will be considered not to have received your support, even though duly elected as a matter of corporate law. Such nominee shall forthwith submit to the Board his resignation. The Human resources and corporate governance committee will then assess all circumstances relating to this situation and, as the case may be, will recommend to the Board whether to accept the resignation of the nominee.

The Board will have 90 days from the date of the shareholders' meeting to issue a press release announcing the resignation of the nominee or explaining why the resignation has not been accepted. The Board may, at its discretion, fill the vacancy created by the resignation or otherwise act in accordance with applicable laws. This policy does not apply in any case where proxy material is circulated in support of one or more nominees who are not supported by the Board.

At your 2013 meeting, you casted your votes ***FOR*** the then nominee directors in the following manner:

- Terence F. Bowles: 99.1%
- Benoit Desormeaux: 95.9%
- Jean Lamarre: 94.9%
- John LeBoutillier: 93.3%
- Gilles Masson: 95.9%
- Lawrence McBrearty: 95.6%
- Tertius Zongo: 99.7%

Name, province and country of residence	Principal occupation	Biography
Terence F. Bowles 64, Nun's Island, Qc Director since 2011 Independent *Areas of expertise:* • Mining • Finance • Risk management • Strategic leadership • Health & Safety • Labour relations *Current committees:* • Audit • Environmental, Health & Safety and sustainable development	President and Chief Executive Officer, The St-Lawrence Seaway Management Corporation	Terence F. Bowles is President and Chief Executive Officer of the St. Lawrence Seaway Management Corporation since November 1, 2010. He had prior roles as President and Chief Executive Officer of the Iron Ore Company of Canada, the largest manufacturer of iron ore pellets in Canada, from 2001 to 2010. Following his 1971 graduation as a Chemical Engineer from Laval University in Québec City, Mr. Bowles joined Quebec Iron and Titanium (QIT). During his 27-year career at QIT, he assumed a series of progressively more senior assignments which culminated with his appointment as President and Chief Executive Officer in 1996, a position he held until 2001. Along with his Engineering Degree, he obtained a Master's in Business Administration from McGill University, completed an Advanced Executive Program at the Kellogg Graduate School of Management in Chicago, a Strategic Leadership Program at the London Business School and McGill's Institute of Corporate Directors Program, where he received the ICD.D designation. Mr. Bowles is a Member of the Québec Order of Engineers. He is currently Past-President of the Canadian Institute of Mining, Metallurgy and Petroleum and a member of the Board of the St. Lawrence Seaway Management Corporation and the Chamber of Marine Commerce.
Benoit Desormeaux[1] 44, Candiac, Qc Director since 2012 Not independent *Areas of expertise:* • Mining • Accounting • Risk management • Finance • Africa • Strategic leadership	President and Chief Executive Officer, SEMAFO Inc.	Mr. Desormeaux became President and Chief Executive on August 8, 2012. Mr. Desormeaux had been our Executive Vice-President and Chief Operating Officer since 2004 and previously held the position of Chief Financial Officer from 2003 to 2004. Prior to joining SEMAFO in 1997, Mr. Desormeaux worked for Deloitte & Touche, LLP. He is a Chartered Professional Accountant, a member of the *Ordre des comptables professionnels agréés du Québec* and holds a Bachelor in Business Administration (BBA) degree from École des Hautes Études Commerciales (HEC).
Jean Lamarre[2] 60, Outremont, Qc Director since 1997 Not Independent *Areas of expertise:* • Finance • Africa • Accounting • Public policy • Risk management	President, 2856166 Canada Inc. doing business under the name Lamarre Consultants (a company representing national and international companies in their efforts to establish or expand their business in Québec)	Mr. Jean Lamarre held various positions of significant responsibility with Groupe Lavalin Inc., including Vice President, Finance. From 1992 to 1995, he was Vice President, Groupe Canam Manac. Mr. Lamarre has close to 40 years of business experience in Africa. He holds a Bachelor in Business Administration (BAA) degree from École des Hautes Études Commerciales (HEC). Mr. Lamarre is a member of the board of directors of TS03 Inc., Technologies D-Box Inc. and Argos Therapeutics, Inc.

1 Mr. Desormeaux is a director of some of our subsidiaries

2 Executive Chair of the Board since June 18, 2008. Mr. Lamarre is a director of some of our subsidiaries. Mr. Lamarre was a director of Medical Intelligence Technologies Inc. which filed for and obtained protection under the *Companies' Creditors Arrangement Act* (Canada) and subsequently made an assignment of its property on February 9, 2010. He was also a director of 6941249 Canada Inc. (known as Mechtronix), which filed a notice of intent to make a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada) on May 15, 2012 and then filed an assignment for the benefit of its creditors on August 3, 2012. Mr. Lamarre was also a director of Mango Industrie de Cuivre Inc., which filed for protection under the *Companies' Creditors Arrangement Act* (Canada) in 2012 and remains subject thereto.

<table>
<tr><th>Name, province
and country of residence</th><th>Principal occupation</th><th>Biography</th></tr>
<tr><td>John LeBoutillier, C.M.[3]
69, Montréal, Qc
Director since 2006
Independent; Lead director
Areas of expertise:
• Corporate governance
• Compensation
• Mining
• Finance
• Risk management
• Strategic leadership
Current committee:
• Human resources and corporate governance (Chair)</td><td>Chairman, Industrial Alliance, Insurance and Financial Services Inc.</td><td>Since May 2005, Mr. John LeBoutillier is Chairman of the Board of Directors of Industrial Alliance, Insurance and Financial Services Inc., a life and health insurance company conducting activities in the insurance and wealth management sectors. He was also President and Chief Executive Officer of the Iron Ore Company of Canada, the largest iron ore producer in Canada, from 1996 to 2000, as well as President and Chief Executive Officer of Sidbec-Dosco Inc. (now ArcelorMittal Montreal Inc.) from 1983 to 1996. Mr. LeBoutillier is a director of Industrial Alliance, Insurance and Financial Services Inc., Mazarin Inc., Asbestos Corporation Limited, Stornoway Diamond Corporation and NovX21 Inc.</td></tr>
<tr><td>Gilles Masson[4]
67, Laval, Qc
Director since 2006
Independent
Areas of expertise:
• Accounting
• Finance
• Mining
• Compensation
Current committees:
• Audit (Chair)
• Human resources and corporate governance</td><td>Corporate director</td><td>Mr. Gilles Masson was elected to the Board of Directors and joined its Audit committee in January 2006. In May 2007, he was appointed Chair of SEMAFO's Audit committee. Mr. Masson is a member of the Ordre des comptables professionnels agréés du Québec and of the Institute of Corporate Directors. He spent 36 years with the firm PricewaterhouseCoopers LLP, Chartered Accountants, including 25 years as partner. His clientele included, among others, large national and international companies with operations in the mining sector. Mr. Masson retired from PwC on December 31, 2005. He served on the board of directors of several publicly-traded companies over the years and currently sits on the board of directors of Royal Nickel Corporation.</td></tr>
<tr><td>Lawrence McBrearty[5]
70, Brampton, Ontario
Director since 2009
Independent
Areas of expertise:
• Mining
• Labour relations
• Health & Safety
• Humanitarian
Current committees:
• Environmental, Health & Safety and sustainable development (Chair)
• Human resources and corporate governance</td><td>Labor relations consultant</td><td>Mr. Lawrence McBrearty's business experience includes a 40-year career with the United Steelworkers of America, the largest industrial labor union in North America. From 1974 to 1994, Mr. McBrearty held positions of increasing responsibility, including Staff Representative, Regional Coordinator, Assistant to the District Director (Québec and Atlantic Canada) and District Director (Québec and Atlantic Canada). Mr. McBrearty was Canadian National Director USW from 1994 to 2004. Mr. McBrearty received a PhD Honoris Causa for his international humanitarian involvement from Université du Québec in 2003. He is a labour relations consultant since 2004. Mr. McBrearty was a member of several Canadian associations and international committees in the steel and mining sectors and a director of WCI Steel Inc. from 2006 to 2008.</td></tr>
</table>

3 Mr. John LeBoutillier was, but is no longer, a director of McWatters Mining Inc. ("McWatters") which, in January 2004, filed a notice of intent to make a proposai to its creditors under the *Bankruptcy and Insolvency Act* (Canada) and was the subject of a cease trade order. The proposai made by McWatters was accepted by its creditors in June 2004 and subsequently ratified by the Quebec Superior Court in July 2004. He was also, but is no longer, a director of Shermag Inc., which filed for and obtained creditor protection under the *Companies' Creditors Arrangement Act* (Canada) (*CCAA*) in April 2008. In August 2009, Shermag presented a plan of arrangement to its creditors and obtained the homologation from the Superior Court (district of Montreal) on September 15, 2009. Shermag closed a transaction with Groupe Bermex Inc. and implemented a plan of arrangement in October 2009 allowing it to emerge from the CCAA proceedings. The transaction enabled Groupe Bermex Inc. to take control over Shermag and to pursue its restructuring and relaunching.

4 Mr. Gilles Masson was, but is no longer, a director of Malaga Inc. ("Malaga") since 2009. In June 2013, Malaga filed a notice of intention to make a proposal pursuant to the provisions of Part III of the *Bankruptcy and Insolvency Act* (Canada). Pursuant to the notice of intention, Raymond Chabot Inc. has been appointed as trustee in Malaga's proposal proceedings and in that capacity is monitoring and assisting Malaga in its restructuring efforts. These proceedings have the effect of imposing an automatic stay of proceedings that will protect Malaga and its assets from the claims of creditors and others while Malaga pursues its restructuring efforts. Malaga submitted a proposal dated October 4, 2013 to its creditors; the proposal was accepted by the creditors pursuant to a vote held on December 13, 2013 and approved by judgment of the Superior Court rendered on January 7, 2014.

5 Mr. McBrearty was also a director of Mango Industrie de Cuivre Inc., which filed for protection under the *Companies' Creditors Arrangement Act* (Canada) in 2012 and remains subject thereto.

Name, province and country of residence	Principal occupation	Biography
Tertius Zongo 56, Ouagadougou, Burkina Faso Director since 2012 Independent *Areas of expertise:* • Africa • Public Policy • Risk management • Finance • Accounting • Strategic leadership *Current committees*: • Audit • Environmental, Health & Safety and sustainable development	Economist	Mr. Tertius Zongo was Prime Minister and Head of Government of the Republic of Burkina Faso from 2007 until 2011. From 2002 until 2007, he was Ambassador Extraordinary and Plenipotentiary of Burkina Faso to the United States of America. From 1988 until 2002, Mr. Zongo had increasingly important positions within the government of Burkina Faso including as Minister of State for Planning and Budget and as Minister of Economy and Finance. As such, he held the office of Governor of Burkina Faso to the World Bank, the International Monetary Fund, the African Development Bank, the Islamic Development Bank and also held various positions at the West Africa sub-regional level. Mr. Zongo was a member of the board of directors of a number of institutions, including the Central Bank of West African States (BCEAO) and the West African Development Bank (BOAD). Prior to his career with the government of Burkina Faso, Mr. Zongo was an Academic at the University of Ouagadougou and the National School of Financial Controls where he taught accounting, business economy and financial management. Mr. Zongo holds a B.A. and a Master's degree in Economy – Business Management – from the University of Dakar, Senegal and a degree of Higher Studies in business management from the Institute of Business Management of Nantes, France.

DIRECTORS' SHARE OWNERSHIP REQUIREMENT

Effective January 1, 2014, the Board adopted new guidelines regarding ownership of common shares by directors. Each director is required, within three years (or, in the case of the Chief Executive Officer and the Executive Chair, five years) following election or appointment to the Board (or, in the case of current directors, three years from January 1, 2014) to purchase a certain number of common shares (or deferred share units) equal to two times their annual retainer, based on the acquisition value of the common shares (or deferred share units). To help achieve this requirement, the Board, on the recommendation of the Human resources and corporate governance committee, adopted a deferred share unit plan effective January 1, 2014. Directors may opt to receive all or part of their compensation in deferred share units rather than cash in order to achieve this ownership requirement.

The table below gives you more information on the ownership of common shares by the nominee directors, the number of options they hold and the value of these ownerships on March 11, 2014[1]:

Name of Director	Common shares	Options
Terence F. Bowles	11,000 $48,290	167,150
Benoit Desormeaux[1]	212,400 $932,436	1,710,000
Jean Lamarre	145,000 $636,550	510,000
John LeBoutillier	30,000 $131,700	376,150
Gilles Masson	70,000 $307,300	331,150
Lawrence McBrearty	15,522 $68,142	246,150
Tertius Zongo	0	180,977

[1] For additional information regarding the share ownership requirement applicable to Mr. Desormeaux as Chief Executive Officer, see page 23.

Together, the nominee directors hold 473,932 common shares and 3,521,577 options. The total value of these common shares is $2,124,418.

A board that has a broad mix of experience, skills and expertise can effectively oversee issues that arise with a company of our size dealing in a complex environment and make more informed decisions.

Experience, skills & expertise	Terence F. Bowles	Benoit Desormeaux	Jean Lamarre	John LeBoutillier	Gilles Masson	Lawrence McBrearty	Tertius Zongo
Accounting		✓	✓		✓		✓
Africa		✓	✓				✓
Compensation				✓	✓		
Corporate governance				✓			
Finance	✓	✓	✓	✓	✓		✓
Health & Safety	✓					✓	
Humanitarian						✓	
Labour relations	✓					✓	
Mining	✓	✓		✓	✓	✓	
Public policy			✓				✓
Risk management	✓	✓	✓	✓			✓
Strategic leadership	✓	✓		✓			✓

MEETING ATTENDANCE

We expect directors to attend all Board meetings as well as all meetings of committees of which they are members. Directors can participate by telephone if they cannot attend in person. The table below shows the number of Board and committee meetings each director attended in 2013:

Name[1]	Board meetings attended	Committee meetings attended	Total meetings attended[2]
Terence F. Bowles	9 of 9: 100%	9 of 9: 100%	18 of 18: 100%
Benoit Desormeaux	9 of 9: 100%	N/A	9 of 9: 100%
Jean Lamarre	9 of 9: 100%	N/A	9 of 9: 100%
John LeBoutillier	9 of 9: 100%	4 of 4: 100%	13 of 13: 100%
Gilles Masson	9 of 9: 100%	9 of 9: 100%	18 of 18: 100%
Lawrence McBrearty	9 of 9: 100%	8 of 8: 100%	17 of 17: 100%
Tertius Zongo	7 of 9: 78%[3]	9 of 10: 90%[3]	16 of 19: 84%[3]

1 Mr.Benoit La Salle decided in late 2012 not to seek reelection at your 2013 meeting and, accordingly, did not attend any Board or committee meeting in 2013

2 In 2013, there were nine Board meetings, five Audit committee meetings, four Human resources and corporate governance committee meetings and four Environmental, Health & Safety and sustainable development committee meetings

3 Mr. Zongo lives in Burkina Faso and frequently travels within Africa. Accordingly, he sometimes participates in Board or committee meetings by telephone. Telephone facilities in Africa have precluded Mr. Zongo from participating in certain Board or committee meetings.

CONTINUING EDUCATION

The Board believes that continuing education allows directors to have a better understanding of our operations and be more efficient. Accordingly, the Board has entrusted the Human resources and corporate governance committee with providing Board members with continuing education opportunities. In order to keep Board members current with our operations, information sessions and briefings are provided at Board and committee meetings on a regular basis and, occasionally, at special meetings. These sessions and briefings relate to our business strategies, evolving business operations, exploration programs, risk management, changes in regulatory environment and subjects of relevance to the Board or the particular committee involved.

The table below describes the various educational sessions held in 2013:

Topic	Presented by	Attended by
IFRIC (IAS 36):Impairment of assets	Chief financial officer	Audit committee
Corruption of Foreign Public Officials Act (Canada)	Vice-president, Law, Chief compliance officer and corporate secretary	Audit committee
IFRIC 20: Stripping costs in the production phase of a surface mine	Chief financial officer	Audit committee
Health & Safety Measures	Vice-president, Human resources	Environmental, Health & Safety and sustainable development committee
Compensation trends in Canada	Vice-president, Human resources	Human resources and corporate governance committee
Risk assessment and management	Chief financial officer	Audit committee
The Gold Market	Investment banker	Board
Semafo's positioning in the Market	Investment banker	Board

In addition, frequent exploration and geology presentations with respect to our Mana property were made during the year at Board meetings by our Vice-president, Exploration and mine geology. Furthermore, the members of the Environmental, Health & Safety and sustainable development committee went on site at Mana in 2013 in order to have on-site knowledge of our various initiatives with respect to environmental, health and safety and sustainable development matters.

AUDITORS

PwC has acted as auditors since our beginning. Unless otherwise instructed, the named proxyholders will vote ***FOR*** reappointing PwC and will authorize the Board to determine their compensation**.**

PwC provides us three types of services:

- *audit services* – these services relate to the audit of our audited annual financial statements and other regulatory audit services
- *audit-related services* – these services relate to professional services regarding interim financial statements, due diligence services related to mergers and acquisitions as well as internal control reviews
- *other services* – these services relate to accounting and financial reporting services pertaining to public offering by prospectus and assurance and advisory services for International Financial Reporting Standards (known as *IFRS*) obligations and conversions.

You will find in the table below the total fees we paid to PwC for all their services in 2013 and 2012 as well as the percentage paid for each type of service compared to total fees:

	Year Ended December 31	
	2013	**2012**
Audit Fees	$564,148 (80%)	$515,185 (65%)
Audit-Related Fees	$90,195 (13%)	$172,155 (22%)
All Other Fees	$52,500 (7%)	$99,723 (13%)
TOTAL FEES	$706,843 (100%)	$787,063 (100%)

EXTENSION OF SHAREHOLDER RIGHTS PLAN

You are asked to approve the extension of your Rights Plan (as defined below). On March 15, 2011, the Board adopted the Rights Plan and entered into a rights plan agreement dated March 15, 2011, with Computershare, as rights agent (*Rights Plan*) giving effect to the Rights Plan. The Rights Plan was ratified and approved by shareholders at your annual general and special meeting held on May, 10, 2011. Unless you approve the extension of your Rights Plan at the meeting, the Rights Plan will terminate at the close of the meeting.

A copy of the Rights Plan is available on SEDAR at www.sedar.com or free of charge upon request to our corporate secretary at:

SEMAFO Inc.
100 Boulevard Alexis-Nihon, 7th floor
Saint-Laurent, Québec H4M 2P3

PURPOSE OF THE RIGHTS PLAN

The Board adopted the Rights Plan to provide shareholders and the Board with adequate time to consider and evaluate any unsolicited bid and to provide the Board with adequate time to identify, develop and negotiate value-enhancing alternatives, if considered appropriate, to any such unsolicited bid.

The Rights Plan encourages a potential acquirer who makes a take-over bid to proceed either by way of a “Permitted Bid” (described below), which generally requires a take-over bid to satisfy certain minimum standards designed to promote fairness or with the concurrence of the Board. If a take-over bid fails to meet these minimum standards and the Rights Plan is not waived by the Board, the Rights Plan provides that holders of our common shares, other than the Acquiring Person (as defined below), will be able to purchase additional common shares at a significant discount to market, thus exposing the Acquiring Person to substantial dilution of its holdings.

The Rights Plan is initially not dilutive. However, if a “Flip-in Event” (described below) occurs, holders of Rights not exercising their Rights after a Flip-in Event may suffer substantial dilution.

The Rights Plan was initially accepted by the Toronto Stock Exchange on March 10, 2011 and the extension has been conditionally accepted by the Toronto Stock Exchange on March 7, 2014. The Board did not adopt the Rights Plan, and is not seeking the extension of the Rights Plan, in response to, or in anticipation of, any pending, threatened or proposed acquisition or take-over bid.

SUMMARY OF THE RIGHTS PLAN

The following is a summary of the principal terms of the Rights Plan, which is qualified in its entirety by reference to the text of the Rights Plan.

Effective Date

The effective date of the Rights Plan is March 15, 2011.

Term

If you do not approve the extension of the Rights Plan at your meeting, it will terminate at the close of your meeting. If you approve the extension of the Rights Plan, it will terminate at the close of your annual meeting in 2017.

Issue of Rights and Transferability

Certificates representing our common shares that were issued and outstanding after 5:00 p.m. (Eastern Standard Time) on March 15, 2011 (*Record Time*) also evidence one Right for each of our common shares represented by such certificates. In addition, certificates representing our common shares issued after the Record Time and prior to the earlier of the Separation Time (as defined below) and the expiration of the Rights Plan will also evidence one Right for each of our common shares represented by such certificates.

Common share certificates do not need to be exchanged to entitle a shareholder to these Rights. A legend referring to the Rights Plan will be placed on all new share certificates for our common shares following the Record Time and prior to the earlier of the Separation Time and the expiration of the Rights Plan.

Until the Separation Time, the Rights will be transferable only together with, and will be transferred by a transfer of, the associated common share. From and after the Separation Time and prior to the expiration of the Rights Plan, the Rights will be evidenced by Rights certificates separate from and independent of the certificates representing our common shares and will be transferable and traded separately from our common shares.

Rights Exercise Privilege

The Rights will become exercisable and will be separate and independent from our common shares at the close of the business on the 10th trading day after the earlier of:

(i) the first date of public announcement by SEMAFO or an Acquiring Person (as defined below) of facts indicating that a person has become an Acquiring Person (*Stock Acquisition Date*)

(ii) the date of the commencement of or first public announcement of the intent of any person to commence a take-over bid (other than a Permitted Bid (as defined below) or a Competing Permitted Bid (as defined below)), and

(iii) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such (*Separation Time*).

Until a Right is exercised, the holder of the Right has no rights as a shareholder.

Acquiring Person

An *Acquiring Person* is a person who beneficially owns 20% or more of our common shares. An Acquiring Person does not, however, include SEMAFO or any of our subsidiaries, or any person who becomes the beneficial owner of 20% or more of our outstanding common shares as a result of a Permitted Bid, a Competing Permitted Bid or certain other exempt transactions described in the Rights Plan.

Flip-In Event

Upon the occurrence of a transaction in or pursuant to which any person becomes an Acquiring Person (*Flip-in Event*), each Right shall constitute the right to purchase from SEMAFO, upon exercise thereof in accordance with the terms of the Rights Plan, that number of our common shares having an aggregate Market Price (as defined below) on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price (as defined below) for an amount in cash equal to the Exercise Price, subject to adjustment as provided in the Rights Plan. The “Market Price” will be the average of the daily closing prices per share of our common shares on each of the 20 consecutive trading days preceding such date. The “Exercise Price” shall be an amount equal to four times the Market Price per share determined as at the Separation Time, subject to adjustment in accordance with the terms of the Rights Plan.

The Rights Plan provides that, upon the occurrence of a Flip-in Event, any Rights that are or were beneficially owned on or after the earlier of the Separation Time or the Stock Acquisition Date by:

(i) an Acquiring Person (or any affiliate or associate of an Acquiring Person or any other person acting jointly or in concert with an Acquiring Person or any affiliate or associate of such other person), or

(ii) a transferee or other successor in title of Rights, directly or indirectly, from an Acquiring Person (or any affiliate or associate of an Acquiring Person or any other person acting jointly or in concert with an Acquiring Person or any affiliate or associate of such other person), where such transferee becomes a transferee concurrently with or subsequent to the Acquiring Person becoming an Acquiring Person; shall become null and void without any further action and any holder of such Rights (including transferees or other successors in title) shall not have any other rights whatsoever with respect to such Rights under any provision of the Rights Plan.

Permitted Bids and Competing Permitted Bids

A *Permitted Bid* is a take-over bid made by way of a take-over bid circular which also complies with the following provisions:

(i) the take-over bid is made to all holders of our common shares, other than the person who is making the take-over bid

(ii) the take-over bid contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified provision that none of our common shares will be taken up or paid for pursuant to the take-over bid prior to the close of business on the date which is not less than 60 days following the date of the take-over bid and only if at such date more than 50% of our common shares held by independent shareholders shall have been deposited or tendered pursuant to the take-over bid and not withdrawn

(iii) unless the take-over bid is withdrawn, the take-over bid contains an irrevocable and unqualified provision that our common shares may be deposited pursuant to such take-over bid at any time during the period of time described in (ii) above and that any of our common shares deposited pursuant to the take-over bid may be withdrawn until taken up and paid for, and

(iv) the take-over bid contains an irrevocable and unqualified provision that, in the event that the deposit condition set forth in (ii) above is satisfied, the person who is making the take-over bid will make a public announcement of that fact and the take-over bid will remain open for deposits and tenders of our common shares for not less than ten business days from the date of such public announcement.

However, a Permitted Bid will cease to be a Permitted Bid at any time when such bid ceases to meet any of the above provisions.

A *Competing Permitted Bid* is a take-over bid that:

(i) is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry of that Permitted Bid or Competing Permitted Bid

(ii) satisfies all of the provisions of a Permitted Bid (other than the minimum deposit period and the time period for the take-up of and payment for our common shares), and

(iii) contains, and the take-up and payment for securities tendered or deposited thereunder are subject to, irrevocable and unqualified conditions that none of our common shares shall be taken up or paid for pursuant to such take-over bid (x) prior to the close of business on a date that is not earlier than the later of 35 days or the last day on which the take-over bid must be open for acceptance after the date of such take-over bid under applicable Canadian provincial securities legislation and the earliest date on which our common shares may be taken up or paid for under any prior bid, and (y) then only if, at the time that our common shares are first taken up or paid for, more than 50% of our then outstanding common shares held by independent shareholders have been deposited or tendered pursuant to such take-over bid and not withdrawn; and the person making the take-over bid will make a public announcement of that fact and the take-over bid will remain open for deposits and tenders of our common shares for not less than ten business days from the date of such public announcement.

However, a Competing Permitted Bid will cease to be a Competing Permitted Bid at any time when such bid ceases to meet any of the above provisions.

Neither a Permitted Bid nor a Competing Permitted Bid need be approved by the Board and may be taken directly to you. The acquisition of our common shares made pursuant to a Permitted Bid or a Competing Permitted Bid does not give rise to a Flip-in-Event.

Redemption and Waiver

Until the occurrence of a Flip-in Event, the Board, subject to receipt of shareholder approval, may at any time elect to redeem all but not less than all of the then outstanding Rights at a redemption price of $0.00001 per Right (*Redemption Price*), subject to adjustment as provided in the Rights Plan. The Board will be deemed to have elected to redeem all of the outstanding Rights at the Redemption Price where a person acquires our common shares pursuant to a Permitted Bid, a Competing Permitted Bid or a take-over bid otherwise exempted by the Board. Where a take-over bid that is not a Permitted Bid or Competing Permitted Bid expires, is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board may elect to redeem all of the outstanding Rights at the Redemption Price. If the Board elects or is deemed to have elected to redeem the Rights, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights will be to receive the Redemption Price.

Under the Rights Plan, the Board may, subject to shareholder approval, at any time prior to the occurrence of a Flip-in Event that would occur by reason of an acquisition of our common shares (other than pursuant to a take-over bid made by means of a take-over bid circular to all holders of our common shares or other than through inadvertence), waive application of the Rights Plan. The Board also has discretion at any time prior to a Flip-in Event to waive application of the Rights Plan to a take-over bid made by way of a take-over bid circular sent to all holders of our common shares. However, in such event the Board will be deemed to have waived the application of the Rights Plan with respect to all other take-over bids made while the waived take-over bid is outstanding. The Board may also waive the application of the Rights Plan to a Flip-in Event, which the Board has determined occurred through inadvertence, subject to the inadvertent Acquiring Person reducing its holding of our common shares within 14 days after that the Board's determination or such earlier or later date as the Board may determine.

Amendment

We may make any amendment to the Rights Plan to correct any clerical or typographical errors or any other amendments which are required to maintain the validity of the Rights Plan as a result of a change in any applicable legislation or regulations or rules.

Subject to the foregoing, and prior to the Separation Time, we may supplement, amend, vary, rescind or delete any of the provisions of the Rights Plan and the Rights with shareholder approval.

Subject to the foregoing, and after the Separation Time, we may supplement, amend, vary, rescind or delete any of the provisions of the Rights Plan and the Rights with approval of the holders of Rights.

Shareholder approval

The resolution to extend the Rights Plan, substantially in the form set forth in Appendix D, requires the approval of a majority of the votes cast at your meeting. Unless otherwise instructed, the named proxyholders will vote ***FOR*** the resolution extending the rights plan.

The Board unanimously recommends that you vote *FOR* the resolution extending the Rights Plan.

SAY ON PAY

You have the opportunity to vote on our approach to executive compensation. Your vote is advisory and non-binding and will provide the Human resources and corporate governance committee and the Board with important feedback.

Executive compensation starting on page 22 tells you about our executive compensation philosophy and how we implement it.

The Board believes it is important to give shareholders an effective way to provide input on our approach to executive compensation. Hence, you have the opportunity to vote *for* or *against* our approach to executive compensation through the following resolution:

> *Resolved, on an advisory basis and not to diminish the role and responsibilities of the board of directors that the shareholders accept the approach to executive compensation disclosed in SEMAFO's management proxy circular delivered in advance of the 2014 annual meeting of shareholders.*

We recommend that shareholders vote ***FOR*** the advisory resolution on our approach to executive compensation. Unless otherwise instructed, the named proxyholders will vote ***FOR*** the advisory resolution.

You can also write directly to the Chair of the Human resources and corporate governance committee with your views on our executive compensation.

Because your vote is advisory, it will not be binding upon the Board. However, the Human resources and corporate governance committee and the Board will take the outcome of the vote into account when considering future executive compensation. Last year, 87.6% of the votes cast at your meeting voted ***FOR*** our approach to executive compensation.

CORPORATE GOVERNANCE

We believe that good corporate governance practices are at the core of sustainable mining and responsible business behavior towards all our stakeholders.

This section includes a report of each committee of the Board. You will find a complete discussion of our corporate governance practices in Appendix A.

REPORT OF THE AUDIT COMMITTEE

The Audit committee primarily supports the Board in its oversight of risk management, auditing and accounting issues. The Audit committee is composed of three independent directors, each of whom is "financially literate" as such expression is defined under Canadian Securities Administrator's rules. You will find the mandate of the Audit committee on our website at www.semafo.com.

In 2013, the Audit committee:

Financial reporting and internal controls

- Recommended to the Board for approval all consolidated financial statements, related management's discussion and analysis and press releases as well as the annual information form
- Monitored compliance with National instrument 52-109
- Obtained appropriate training on two new important accounting rules, IFRIC (IAS 36) - Impairment of assets and IFRIC 20 - Stripping costs in the production phase of a surface mine
- Oversaw the adoption of a new policy on authorizations.

Governance and risk

- Received presentations regarding the major risks facing our operations
- Oversaw the implementation of an anti-corruption program, including the adoption of an anti-corruption policy
- Monitored several developments in our host countries that may have had repercussions on our financial statements
- Recommended to the Board the reappointment of PwC as auditors and the determination of their compensation
- Oversaw the adoption of a new treasury policy
- Met in private with the independent auditors
- Recommended to the Board for approval amendments to the mandate of the Audit committee.

Strategic

- Oversaw the process leading to the impairment of certain assets
- Met without management present at each meeting.

2013 was a good year for the Audit committee as we dealt successfully with a variety of sensitive and intricate issues.

Gilles Masson (Chair)

Terence F. Bowles (Member)

Tertius Zongo (Member)

Report of the Environmental, Health & Safety and Sustainable Development Committee

The Environmental, Health & Safety and sustainable development committee primarily supports the Board in its oversight of environmental, health and safety and sustainable development issues. The committee is composed of three independent directors. You will find the mandate of this committee on our website.

In 2013, the committee:

Sustainable development

- Recommended to the Board for approval our third sustainable development report
- Monitored compliance with 27 indicators developed by the Global Reporting Initiative (GRI)
- Monitored compliance with the 10 principles of the United Nations Global Compact.

Governance and risk

- Oversaw the environmental and health and safety risks facing our operations
- Received presentations on environmental, health and safety and sustainable development issues
- Recommended to the Board for approval amendments to the mandate of the committee as well as our environmental, health & safety and sustainable development policies.

Environment and Health & Safety

- Oversaw the enquiry following the death of an employee and the implementation of improved safety measures
- Recommended that Health & Safety objectives become part of our 2014 short-term incentive program to help foster a culture of health and safety at work
- Monitored our health and safety record and followed-up on reported incidents
- Monitored health issues facing our employees in Africa
- Monitored health issues facing the inhabitants of the communities surrounding our mines.

Strategic

- Went on-site at the Mana mine to have face-to-face meetings with employees and assess progress made in environmental, health and safety and sustainable development matters.

The unfortunate death of an employee during the year was a sad moment for the Environmental, Health & Safety and sustainable development committee. A detailed investigation was carried out and we believe that all appropriate measures were taken to prevent a similar event from occurring again. The committee's objective has not changed: to assist the Board in its objective of establishing SEMAFO as a responsible mining corporation in the countries in which we operate.

Lawrence McBrearty (Chair)

Terence F. Bowles (Member)

Tertius Zongo (Member)

REPORT OF THE HUMAN RESOURCES AND CORPORATE GOVERNANCE COMMITTEE

The Human resources and corporate governance committee primarily supports the Board in its oversight of named executive officers' compensation, corporate governance and disclosure issues. The committee is composed of three independent directors. You will find the mandate of the Human resources and corporate governance committee in Appendix C.

In 2013, the committee:

Board composition

- Evaluated the composition, size and expertise of the Board
- Recommended the nominee directors who stand for election.

Compensation

- Oversaw the elaboration of numerous, tailor-made to the gold mining industry objectives for our 2013 short-term incentive program
- Reviewed the compensation package of each named executive officer and recommended to the Board for approval these compensation packages
- Developed and recommended to the Board for approval new director share ownership guidelines
- Oversaw and recommended to the Board for approval the adoption of a deferred share unit plan.

Governance

- Engaged in a dialogue with representatives of the investing community with a view to better understand investors' concerns and improve our disclosure practices
- Oversaw and recommended to the Board for approval a new, expanded clawback policy with respect to the reimbursement of variable compensation by executive officers in certain circumstances
- Oversaw the report on compensation that you will find beginning on page 22
- Recommended to the Board for approval this proxy circular.

Strategic

- Met without management present at each meeting.

The quest for improved governance practices will never end and the committee is dedicated to making SEMAFO a better company, year after year.

John LeBoutillier (Chair)

Gilles Masson (Member)

Lawrence McBrearty (Member)

COMPENSATION[1]

EXECUTIVE COMPENSATION - DISCUSSION AND ANALYSIS

Our executive management compensation philosophy, which applies to the named executive officers mentioned in this document, is designed to attract, retain and motivate the named executive officers to contribute to optimal organizational performance and corporate growth. Its objective is to reward performance while ensuring that the overall compensation is competitive with the gold mining industry and does not expose us to inappropriate or excessive risks.

The Human resources and corporate governance committee, composed of Messrs. John LeBoutillier (Chair), Gilles Masson and Lawrence McBrearty, all independent directors, is responsible for developing and implementing this philosophy and recommends annually to the Board for approval the appropriate compensation for the named executive officers. Mr. LeBoutillier, the Board's Lead director, was President and Chief Executive Officer of two sizeable companies from 1983 to 2000 and is Chairman of the Board of Industrial Alliance, Insurance and Financial Services Inc. since May 2005. Mr. LeBoutillier has also served as director of several public companies over a number of years. As a result, Mr. LeBoutillier has relevant experience in determining executive and director compensation. Pages 22 to 27 as well as pages 51 and 52 provide more information on the decision making process of the Human resources and corporate governance committee. You will also find its mandate in Appendix C.

To reach its objectives, our executive management compensation philosophy includes three components:

1. base salary
2. short-term incentive (annual bonus)
3. long-term incentive (restricted share units and, up to 2010, stock options).

We do not have a pension plan and do not pay any other kind of compensation (such as parking, car allowance, personal tax service, etc.) to named executive officers or directors.

Since 2009, the Human resources and corporate governance committee has worked with PCI-Perrault Conseil Inc. (*Perrault Conseil*), an independent compensation consultant, to analyze the compensation of named executive officers. In 2012, the Human resources and corporate governance committee, recognizing that competition amongst mining companies for skilled management and operational personnel was intense, requested that Perrault Conseil review the compensation of five publicly-traded gold mining companies selected because the financial markets routinely perceived these companies as peers to SEMAFO. These companies are:

- Alacer Gold Corporation
- Alamos Gold Inc.
- AuRico Gold Inc.
- B2Gold Corporation
- Golden Star Resources Ltd.

In 2013, the Human resources and corporate governance committee was of the view that the 2012 study conducted by Perrault Conseil was still relevant and did not request any update or a new study. However, there were discussions in 2013 between the Chair of the Human resources and corporate governance committee and Perrault Conseil with respect to the 2012 study and Perrault Conseil's services in this regard in 2013 amounted to $1000.

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[1] We report our financial results in US dollars but all named executive officers and directors are paid in Canadian dollars. Accordingly, in this circular, unless otherwise indicated, all amounts are in Canadian dollars.

1. **Base salary**

Our traditional objective with respect to base salary is to position our named executive officers at the market median. The experience, seniority and responsibilities of the named executive officers are also taken into account and, with respect to named executive officers other than himself and the Executive Chair, the recommendations of the President and Chief Executive Officer. The Board makes the final determination of the base salary of the named executive officers on the recommendation of the Human resources and corporate governance committee. Messrs. Desormeaux and Lamarre are not present when their respective base salary is discussed and approved by the independent directors.

In 2013, given our disappointing stock performance in 2012, the Board, on the recommendation of the Human resources and corporate governance committee, decided not to increase the base salary of the executive management team.

The purpose of this component of our executive management compensation philosophy is to ensure that the overall compensation of named executive officers is competitive with the gold mining industry.

Chief Executive Officer Ownership Policy

The Board has adopted an ownership requirement providing that the Chief Executive Officer must hold that number of common shares of SEMAFO with a value of at least two times his or her base salary. This requirement is to be attained within five years of becoming the Chief Executive Officer and must be maintained during the tenure as Chief Executive Officer.

2. Short-term incentive

Our short-time incentive component takes the form of an annual bonus. Annual bonuses are generally payable in cash and are designed to reward corporate performance based on predetermined corporate objectives and performance measures. Those corporate objectives and performance measures are fixed at the beginning of each year by the Board on the recommendation of the Human resources and corporate governance committee and are based on our yearly budget, strategic plan and other performance enhancement initiatives.

In 2013, the Human resources and corporate governance committee oversaw a complete overhaul of the objectives of our short-term incentive component with a view to:

- Increase the number of objectives to be met in order to receive payment of the annual bonus
- Better align the amounts payable as annual bonuses with the performance of our common shares
- Ensure that annual bonuses properly reflect our business environment
- Ensure that meeting annual bonus objectives does not translate into undue risk and takes into account long-term growth objectives.

The Human resources and corporate governance committee requested that management review the annual bonus objectives of other gold producers. The following companies were selected, given the disclosure in their proxy material, which allowed for a meaningful understanding of their short-term incentive program:

- Agnico Eagle Mines Limited
- Alamos Gold Inc.
- Barrick Gold Corporation
- Eldorado Gold Corporation
- Goldcorp Inc.
- Iamgold Corporation
- Newmont Mining Corporation
- Osisko Mining Corporation

The 2013 annual bonuses for the named executive officers were structured to reward the achievement of corporate, operational and individual objectives specifically set for each named executive officer with the exception of Mr. Lamarre, the Executive Chair of the Board. In addition to regular contacts with African officials, Mr. Lamarre sits on the board of directors of several of our African subsidiaries and other companies active in Africa, together with government representatives. Mr. Lamarre is the Chair of some of our subsidiaries, a very prestigious position in Africa, and as such negotiates meeting agendas and other board matters with government representatives. Mr. Lamarre receives and deals with complaints and requests made by African officials and plays a crucial role in the development and implementation of our positioning strategies on the continent.

Given this unique situation, the Board, on the recommendation of the Human resources and corporate governance committee, concluded that Mr. Lamarre's annual bonus should not be based on our corporate or predetermined individual objectives but rather on the evolution of our relationships with the various governmental stakeholders in the countries where we operate.

The table below indicates the objectives of our 2013 short-term incentive component, as well as the weighting of such objectives in establishing the annual bonus of each named executive officer:

Objectives / **Named Executive Officer**	**Corporate objectives**	**Operational objectives**		**Reserves replacement**
	Meet the Gold index	**Gold Production of 206,876 ounces**	**All-in Cost of US$1,341/ounce**	**700,000 ounces**
Benoit Desormeaux	15%	30%	30%	25%
Patrick Moryoussef	15%	30%	30%	25%
Martin Milette	15%	30%	30%	25%
Michel Crevier	15%	22.5%	22.5%	40%

The results of our corporate objectives are then weighted by 25%, representing the individual performance objective set forth with respect to each named executive officer. Each of Messrs. Desormeaux, Moryoussef and Milette exceeded his individual performance objective in 2013 while Mr. Crevier met his. The named executive officers' performance is assessed by the President and Chief Executive Officer and approved by the Board on the recommendation of the Human resources and corporate governance committee. The individual objectives of the President and Chief Executive Officer are assessed by the Board on the recommendation of the Human resources and corporate governance committee.

With respect to the gold index objective, an index comprised of 11 selected gold companies was prepared by management at the time the 2013 annual bonus objectives were set. These 11 companies were selected given their important presence in Africa as they were thus deemed to be comparable to SEMAFO in terms of assessing stock performance. These companies are:

- African Barrick Gold plc
- Amara Mining plc
- Avocet Mining plc
- Centamin plc
- Endeavour Mining Corporation
- Golden Star Resources Ltd
- Iamgold Corporation
- Kinross Gold Corporation
- Nevsun Resources Ltd.
- Perseus Mining Limited
- Teranga Gold Corporation

In 2013, the objective was to meet the stock performance of this home-made index. Over time, this component of our annual bonus objectives will be measured over a three-year period. Beating the index by four points means that this objective has been met as at 120%, and up to 150% if our stock performance surpasses the index by five points or more. There is also a gradation scale on the other side, where failure to meet the index by more than five points means a score of 0 with respect to this objective. In 2013, our stock performance surpassed the foregoing index by 41 points, translating into this objective being met at 150%.

With respect to the gold production objective, it had been set in 2013 at 228,100 ounces. However, in August 2013, we placed the Samira Hill mine in care and maintenance to then proceed with its sale in early December. Furthermore, given the strategic priority of fast-tracking our Siou deposit, a decision was made during the year to transfer equipment needed for production from our currently producing Wona-Kona pit to the soon-to-be producing high grade Siou pit. Considering these factors, and having obtained assurances that we would have met our production objective at Mana had our strategic decision to fast-track Siou not been made, the Board, on the recommendation of the Human resources and corporate governance committee, decided that it was appropriate to adjust this objective to a production of 206,876 ounces for the year. In 2013, we produced 205,185 gold ounces, thereby meeting this objective at 90%.

With respect to the all-in cost objective, a determination first had to be made as to what costs were to be included in this definition. For the purposes of the 2013 annual bonuses, all-in costs were defined as mining operation expenses, government royalties per ounce sold and capital expenditures per ounce. The objective was set at US$1,341 per ounce produced, with a gradation scale allowing it to be met from 50% to 150% based on variations of up to 10% from the objective. In 2013, our all-in cost per ounce was US$1,224, meaning this objective has been met at 120%.

The objective with respect to gold reserve replacement was set at 700,000 ounces in 2013. Over time, this component of our annual bonus objectives will also be measured over a three-year period. In 2013, we added 770,000 ounces to our reserves, thereby attaining 120% of this objective.

Overall, the corporate and operational objectives of the named executive officers were met as at 115.5% in the aggregate, except for the Vice-president, Exploration and mine geology who stands at 117.75%.

Generally, the target bonus of the named executive officers expressed as a percentage of salary is:

- for the President and Chief Executive Officer, 90% of his salary. In 2013, his bonus was equal to 119% of his salary
- the annual bonus of the Executive Chair of the Board is not based on meeting our corporate objectives or on predetermined individual objectives. For more information on the Executive Chair annual bonus, see page 24. In 2013, his bonus was equal to 84% of his salary
- for the Vice-President, Mining operations, 50%. In 2013, his bonus was equal to 65% of his salary
- for the Vice-President, Exploration and mine geology, 50%. In 2013, his bonus was equal to 59% of his salary

- for the Chief Financial Officer, 35%. In 2013, his bonus was equal to 46% of his salary.

The Board, on the recommendation of the Human resources and corporate governance committee, approves the annual bonus of each named executive officer. The Board exercises its discretion when approving the annual bonus of named executive officers and may sometimes decide to award compensation notwithstanding that a corporate objective or performance goal has not been met. The Board, on the recommendation of the Human resources and corporate governance committee, could also decide to increase an award in the event of an outstanding result or reduce it for reasons that it deems fit. Messrs. Desormeaux and Lamarre are not present when their respective annual bonus is discussed and approved by the independent directors.

Since January 1, 2014, employees, including named executive officers and directors, can elect to receive all or part of their annual bonus (or any component of their compensation) in deferred share units.

The purpose of this component of our executive management compensation philosophy is to ensure that:

- overall compensation is competitive with the gold mining industry
- named executive officers are rewarded for corporate and individual performance
- we are not exposed to inappropriate or excessive risks.

Recoupment (Clawback) Policy

Should our financial statements have to be restated by reason of fraud or misconduct, the Board may, in its sole discretion, require reimbursement under certain circumstances of all or a portion of the variable compensation paid or vested in the past twelve months (annual bonus, Units (as defined below) and options (as defined below)) to certain executive officers.

3. Long-term incentive

The Board is committed behind the principles of:

- tying compensation to performance
- ensuring that employees have a stake in our growth.

The Board believes that compensation practices are an important component of best corporate governance practices. Accordingly, with a view to have a long term incentive mechanism that would meet SEMAFO's executive management compensation philosophy while being non-dilutive to you, the Board, on the recommendation of the Human resources and corporate governance committee assisted by Perrault Conseil, recommended to the Board the adoption of the Unit Plan (as defined below), effective January 1, 2011.

Prior to the adoption of the Unit Plan, key employees, officers, directors and consultants received from time to time stock options (*options*) pursuant to either of our stock option plans.

Overview of our incentive plans

You will find in this section more information on our incentive plans. This is a summary only and you should read the full texts of the plans which are available on the SEDAR website at www.sedar.com. Since the adoption of the 2010 Plan (as defined below), although the Original Plan (as defined below) remains in effect in respect of outstanding options granted thereunder, all options have been granted pursuant to the 2010 Plan. No further options shall be granted under the Original Plan. Furthermore, with the adoption of the Unit Plan, the Board anticipates that only independent members of the Board will be granted options under the 2010 Plan in the future while current employees, executive management (including named executive officers) and consultants will receive restricted share units (*Units*) under the Unit Plan.

THE UNIT PLAN

The Restrictive Stock Unit Plan (*Unit Plan*) is a non-dilutive long-term incentive plan pursuant to which Units are granted in lieu of actual shares or options to purchase common shares. Neither shareholder nor regulatory approval is required in respect of the Unit plan. The Unit Plan applies to our employees, officers, directors and consultants and those of our subsidiaries. The Unit Plan is administered by the Board, who acts in this regard upon the recommendation of the Human resources and corporate governance committee.

Each Unit has a value corresponding to a debt of SEMAFO equal in value to one share and credited to a participant's notional account in accordance with the Unit Plan. Pursuant to the Unit Plan, provided that the applicable vesting conditions are met at the end of the performance cycle, the redemption value of a Unit is determined by multiplying the number of Units vested at the end of the performance cycle by the average closing price of our shares in the last five trading days prior to the end of said performance cycle. Units that have not vested at the end of a performance cycle are automatically cancelled. Units granted under the Unit Plan cannot be assigned, transferred or otherwise disposed of. The Board may amend, suspend or terminate the Unit Plan provided such amendment does not adversely affect the right of a participant. In the event that we pay a cash dividend on our common shares, participants are entitled to receive additional Units. The number of additional Units to be issued corresponds to the cash dividend that the participant would have received if his or her Units had been SEMAFO common shares at the date of payment of the cash dividend.

Units are awarded in relation to a fixed percentage of base salary. Every year, at its January meeting, the Board establishes the value at which Units will be issued during the year. This value equals the average of the closing price of our common shares on the Toronto Stock Exchange for the five trading days ending December 31 of the previous year. Named executive officers are thereafter granted Units based on a percentage of their base salary. For instance, the President and Chief Executive Officer is entitled to receive the equivalent of 225% of his base salary in Units. For 2013, the value of the Units was fixed at $3.36 based on the formula explained above. Accordingly, Mr. Desormeaux received 281,250 Units ($420,000 x 225% / $3.36).

Generally, the target percentage of Units that named executive officers are entitled to receive in relation to their respective base salary is:

- for the Executive Chair of the Board, 200%. In 2013, he received 133,929 Units. Mr. Lamarre renounced all 2013 Units granted to him, which would have amounted to $450,001. Mr. Lamarre was not granted any Unit in 2014 and it is currently contemplated that he will not receive any Unit in the future.
- for the Vice-president, Mining operations, 150%. In 2013, he received 132,164 Units
- for the Vice-president, Exploration, mine and geology, 150%. In 2013, he received 121,199 Units.
- for the Chief Financial Officer, 115%. In 2013, he received 78,158 Units.

Units granted in 2013 have a three-year performance cycle, will vest on December 31, 2015 and will be paid in 2016.

In the event that a participant ceases to be an employee, officer, director or consultant, he or she shall continue to acquire Units until the end of the performance cycle provided that the applicable vesting conditions are otherwise met. The number of Units vested at the end of the performance cycle is then adjusted proportionally to the number of days worked by the participant during the performance cycle. However, if a participant resigns or is terminated for cause before the end of a performance cycle, all of his or her Units immediately become null and void. Special provisions apply upon retirement of a participant.

OPTION PLANS

Options may be awarded by the Board, on the recommendation of the Human resources and corporate governance committee, at the commencement of employment and annually thereafter or on meeting corporate or individual objectives. From time to time, options may also be awarded to recognize an exceptional accomplishment. In recommending option grants, the Human resources and corporate governance committee considers the number of options already held by the named executive officer, the level of responsibility, the overall contribution to our business plan and the fulfillment of the corporate objectives. Options awarded to named executive officers and employees usually vest 25% per year on the anniversary date of the grant and, depending on the option plan, are valid for a period of five or 10 years, after which they are cancelled. The initial options awarded to independent directors upon joining the Board vest in the same manner but annual options granted thereafter to independent directors, if any, vest immediately. Each option entitles the holder, upon exercise, to one SEMAFO common share.

Options granted in 2013

In total, 338,970 options were granted to independent directors in 2013. This represents 0,12 % of our common shares outstanding on December 31, 2013. These options were all granted pursuant to the 2010 Plan (as defined below).

The 2010 Plan

On May 10, 2010, the Board adopted a new stock option plan (*2010 Plan*) which was approved at your annual general and special meeting held on June 16, 2010. The adoption of the 2010 Plan does not affect options outstanding under our original stock option plan (*Original Plan*).

The 2010 Plan applies to key employees (including named executive officers), directors, consultants and those of our subsidiaries and provides for the grant of non-transferable options to purchase common shares. The Board, upon the recommendation of the Human resources and corporate governance committee, decides to whom options are granted, as well as the conditions attached to the grant of options, and will generally make all decisions regarding the 2010 Plan, provided that:

- the total number of common shares covered by the options granted to a given optionee does not exceed 5% of the total number of common shares issued and outstanding
- the total number of common shares issuable to insiders at any time under the 2010 Plan and any other security-based compensation arrangements of SEMAFO does not exceed 10% of the total number of common shares issued and outstanding
- the total number of common shares issued to insiders during any one-year period under the 2010 Plan and any other security-based compensation arrangements of SEMAFO does not exceed 10% of the total number of common shares issued and outstanding
- the total value of options granted under the 2010 Plan and any other security-based compensation arrangements of SEMAFO to any one non-employee director during any one financial year shall not exceed $100,000, such total value to be determined by the Board based upon the values of options granted to the non-employee director during that financial year on the date of grant of such options.

Under the 2010 Plan, options have a term and vest as determined by the Board, provided that the term cannot exceed five years. However, the 2010 Plan allows options which would terminate or cease to be exercisable during or immediately following a blackout period, as provided in our securities trading policy, to remain exercisable until the 10th business day following the cessation of that blackout period.

The exercise price of an option granted under the 2010 Plan cannot be less than the fair market value of our common shares on the date of grant, which is the closing price of our common shares on the Toronto Stock Exchange (or, if our common shares are not listed on the Toronto Stock Exchange, on the stock exchange on which the common shares are then listed for trading) on the last day of trading preceding the date of grant unless we are in a blackout period. The price of an option is payable in full when exercised.

Options granted under the 2010 Plan cannot be assigned, transferred or otherwise disposed of other than by will or by applicable laws of succession.

Generally, the 2010 Plan provides that, if an optionee ceases being an employee, officer, director or consultant, the optionee will only be able to exercise his or her options for a period of 90 days following the date the optionee ceases being an employee, officer, director, or consultant, provided that any unvested option can only be exercised if and when such option vests during such 90-day period. Where an optionee's employment or service ceases as a result of the resignation of, or termination by, the optionee, all of the optionee's unvested options will immediately expire. However, if an optionee's employment or service is terminated for cause, any option granted to such optionee will terminate immediately. The Board may authorize SEMAFO to enter into an agreement with an optionee which contains terms concerning the effect of the optionee ceasing to be employed with, or providing services to, us which differs from the provisions of the 2010 Plan.

In case of an optionee's death, any vested option at the time of death may be exercised by his or her heirs until the earlier of:

- the fixed expiry date of the options, and
- the date that is 365 days following the death of the optionee.

All unvested options will immediately terminate on the date of death of the optionee.

If we propose to:

- enter into different types of business combinations, such as an amalgamation, merger or consolidation
- sell all or substantially all of our assets (other than to a wholly-owned subsidiary)
- liquidate, dissolve or wind up, or
- in the event that an offer to purchase our common shares is made to all shareholders

the Board may, upon notice, allow the exercise of all options, whether vested or unvested, within 30 days of receiving such notice, and may determine that, after this 30-day period, all unexercised options shall terminate. The Board can, by resolution, advance the date on which an option may vest and become exercisable and, subject to applicable regulatory approval, if any, determine that the provisions of the 2010 Plan concerning the effect of termination of an optionee's employment or service will not apply to an optionee.

The Board may also adjust the number and kind of shares covered by an option as it deems appropriate in the event that our common shares are changed into or exchanged for a different number or kind of shares or other securities, or in the event of a reorganization, amalgamation or consolidation of SEMAFO.

Since its approval, 1,033,326 options have been granted and 965,526 options are currently outstanding under the 2010 Plan with a weighted average exercise price of $5.42 and a weighted average remaining contractual term of 3.3 years. 883,294 common shares are currently available for issuance under the 2010 Plan representing approximately 0.32% of our common shares outstanding.

The Board may amend, suspend or terminate the 2010 Plan at any time if that does not require your approval and does not adversely affect the rights of optionees.

The Board may make the following amendments to the 2010 Plan without shareholder approval:

- add a provision to, delete a provision from or make an amendment to the 2010 Plan that is necessary to comply with governing laws or requirements of securities regulatory authorities
- an amendment to correct or rectify an ambiguity, an inapplicable provision, an error or omission in the 2010 Plan or in an option agreement
- an amendment to the class of participants eligible to participate under the 2010 Plan
- the addition of a cashless exercise feature, payable in cash or securities, if it provides for a full deduction of the number of common shares covered by the option so exercised from the total number of common shares reserved under the 2010 Plan
- the addition of any form of financial assistance that SEMAFO may provide to the optionees to facilitate the purchase of the underlying common shares, as well as any subsequent amendment made to the provisions providing for such financial assistance
- any other amendment not requiring the approval of our shareholders outlined below.

However, shareholder approval is required for the following amendments to the 2010 Plan:

- an increase in the number of common shares reserved for issuance
- a reduction in the exercise price, either directly, or indirectly by means of the cancellation of an option and the reissue of a similar option
- the extension of the expiry date of an option
- an amendment which permits options to be transferred or assigned, other than for normal estate settlement purposes
- an increase in, or the removal of limits on, the percentage of shares issuable to insiders
- an increase in, or the removal of limits on, the total value of options which may be granted to non-employee directors
- an amendment to the amendment provisions.

The Original Plan

The Original Plan applies to key employees (including named executive officers), directors, consultants and those of our subsidiaries. It provides for the grant of non-transferable options to purchase common shares. The Board decided to whom options were granted, as well as the conditions attached to the grant of options. The Board, upon recommendation of the Human resources and corporate governance committee, generally makes all decisions regarding the Original Plan provided that:

- the total number of common shares covered by the options granted to a given optionee does not exceed 5% of the total number of common shares outstanding
- the total number of common shares issuable to insiders at any time and under all other security-based compensation arrangements does not exceed 10% of the total number of common shares outstanding
- the total number of common shares issued to insiders during any one-year period and under all other security-based compensation arrangements does not exceed 10% of the total number of common shares outstanding.

Under the Original Plan, options have a term and vest as determined by the Board, provided that the term cannot exceed 10 years. However, if the expiry date of an option occurs during, or within ten days following the end of a blackout period, as provided in our securities trading policy, the option's expiry date will be extended until the date that is 10 business days following the end of that blackout period.

The exercise price of an option granted under the Original Plan cannot be less than the closing price of our common shares on the Toronto Stock Exchange on the last day of trading preceding the grant or, if no sale of common shares is reported on such stock exchange on that day, the closing price on the Toronto Stock Exchange on the last trading day preceding the day the option was granted during which at least one transaction of a board lot is registered. The price of an option is payable in full when exercised.

Since its inception, 6,972,912 common shares have been issued upon exercise of stock options under the Original Plan representing approximately 2.53% of our common shares outstanding. 990,338 of the common shares issuable under the Original Plan have been transferred to the 2010 Plan. Currently, up to 6,911,750 common shares may be issued under the Original Plan if outstanding options are exercised, representing approximately 2.5% of the number of common shares outstanding with a weighted average exercise price of $2.72 and a weighted average remaining contractual term of 4.8 years.

The Original Plan provides that, in the event of the termination of an optionee's employment for cause, any option granted to such optionee terminates immediately. If the optionee's employment is terminated on our initiative without cause or as a result of the optionee's resignation, or if the mandate of a director, senior executive or consultant who is an optionee terminates, any vested option of such optionee may be exercised during a period of 90 days following the date of termination. However, during this 90-day period, an unvested option held by an optionee whose employment is terminated without cause or who ceases being a director, senior executive or consultant may be exercised if and when such option vests during such 90-day period. In case of an optionee's death, any vested option at the time of death may be exercised by his or her heirs for 365 days following the death of the optionee.

If we propose to enter into different types of business combinations as described in the summary of the 2010 Plan, or to wind up, or in the event that an offer to purchase our common shares is made to all shareholders, the Board may, upon notice, allow the exercise of all options, whether vested or unvested, within 30 days of receiving such notice, and may determine that after this 30-day period, all unexercised options shall terminate.

The Board can, by resolution, advance the date on which an option may be exercised and, subject to applicable law, determine that the provisions of the Original plan concerning the effect of termination of an optionee’s employment will not apply to an optionee.

The Board may amend, suspend or terminate the plan at any time if that does not require your approval or that of securities regulatory authorities and does not adversely affect the rights of optionees. The Board may make the following amendments to the Original Plan without shareholder approval:

- an amendment to the exercise price of an option, unless it consists of a reduction in the exercise price of an option held by an insider
- an amendment to the expiry date of an option, unless the amendment postpones the expiry of an option held by an insider
- add a provision to or delete a provision from the plan or make an amendment thereto that is necessary to comply with the governing laws or requirements of the securities regulatory authorities
- an amendment to correct or rectify an ambiguity, an inapplicable provision, an error or omission in the plan or in an option
- an amendment to the class of participants eligible for the plan
- the addition of a cashless exercise feature, payable in cash or securities, regardless of whether it provides for a full deduction of the number of underlying common shares from the total number of common shares in the plan reserve

- the addition of any form of financial assistance that SEMAFO may provide to the optionees to facilitate the purchase of the underlying common shares, as well as any subsequent amendment made to the provisions providing for such financial assistance
- any other amendment not requiring shareholder approval outlined below.

Shareholder approval is required for amendments which result in an increase in the number of common shares reserved for issuance or a reduction in the exercise price or the extension of the expiry date of an option held by an insider.

The following table gives you information regarding the number of our common shares authorized for issuance under both our option plans on December 31, 2013:

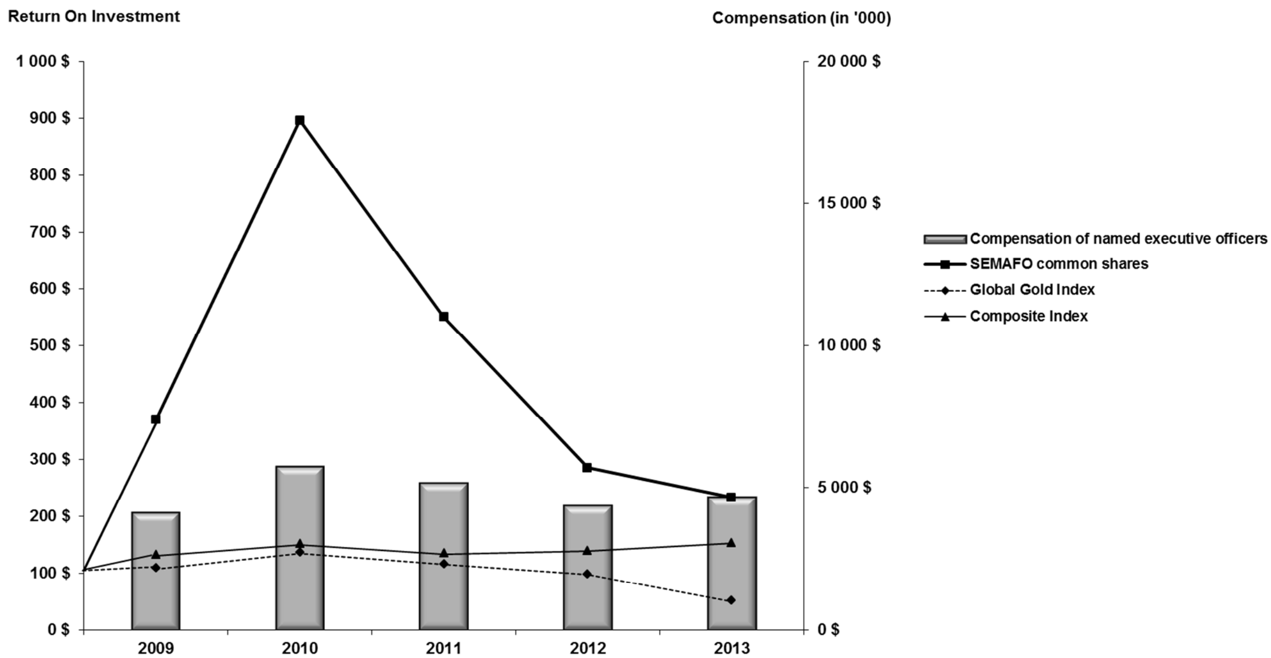
Plan category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)(c)) [1]
Shareholder approved option plans	8,107,000	$2.96	1,271,847

1 Securities remaining available for future issuance under the 2010 Plan. No more options are granted pursuant to the Original Plan.

Performance Graph

The following graph compares the performance of our common shares over the last five years to the performance of the S&P/TSX Composite Index[1] and the S&P/TSX Global Gold Index (formerly the S&P/TSX Capped Gold Index). It shows what $100 invested in our shares, the Composite Index and the Global Gold Index at the end of 2008 would be worth at the end of each of the last five completed financial years.

1 We were first admitted to the S&P/TSX Composite Index on December 21, 2009.



Price	2009-12-31	2010-12-31	2011-12-31	2012-12-31	2013-12-31
SEMAFO common shares	369 $	896 $	550 $	285 $	233 $
Global Gold Index	107 $	135 $	115 $	97 $	50 $
Composite Index	131 $	150 $	133 $	138 $	152 $
Compensation of named executive officers[2]	4 110 958 $	5 730 729 $	5 153 111 $	4 362 899 $	4 647 823 $

The bar chart above shows the variation of total compensation paid to our named executive officers over the same period. The compensation paid to our named executive officers is generally aligned with our stock performance. The Board is of the view that, with our new short-term incentive program described on pages 23 to 26, the correlation will become stronger over time. The Board is well aligned beyond the principle of "pay for performance".

[2] The performance graph excludes the additional compensation of Mr. La Salle mentioned on page 34 as well as the 2012 and 2013 Unit grants that Mr. Lamarre renounced.

Summary Compensation Table

The following table indicates the total compensation earned in 2013 by the named executive officers:

Name and principal position[1]	Year	Salary[2] ($)	Share-based awards[3] ($)	Annual Incentive plan ($)	Total compensation ($)
Benoit Desormeaux President and Chief Executive Officer	2013	420,000	945,000	500,000	1,865,000
	2012	391,061	554,630	285,084	1,230,775
	2011	321,988	569,371	269,825	1,161,184
Jean Lamarre[4] Executive Chair of the Board	2013	225,000	0[5]	190,000	415,000[6]
	2012	222,500	0[5]	190,000	412,500[7]
	2011	215,000	337,939	185,000	737,939
Patrick Moryoussef Vice-President, Mining operations	2013	296,048	444,071	192,339	932,458
	2012	284,524	275,368	153,643	713,535
	2011	210,999[8]	268,257	166,065[9]	645,321
Michel Crevier Vice-President, Exploration and mine geology	2013	271,486	407,229	159,837	838,552
	2012	261,293	252,987	126,727	641,007
	2011	220,956	260,475	171,242	652,673
Martin Milette Chief Financial Officer	2013	228,358	262,611	105,844	596,813
	2012	225,142	167,849	86,004	478,995
	2011	212,325	166,869	98,094	477,288

1. Mr. Benoit La Salle did not receive any compensation as director in 2013. He did however receive compensation as part of the additional compensation payable to him when he stepped down from his position as President and Chief Executive Officer in August 2012 to be replaced by Mr. Benoit Desormeaux. For more information on Mr. La Salle's additional compensation, see the management proxy circular prepared in relation with your meeting held on May 13, 2013 and in particular pages 27 and 29.
2. There was no salary adjustment in 2013. Base salaries are adjusted effective April 1 of each year. Amounts reported in this table are not annualized and represent base salaries actually paid from January 1 to December 31. This explains why there is a difference between 2012 base salaries and 2013 base salaries. See page 23 for additional information.
3. The value of the 2013 Unit grant corresponds to the grant date fair value of the award using a share price at the time of grant of $3.36. The share price at the time of grant was equal to the average of the trading price of our common shares on the Toronto Stock Exchange for the five consecutive days ending on December 31, 2012. For purposes of financial statements disclosure as at December 31, 2013, the 2013 Unit grant was valued using a share price of $2.77. Such accounting fair value is adjusted for forfeitures and amortized over the vesting period of the awards, in this case being the period terminating December 31, 2015. The difference between the grant date fair value and the accounting fair value as at December 31, 2013 is $0.59 or $440,553 for the 746,700 Units awarded to the named executive officers. The value of the 2012 Unit grant corresponds to the grant date fair value of the award calculated using a share price at the time of grant of $4.21. The share price at the time of grant was equal to the average of the trading price of our common shares on the Toronto Stock Exchange for the five consecutive trading days ending on October 12, 2012.

For purposes of financial statements disclosure as at December 31, 2012, the 2012 Unit grant was valued using a share price of $6.49. Such accounting fair value is adjusted for forfeitures and amortized over the vesting period of the awards, in this case being the period terminating December 31, 2014. The difference between the grant date fair value and the accounting fair value as at December 31, 2012 is $2.28 per Unit or $1,084,514 for the 475,664 Units awarded to the named executive officers. The value of the 2011 Unit grant corresponds to the grant date fair value of the award calculated using a share price at the time of grant of $8.59. The share price at time of grant was equal to the average of the trading price of our common shares on the Toronto Stock Exchange for the five consecutive trading days ending on March 15, 2011. For purposes of financial statements disclosure as at December 31, 2011, the 2011 Unit grant was valued using a share price of $10.93. Such accounting fair value is adjusted for forfeitures and amortized over the vesting period of the awards, in this case being the period terminating December 31, 2013. The difference between the grant date fair value and the accounting fair value as at December 31, 2011 is $2.34 per Unit or $580,769 for the 248,192 Units awarded to the named executive officers in 2011.

4. Mr. Lamarre does not receive any additional compensation as a director of SEMAFO. 2856166 Canada Inc. provides services to other companies. Mr. Lamarre received 100% of the fees paid to 2856166 Canada Inc. that are attributable to the services he provided to us. Options and Units are held by Mr. Lamarre personally.
5. Mr. Lamarre renounced all 2012 and 2013 Units granted to him, which would have amounted to $292,909 and $450,001, respectively
6. Had Mr. Lamarre not renounced his 2013 Unit grant, his total compensation for 2012 would have been $865,001
7. Had Mr. Lamarre not renounced his 2012 Unit grant, his total compensation for 2012 would have been $704,409
8. Mr. Moryoussef was on parental leave for part of 2011
9. During the course of 2012, the 2011 bonus of Mr. Moryoussef was adjusted by $64,153.

Incentive Plan Awards

The following table indicates for each named executive officer all options and Units outstanding on December 31, 2013:

<table>
<tr><th colspan="5">Option-based Awards</th><th colspan="2">Share-based Awards</th></tr>
<tr><th>Name</th><th>Number of securities underlying unexercised options
(#)</th><th>Option exercise price
($)</th><th>Option expiration date</th><th>Value of unexercised in-the-money options[1]
($)</th><th>Number of shares or units of shares that have not vested
(#)</th><th>Market or payout value of share-based awards that have not vested[2]
($)</th></tr>
<tr><td rowspan="6">Benoit Desormeaux</td><td>100,000</td><td>1.14</td><td>Dec. 1, 2014</td><td>165,000</td><td rowspan="6">419,729</td><td rowspan="6">1,171,044</td></tr>
<tr><td>110,000</td><td>2.23</td><td>May 31, 2016</td><td>61,600</td></tr>
<tr><td>100,000</td><td>1.92</td><td>April 5, 2017</td><td>87,000</td></tr>
<tr><td>600,000</td><td>1.35</td><td>Feb. 21, 2018</td><td>864,000</td></tr>
<tr><td>400,000</td><td>2.03</td><td>Aug. 17, 2019</td><td>304,000</td></tr>
<tr><td>400,000</td><td>4.70</td><td>Jan. 11, 2020</td><td>-</td></tr>
<tr><td rowspan="6">Jean Lamarre</td><td>30,000</td><td>2.02</td><td>Aug. 17, 2016</td><td>23,100</td><td rowspan="6">0[3]</td><td rowspan="6">0[3]</td></tr>
<tr><td>15,000</td><td>1.37</td><td>Aug. 30, 2017</td><td>21,300</td></tr>
<tr><td>250,000</td><td>1.35</td><td>June 17, 2018</td><td>360,000</td></tr>
<tr><td>15,000</td><td>1.40</td><td>Jan. 12, 2019</td><td>20,850</td></tr>
<tr><td>200,000</td><td>2.03</td><td>Aug. 17, 2019</td><td>152,000</td></tr>
<tr><td>200,000</td><td>4.70</td><td>Jan. 11, 2020</td><td>-</td></tr>
<tr><td rowspan="2">Patrick Moryoussef</td><td>37,500</td><td>1.92</td><td>April 5, 2017</td><td>32,625</td><td rowspan="2">200,810</td><td rowspan="2">560,260</td></tr>
<tr><td>150,000</td><td>2.03</td><td>Aug. 17, 2019</td><td>114,000</td></tr>
<tr><td rowspan="3">Michel Crevier</td><td>25,000</td><td>1.92</td><td>April 5, 2017</td><td>21,750</td><td rowspan="3">184,262</td><td rowspan="3">514,091</td></tr>
<tr><td>150,000</td><td>2.02</td><td>Aug. 17, 2016</td><td>115,500</td></tr>
<tr><td>200,000</td><td>3.95</td><td>Nov. 12, 2019</td><td>-</td></tr>
<tr><td rowspan="3">Martin Milette</td><td>100,000</td><td>1.35</td><td>Feb. 21, 2018</td><td>144,000</td><td rowspan="3">119,966</td><td rowspan="3">334,705</td></tr>
<tr><td>100,000</td><td>3.95</td><td>Nov. 12, 2019</td><td>-</td></tr>
<tr><td>100,000</td><td>4.70</td><td>Jan. 11, 2020</td><td>-</td></tr>
</table>

1 Calculated based on the difference between the exercise price of the options and the closing price of our common shares on December 31, 2013 ($2.79).
2 Calculated by multiplying the number of unvested Units by the closing price of our common shares on December 31, 2013 ($2.79).
3. Mr. Lamarre renounced all 2012 and 2013 Units granted to him, which would have amounted based on the foregoing formula to a payout value of share-based awards that have not vested of $567,112.

The following table gives you more information about the number of options exercised, underlying shares sold and value realized by each named executive officer during the financial year ended December 31, 2013:

Name and principal position	Year	Options exercised (#)	Underlying shares sold (#)	Aggregate value realized ($)	Unexercised options at December 31, 2013	
					Exercisable	Unexercisable
Benoit Desormeaux President and Chief Executive Officer	2013	0	N/A	0	1,610,000	100,000
Jean Lamarre Executive Chair of the Board	2013	0	N/A	0	660,000	50,000
Patrick Moryoussef Vice-President, Mining operations	2013	0	N/A	0	237,500	0
Michel Crevier Vice-President, Exploration and mine geology	2013	0	N/A	0	375,000	0
Martin Milette Chief Financial Officer	2013	0	N/A	0	275,000	25,000

The following table indicates for each named executive officer the value vested of all awards and the bonus paid during the 2013 financial year:

Name	Option-based awards – Value vested during the year[1] ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – value earned during the year ($)
Benoit Desormeaux	18,000[2]	188,702	500,000
Jean Lamarre	9,000[3]	112,000	190,000
Patrick Moryoussef	9,000[4]	88,906	192,339
Michel Crevier	0[5]	86,327	159,837
Martin Milette	0[6]	55,304	105,844

1 Calculated based on the difference between the exercise price of the options and the closing price of our common shares on the vesting date.

2 There were two different vesting dates (January 12 and August 18, 2013). On January 12, 100,000 options vested. The closing price of our common shares on January 11 (January 12 was a Saturday) was $3.32 and the exercise price of these options was $4.70. On August 18, 100,000 options vested. The closing price of our common shares on August 16 (August 18 was a Sunday) was $2.21 and the exercise price of these options was $2.03.

3 There were two different vesting dates (January 12 and August 18, 2013). On January 12, 50,000 options vested. For more information on the exercise price of these options and the share price on this date, see note 2 above. On August 18, 50,000 options vested. For more information on the exercise price of these options and the share price on this date, also see note 2 above.

4 On August 18, 50,000 options vested. For more information on the exercise price of these options and the share price on this date, see note 2 above.

5 On November 13, 2013, 50,000 options vested. The closing price of our common shares on that date was $2.95 and the exercise price of these options was $3.95

6. There were two different vesting dates (January 12 and November 13, 2013). On January 12, 25,000 options vested. For more information on the exercise price of these options and the share price on this date, see note 2 above. On November 13, 25,000 options vested. For more information on the exercise and share price on this date, see note 5 above.

Termination and Change of Control Benefits

Since 2009, SEMAFO is a party to a termination agreement with each of the President and Chief Executive Officer and the Chief Financial Officer. Under each agreement, the named executive officer is entitled, only in the event that, within 18 months of the change of control of SEMAFO, his employment be terminated or the scope of his responsibilities substantially reduced, to:

- 24 months of base salary and annual bonus at target
- over the same period, retain insurance and other benefits
- accelerated vesting of outstanding options.

If any of these individuals had been terminated on December 31, 2013, the President and Chief Executive Officer would have received approximately $3,077,600 and the Chief Financial Officer approximately $788,882. These amounts assume that all unvested options had been exercised and the underlying common shares sold on December 31, 2013, at the closing market price of our common shares on that date ($2.79).

Compensation Risks

The Board considers that our compensation philosophy as a whole and each of its components individually are aligned with prudent risk management. In particular, the Board is of the view that our objectives for the short-term and long-term incentives do not encourage named executive officers, executive management or employees to take inappropriate or excessive risks. On the contrary, the Board is of the view that these objectives are aligned with creating both short-term and long-term value. The Board is also of the view that the potential clawback of previously paid short-term incentives acts as a safeguard against inappropriate behavior.

Furthermore, our Securities Trading Policy specifically prohibits insiders from short selling or otherwise buying or directly or indirectly being a counterpart to any instrument created to protect against the reduction of the value of our securities.

Aggregate Compensation vs. Corporate Performance

In 2013, the aggregate compensation of all named executive officers was $4,647,823[1], a 4% increase over last year and, had you bought a SEMAFO common share on January 1 and sold it on December 31, your return on investment would have been (18)%[2].

DIRECTORS' COMPENSATION

Our independent directors' compensation philosophy is designed to attract and retain directors who have the skills, experience and expertise to manage our business and affairs[3].

To reach this objective, the independent directors' compensation philosophy includes three components[4]:

1. annual retainer
2. attendance fee
3. options.

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1. Excluding the 2013 Unit grant that Mr. Lamarre renounced.
2. Excluding the impact of dividends paid on our common shares.
3. Mr. Jean Lamarre, the Executive Chair of the Board and Mr. Benoit Desormeaux, the President and Chief Executive Officer, are not independent directors and do not receive any compensation as Board members.
4. Directors are also entitled to the reimbursement of expenses incurred in attending meetings.

The Board believes that these three components allow us to meet the objectives of our independent directors' compensation philosophy and, consequently, independent directors do not receive share-based awards, short or long-term incentives (other than options) or other types of compensation. Since January 1, 2014 however, directors may avail themselves of our Deferred Share Unit Plan and receive all or part of their compensation in deferred share units rather than cash.

In 2011, the Human resources and corporate governance committee requested that management develop a list of publicly-traded gold mining companies comparable to SEMAFO in terms of gold production and market capitalization with a view to compare the compensation of the independent members of the board of these companies with that of SEMAFO. Based on the criteria determined by the Human resources and corporate governance committee, management selected the following companies:

- Alamos Gold Inc.
- AuRico Mines
- Aurizon Mines Ltd.
- Avion Gold Corporation
- Dundee Precious Metals Inc.
- Jaguar Mining Inc.
- Newgold Inc.
- Nevsun Resources Ltd
- Oceanagold Corporation
- Perseus Mining Limited

After review of the findings of management regarding the compensation practices of the foregoing companies, the Human resources and corporate governance committee recommended to the Board that the following adjustments be made to the independent Board members' compensation, effective July 1, 2011:

- the annual retainer was increased from $20,000 to $30,000
- the annual retainer of the Chair of the Human resources and corporate governance committee was increased from $5,000 to $7,500
- the annual retainer of the Chair of the Environmental, Health & Safety and sustainable development committee was increased from $5,000 to $6,000.

The Human resources and corporate governance committee and the Board were of the opinion that it was not necessary to update the 2011 analysis for the 2012 compensation of independent directors. However, during the year, the Executive Chair of the Board brought to the attention of the Chair of the Human resources and corporate governance committee his concern that there was an imbalance between the compensation of the members of the Audit committee and that of the members of the Human resources and corporate governance committee. After due consideration, the Human resources and corporate governance committee and the Board came to the conclusion that, given the increasing scrutiny of the performance of compensation committees as a result of the public disclosure of named executive officers' compensation, the workload and pressures on compensation committee members was now similar to that of Audit committee members. Based on these discussions, the Board, on the recommendation of the Human resources and corporate governance committee, recommended the following adjustments to the independent directors' compensation, effective October 1, 2012:

- the annual retainer of the Chair of the Audit committee was increased from $10,000 to $12,500
- the annual retainer of the Chair of the Human resources and corporate governance committee was increased from $7,500 to $12,500
- the annual retainer of the members of each of the Audit committee and the Human resources and corporate governance committee was established at $5,000

- the annual retainer of the members of the of the Environmental, Health & Safety and sustainable development committee was established at $2,500.

All other components of the compensation of the independent members of the Board remained unchanged. No adjustment was made to the compensation of these members in 2013.

However, the Human resources and corporate governance committee did request that management review the share ownership policy for directors of selected gold mining companies comparable to SEMAFO in terms of market capitalization. These comparable companies are:

- Alacer Gold Corporation
- Alamos Gold Inc.
- Argonaut Gold Inc.
- AuRico Gold Inc
- B2Gold Corporation
- Primero Mining Corporation

The impact of this review is discussed on page 10 under "Directors' Share Ownership Requirement".

1. Annual retainer

Each independent director is entitled to an annual retainer of $30,000. In addition:

- the Lead director is entitled to an annual retainer of $15,000
- the Chair of the Audit committee is entitled to an annual retainer of $12,500
- the Chair of the Human resources and corporate governance committee is entitled to an annual retainer of $12,500
- the Chair of the Environmental, Health & Safety and sustainable development committee is entitled to an annual retainer of $6,000
- each member of the Audit committee (except the Chair) is entitled to an annual retainer of $5,000
- each member of the Human resources and corporate governance committee (except the Chair) is entitled to an annual retainer of $5,000
- each member of the Environmental, Health & Safety and sustainable development committee (except the Chair) is entitled to an annual retainer of $2,500.

2. Attendance fee

Each Board and committee member (with the exception of Messrs. Lamarre and Desormeaux) is entitled to an attendance fee of $1,250 for each Board or committee meeting attended.

3. Options

In 2009, the Human resources and corporate governance committee recommended that any new independent director be awarded 100,000 options upon becoming a member of the Board. In addition, independent directors should receive 35,000 options per year. Although the Board approved the recommendations of the Human resources and corporate governance committee, the Board retains the discretion to grant options if, as and when it deems fit.

However, pursuant to the 2010 Plan, the total value of options granted to any one independent director during any financial year shall not exceed $100,000, as determined by the Board based on the values of options granted to the non-employee director during that financial year on the date of grant of such options. You will find more information on our option plans on pages 28 to 32 of this circular.

The following table illustrates the annual retainer and attendance fee components of our compensation philosophy for independent directors:

	Annual compensation ($)	Compensation payable to the chair of a committee ($)	Attendance fee for each meeting ($)
Lead director	15,000	-	1,250
Director	30,000	-	1,250
Audit committee	5,000	12,500	1,250
Human resources and corporate governance committee	5,000	12,500	1,250
Environmental, Health & Safety and sustainable development committee	2,500	6,000	1,250

The following table indicates the total compensation earned in 2013 by the independent directors:

Name	Fees earned ($)	Option-based awards[1] ($)	Total ($)
Terence F. Bowles	61,250[2]	100,335	161,585
John LeBoutillier	73,750	100,335	174,085
Gilles Masson	70,000	100,335	170,335
Lawrence McBrearty	63,500[2]	100,335	163,835
Tertius Zongo	57,500	100,335	157,835

1 Each of Messrs. Bowles, LeBoutillier, Masson, McBrearty and Zongo was granted 67,794 options on January 25, 2013.
In determining the dollar value of these options at that date, we used the Black Scholes method, with the following assumptions:
(a) Risk-free interest rate: 1.35%;
(b) Forecasted volatility: 60%;
(c) Average dividend per share: 1.27%;
(d) Expected life: five years;
The fair market value per option as at January 25, 2013 was established at $1.48

2 Messrs. Bowles and McBrearty were awarded an extra attendance fee for travelling to Burkina Faso in connection with an on-site meeting of the Environmental, Health & Safety and sustainable development Committee.

The following table indicates for each independent director all awards outstanding on December 31, 2013:

Option-based Awards				
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[1] ($)
Terence F. Bowles	23,800	8.02	June 2, 2016	-
	26,149	7.45	Jan. 22, 2017	-
	67,794	3.15	Jan. 24, 2018	-
John LeBoutillier	100,000	2.23	May 31, 2016	56,000
	15,000	2.02	Aug. 17, 2016	11,550
	15,000	1.37	Aug. 30, 2017	21,300
	30,000	1.40	Jan. 12, 2019	41,700
	20,000	2.03	Aug. 17, 2019	15,200
	35,000	4.70	Jan 11, 2020	-
	17,800	10.67	Jan. 24, 2016	-
	26,149	7.45	Jan. 22, 2017	-
	67,794	3.15	Jan. 24, 2018	-
Gilles Masson	70,000	2.23	May 31, 2016	39,300
	15,000	2.02	Aug. 17, 2016	11,550
	30,000	1.40	Jan. 12, 2019	41,700
	20,000	2.03	Aug. 17, 2019	15,200
	35,000	4.70	Jan. 11, 2020	-
	17,800	10.67	Jan. 24, 2016	-
	26,149	7.45	Jan. 22, 2017	-
	67,794	3.15	Jan. 24, 2018	-
Lawrence McBrearty	50,000	2.16	May 18, 2019	31,500
	35,000	4.70	Jan. 11, 2020	-
	17,800	10.67	Jan. 24, 2016	-
	26,149	7.45	Jan 22, 2017	-
	67,794	3.15	Jan.24, 2018	-
Tertius Zongo	63,776	3.05	Aug. 7, 2017	-
	67,794	3.15	Jan. 24, 2018	-

1 Calculated based on the difference between the exercise price of the options and the closing price of our common shares on December 31, 2013 ($2.79).

The following table gives you more information about the number of options exercised, underlying shares sold and value realized by each independent director during the financial year ended December 31, 2013:

Name and principal position	Year	Options exercised (#)	Underlying shares sold (#)	Aggregate value realized ($)	Unexercised options at December 31, 2013	
					Exercisable	Unexercisable
Terence F. Bowles	2013	0	N/A	0	32,099	17,850
John LeBoutillier	2013	0	N/A	0	258,949	0
Gilles Masson	2013	0	N/A	0	213,949	0
Lawrence McBrearty	2013	0	N/A	0	103,949	25,000
Tertius Zongo	2013	0	N/A	0	0	63,776

The following table indicates for each independent director the value vested of all option-based awards during the 2013 financial year:

Name	Option-based awards – Value vested during the year[1 2] ($)
Terence F. Bowles	0[3]
John LeBoutillier	0
Gilles Masson	0
Lawrence McBrearty	0[4]
Tertius Zongo	0[5]

1 Calculated based on the difference between the exercise price of the options and the closing price of our common shares on the vesting date.
2 On January 25, 2013, 67,794 options were granted to each of Messrs. Bowles, LeBoutillier, Masson, McBrearty and Zongo and immediately vested. The exercise price of these options was $3.15.
3 On June 3, 2013, 5,950 options vested. The closing price of our common shares on June 3 was $2.02 and the exercise price of these options was $8.02.
4 On May 19, 2013, 25,000 options vested. The closing price of our common shares on May 17 (May 19 was a Sunday) was $1.55 and the exercise price of these options was $2.16.
5 On August 7, 2013, 15,944 options vested. The closing price of our shares on that date was $1.66 and the exercise price of these options was $3.05.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

We maintain liability insurance for directors and officers. The annual premium paid in respect of such insurance is $152,875, and the total amount of insurance purchased is $50,000,000, subject to a deductible amount of $100,000. The policy contains certain exclusions. No claim has ever been made.

CORPORATE GOVERNANCE PRACTICES

You will find in Appendix A our Corporate Governance Practices.

ADDITIONAL INFORMATION

Additional information for the financial year ended December 31, 2013 is provided in our consolidated financial statements, in the related management's discussion and analysis of operating results and in our annual information form, where you will also find more information on the Audit committee and its members in the *Audit committee Information* section. Copies of these and other documents and additional information relating to SEMAFO are available on the SEDAR website at www.sedar.com and are also available on our website at www.semafo.com. You may also obtain them free of charge upon request to our corporate secretary at:

SEMAFO Inc.
100, Alexis-Nihon Blvd. 7th Floor
Saint-Laurent (Quebec) H4M 2P3
Canada

The meeting material is sent to both registered and non-registered shareholders. If you are a non-registered shareholder and either us or your agent has sent this material directly to you, your name, address and information about your SEMAFO shares have been obtained from your nominee in accordance with securities laws. By sending this material to you directly, we (and not your nominee) have assumed responsibility for:

- delivering the material to you
- executing your voting instructions.

Please return your voting instructions as specified in the request for voting instructions.

SHAREHOLDER PROPOSALS

You have until January 6, 2015 to submit a shareholder proposal for consideration at the 2015 annual shareholders meeting.

WEBSITE

In order to fulfill our commitment towards the protection of the environment, we decided not to append to this circular various governance documents, such as:

- the Mandate of the Audit committee
- the Mandate of the Executive Chair of the Board

- the Mandate of the Lead director
- the Mandate of the President and Chief Executive Officer.

You can find all of these documents and other information regarding SEMAFO on our website at www.semafo.com. All references to our website are for your information only and the information it contains is not part of this circular.

DIRECT REGISTRATION SYSTEM

You have the possibility to avail yourself of the Direct Registration System (known as *DRS*). DRS allows you to own your SEMAFO shares directly with Computershare rather than in the name of a nominee or of holding a physical share certificate. For more information on the DRS, please contact Computershare at 514-982-7555 or toll free at 1 800 564-6253.

APPENDIX A –
CORPORATE GOVERNANCE PRACTICES

The following compare our governance practices against the requirements of National Policy 58-201-*Corporate Governance Guidelines* which is an initiative of the *Canadian Securities Administrators* (*CSA Governance Guidelines*). We are regularly adjusting our governance practices as regulatory changes and our context evolve.

CSA Governance Guidelines	SEMAFO's Practices
1. **Board of Directors--**	
(a) Disclose the identity of the directors who are independent.	The Board has determined, after reviewing the roles and relationships of each director, that: • Terence F. Bowles • John LeBoutillier • Gilles Masson • Lawrence McBrearty • Tertius Zongo are all independent. In order to make that determination, the Board obtained information from the nominee directors by way of a questionnaire.
(b) Disclose the identity of directors who are not independent, and describe the basis of that determination.	Each of Jean Lamarre and Benoit Desormeaux are members of our management team. Mr. Lamarre is the Executive Chair of the Board and Mr. Desormeaux is the President and Chief Executive Officer. As members of management, Messrs. Lamarre and Desormeaux are not independent.
(c) Disclose whether or not a majority of the directors are independent.	Five of the seven nominee directors are independent, namely: • Terence F. Bowles • John LeBoutillier • Gilles Masson • Lawrence McBrearty • Tertius Zongo.
(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Jean Lamarre sits on the board of directors of TS03 Inc. (TSX-TOS), Technologies D-Box Inc. (TSX-DBO) and Argos Therapeutics, Inc. (NASDAQ- ARGS) John LeBoutillier sits on the board of directors of Industrial Alliance, Insurance and Financial Services Inc. (TSX – IAG), Mazarin Inc. (NEX – MAZ.H), Asbestos Corporation Limited (NEX – AB.H), Stornoway Diamond Corporation (TSX –

CSA Governance Guidelines	SEMAFO's Practices
	SWY) and NovX21 Inc. (TSX.V-NOV). Gilles Masson sits on the board of Royal Nickel Corporation (TSX – RNX).
(e) Disclose whether or not the independent directors hold regular scheduled meetings at which members of management are not in attendance. Disclose the number of meetings held during the preceding 12 months.	Independent directors meet *in camera* at the end of each meeting of the Board and Board committees. The Lead Director chairs all *in camera* sessions of the Board. In 2013, nine *in camera* sessions took place out of a total of nine Board meetings.
(f) Disclose whether or not the chair of the board is an independent director, disclose the identity of the independent chair, and describe his or her role and responsibilities.	Mr. Lamarre served as Chair of the Board from May 29, 2000 to June 18, 2008. Due to all the responsibilities and duties performed by Mr. Lamarre, the Board appointed him Executive Chair on June 18, 2008. Consequently, the Board appointed Mr. John LeBoutillier as Lead director. The principal roles and responsibilities of the Executive Chair are: • Chair Board and shareholders meetings • Attend meetings of the committees of the Board, if convenient • Ensure that a strategic plan is communicated to the Board and that all material issues are approved by the Board on a timely basis • Plan and organize Board activities. The principal roles and responsibilities of the Lead director are: • Foster an environment which allows the directors to function independently of management • Work with the Executive Chair of the Board to coordinate the setting of the agenda and Board meetings, and make recommendations to the Executive Chair of the Board on the conduct of meetings • Chair and steer the meetings of independent directors, including *in camera* sessions • Ensure that the independent directors have sufficient opportunities to meet without any member of management present • Be available to directors who wish to discuss issues that cannot be discussed with the Executive Chair of the Board • In the absence of the Executive Chair of the Board, chair Board meetings.

	• Together with the Executive Chair, leads the Board's annual evaluation process of directors • Together with the Executive Chair, leads the Board's succession process with respect to the President and Chief Executive Officer. You will find the respective Mandates of the Executive Chair and of the Lead director on our website at www.semafo.com.
(g) Disclose the attendance record of each director for all board and committee meetings held since the beginning of the most recently completed financial year.	You will find this information on page 11.
2. **Board Mandate**--Disclose the text of the board's written mandate.	You will find the Board mandate in Appendix B.
3. **Position Descriptions--** (a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee.	The Board has adopted a Mandate for the Executive Chair of the Board which you will find on our website at www.semafo.com. The Board has also adopted written position descriptions for the Chair of each Board committee. You will find these descriptions in the Mandate of each such committee. The Mandate of the Human resources and corporate governance committee is in Appendix C while the Mandate of every other Board committee is on our website.
(b) Disclose whether or not the board and chief executive officer have developed a written position description for the chief executive officer.	The Board, together with the President and Chief Executive Officer, have developed and adopted a Mandate for the President and Chief Executive Officer. His tasks include: • Convey our values throughout the organization and to applicable stakeholders • Oversee the strategic plan and development initiatives • Assume the leadership of an efficient and qualified team of executives to ensure the diligent execution of the strategic plan • Oversee and evaluate executive performance and report to the Human resources and corporate governance committee in respect thereof • Ensure that the Board is kept abreast of all material business developments.

You can find the Mandate of the President and Chief Executive Officer on our website at www.semafo.com.

4. **Orientation and Continuing Education--**

   (a) Briefly describe what measures the board takes to orient new members regarding

      i. the role of the board, its committees and its directors, and

      ii. the nature and operation of the issuer's business.

The Human resources and corporate governance committee is responsible for ensuring that an orientation program is established for new directors. Upon joining the Board, new directors receive documentation related to their role as director, a schedule of the regular meetings of the Board and of its committees for the year, the mandate of the Board and of each Board committee and that of each of the Executive Chair of the Board, the Lead director and the President and Chief Executive Officer, our corporate policies, an organization chart as well as a list of our mining properties and relevant related information. This information is periodically updated.

   (b) Briefly describe what measures, if any, the Board takes to provide continuing education for its directors.

The Human resources and corporate governance committee is responsible for providing Board members with continuing education opportunities. At every meeting of the Board, directors have an opportunity to hear presentations by executive management on various topics regarding our operations. Furthermore, Board members have in the past travelled to Africa where they visited our operations area and were provided with in-depth descriptions of all aspects of our operations and met with geologists, engineers and employees. On these occasions, directors also got first-hand knowledge of our sustainable development initiatives. These visits increase the directors' knowledge of our operations and the Board is of the view that good governance mandates that it meet approximately every two years in Africa to have on-hand knowledge of on-site developments. Furthermore, the members of the Environmental, Health & Safety and sustainable development committee will from now on, to the extent possible, meet every year in Africa and tour our mining sites to adequately fulfill the mandate of this committee. For more information on continuing education initiatives in 2013, see page 12.

5. **Ethical Business Conduct--**

   (a) Disclose whether or not the board has

In 2012, the Board, upon the recommendation of adopted a written code for its directors, officers and employees. If the board has adopted a written code:

- disclose how an interested party may obtain a copy of the written code;
- describe how the board monitors compliance with its code; and
- provide a cross-reference to any material change report filed since the beginning of the issuer's most recently competed financial year that pertains to any conduct of director or executive officer that constitutes a departure from the code.

the Human resources and corporate governance committee, adopted a new Code of conduct. The Code of conduct is applicable to directors, management and non-unionized employees. Ever since its enactment, new employees have been asked to read and sign the code. Board members and employees will be asked every year to read and sign the Code of conduct. The Human resources and corporate governance committee monitors compliance with the Code of conduct which was filed on SEDAR at www.sedar.com and is available on our website at www.semafo.com. Our Code of Conduct is updated annually and no departure from the Code of conduct occurred in 2013.

(b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

These transactions, if any, would be approved only by directors present at the meeting convened for that purpose, and the director having such an interest would not be present during the deliberations concerning the proposed transaction and would not vote on the matter. No such transaction or process took place in 2013, except that Messrs. Lamarre and Desormeaux were not present when their annual compensation was discussed and did not vote on these matters.

6. **Nomination of Directors--**

(a) Describe the process by which the board identifies new candidates for board nominees.

(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors.

(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

The Human resources and corporate governance committee, which is composed entirely of independent directors, is responsible for proposing to the Board nominees to the position of director. To this end, the members of this committee refer, in particular, to a document titled "Personal Qualifications", which was adopted by the Board in November 2002. This document defines the competencies and skills required of directors, and determines the profile sought. As the case may be, the Human resources and corporate governance committee could also hire a recruiting firm to seek out candidates that have the skills, experience and expertise required to join the Board.

You will find the Mandate of the Human resources and corporate governance committee in Appendix C.

The Board has adopted a policy regarding majority voting for the election of directors. The policy is described under "Nominee Directors –

Policy on Majority Voting" on page 7 of this circular. The Board is of the view that, at the current stage of our development, a retirement policy for its members is not appropriate.

7. **Compensation--**

(a) Describe the process by which the board determines the compensation for your company's directors and officers.

The Human resources and corporate governance committee is entrusted with making recommendations to the Board in this regard. Since 2009, the Human resources and corporate governance committee has worked from time to time with an independent consultant to help in this process.

In 2010, Perrault Conseil assisted the Human resources and corporate governance committee with the development of the Unit Plan adopted by the Board effective January 1, 2011. You will find more information on the Unit Plan on page 27.

In 2011, the Board asked the Human resources and corporate governance committee to review the compensation of independent directors which had been established in 2009 with the help of Perrault Conseil. To this end, the Human resources and corporate governance committee asked management to establish a new list of gold mining companies comparable to SEMAFO in terms of gold production and market capitalization. The Human resources and corporate governance committee also asked management to analyze the compensation of the board members of these companies compared to that of SEMAFO Board members. Based on these analyses, the Board, upon the recommendation of the Human resources and corporate governance committee, adopted adjustments to the compensation of independent directors effective July 1, 2011. You will find the list of these comparable gold companies on page 39.

The Human resources and corporate governance committee and the Board were of the opinion that it was not necessary to update the 2011 analysis for the 2012 and 2013 compensation of independent directors. However, in 2012, the Executive Chair of the Board brought to the attention of the Chair of the Human resources and corporate governance committee his concern that there was an imbalance between the compensation of the members of the Audit committee and that of the members of the Human resources and corporate governance committee. After due

	consideration, the Human resources and corporate governance committee and the Board came to the conclusion that, given the increasing scrutiny of the performance of compensation committees as a result of the public disclosure of named executive officers' compensation, the workload and pressures on compensation committee members was now similar to that of Audit committee members. Based on these discussions, the Board, on the recommendation of the Human resources and corporate governance committee, recommended adjustments to the independent director's compensation. For more information as to the Board's determination process regarding the directors' and named executive officers' compensation as well as with respect to the adjustments mentioned above, see pages 22 to 27 and pages 38 to 40.
(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors.	The Human resources and corporate governance committee also assumes the role of a compensation committee and is composed entirely of independent directors.
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	You will find the Mandate of the Human resources and corporate governance committee in Appendix C.
(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state the fact and briefly describe the nature of the work.	In 2009, Perrault Conseil, a compensation consultant, was retained to assist in determining compensation for the named executive officers and independent directors. The mandate of Perrault Conseil was to analyze the positioning of the compensation of the named executive officers and that of independent directors. In 2010, Perrault Conseil assisted the Human resources and corporate governance committee with the development of the Unit Plan adopted by the Board effective January 1, 2011. For more information on the Unit Plan, see page 27. In 2012, the Human resources and corporate governance committee retained the services of Perrault Conseil to assist this committee with respect to: • Assessing the global compensation of the named executive officers

	• Assessing the long-term incentive components of the named executive officers' compensation Only nominal services were required from Perrault Conseil in 2013 which was paid $1,000 for these services.
8. **Other Board Committees--** If the board has standing committees other than the audit, compensation and nominating committees identify the committees and describe their function.	The Board also has an Environmental, Health & safety and sustainable development committee. The Environmental, Health & Safety and sustainable development committee is composed of three independent directors. You will find the mandate of this committee on our website at www.semafo.com.
9. **Assessments--** Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution.	The Executive Chair of the Board and the Lead director meet in private on a regular basis to discuss the performance and effectiveness of the independent members of the Board, the Board itself and the committees of the Board. The Executive Chair also regularly discusses privately these issues with individual Board members as well as during meetings of the Board. Furthermore, the Lead director has been entrusted with additional responsibilities regarding our assessment and succession planning processes, including: • Together with the Executive Chair, leading the Board's annual evaluation process of directors • Together with the Executive Chair, leading the Board's succession process with respect to the President and Chief Executive Officer. The Human resources and corporate governance committee also monitors every year the result of nominee director's election in accordance with our Majority Voting Policy. For more information on this policy, see page 7.

APPENDIX B –
MANDATE OF THE BOARD OF DIRECTORS

1. Duties

The Board of Directors (the "Board") of Semafo Inc. (the "Corporation") is responsible for the stewardship of the Corporation and for supervising the management of its business and affairs.

In fulfilling its duties, the Board oversees:

Strategic Planning

- The Corporation's strategic direction and, on an annual basis, reviews and approves its strategic and business plans
- The Corporation's annual financial objectives and, on an annual basis, reviews and approves its budgets and execution plans.

Operations

- The Corporation's operations, including comparing the objectives identified in the annual strategic and business plans and financial budgets to actual results with the view of ensuring that its assets are efficiently managed.

Risks

- The identification of the principal business risks and the establishment of appropriate policies and risk management systems aimed at managing these risks.

Executive Management

- The appointment, assessment, compensation and succession planning of executive management.

Integrity

- The integrity of the Corporation's internal controls, information and financial management systems
- The implementation of policies and systems aimed at increasing accountability, ensuring compliance with applicable laws and with auditing and accounting principles
- The implementation of policies and systems aimed at ensuring the respect of the business conduct standards in all countries in which the Corporation operates.

Governance

- The Corporation's approach to corporate governance
- The implementation of policies and systems aimed at accurate, timely and full public disclosure of information material to the Corporation.

Environment and Sustainable Development

- The implementation of policies and systems aimed at positioning the Corporation as a responsible mining Corporation in environmental, health and safety and sustainable development matters in the countries in which it operates.

Financial Reporting and Material Transactions

- And approves the "Annual Information Form", the quarterly and annual financial statements and related "Management's Discussion and Analysis of financial and operating results" as well as press releases
- And approves material transactions out of the ordinary course of business.

2. Board Committees

In fulfilling its duties, the Board may from time to time establish committees of the Board, delegate responsibilities to, appoint Board members of as well as a Chair for each such committee. The Board's current committees are the Audit Committee, the Human Resources and Corporate Governance Committee and the Environmental, Health & Safety and Sustainable Development Committee.

3. Assessment of the Board and Board Committees' Efficiency

The Board shall assess on an annual basis its own efficiency as well as that of each Board committee. The Board may request the Human Resources and Corporate Governance Committee to assist the Board in this regard.

4. Composition

The Board is composed of a minimum of three directors and of a maximum of 15 directors.

A majority of directors shall be independent directors as prescribed by the Canadian Securities Administrators and determined by the Board.

5. Chair

The Chair of the Board shall be an independent director or, as the case may be, an independent director shall be appointed as Lead Director.

The role of the Chair of the Board (or the Executive Chair of the Board, as the case may be) and of the Lead Director (if any) is set forth in their respective Mandate.

6. Meetings

The Board meets at least five times a year at locations, dates and times it determines.

The Chair of the Board may convene a meeting at any time.

7. Organization

The Corporation's secretary acts as Board secretary.

Before each Board meeting, the secretary distributes the agenda and the information required for discussion and decision-making purposes. The secretary records the minutes of each Board meeting in a register kept for this purpose.

8. Quorum and Decisions

The Board quorum is the majority of directors.

Subject to the quorum being reached, the Board makes its decisions by a majority of the votes cast by attending directors.

9. Outside Advisors

In fulfilling its duties, the Board may retain legal, accounting or other advisors.

APPENDIX C –
MANDATE OF THE HUMAN RESOURCES AND CORPORATE GOVERNANCE COMMITTEE

1. Duties

The role of the Human Resources and Corporate Governance Committee (the "Committee") of SEMAFO Inc. (the "Corporation") is to assist the Board of Directors (the "Board") in its oversight of:

• The appointment, assessment, compensation and succession planning of executive management

• The Corporation's approach to corporate governance

• The establishment of policies and systems aimed at accurate, timely and full public disclosure of information material to the Corporation.

In fulfilling its duties, the Committee:

<u>Human Resources</u>

• Reviews and recommends to the Board for approval the adequacy and form of compensation of Board members to ensure that their compensation realistically reflects their risks and responsibilities

• Reviews and recommends to the Board for approval the overall compensation strategy and yearly compensation of executive management

• Recommends to the Board for approval grants under the Corporation's stock option plans

• Recommends to the Board for approval grants under the Corporation's Restricted Share Unit Plan

• If so requested by the Board, assesses the efficiency of the Board and of Board committees

• Recommends new candidates for the position of director to the Board, as appropriate

• Orients new Board members regarding the role of the Board and of its committees and the Corporation's business

• Provides Board members with continuing education opportunities.

<u>Corporate Governance</u>

• Develops, reviews and recommends to the Board for approval the Corporation's corporate governance principles, processes and policies

• Reviews and recommends to the Board for approval the Management Proxy Circular prepared in connection with shareholders' meetings.

2. Composition

The Committee is composed of at least three Corporation directors appointed by the Board for a mandate of one year or for any other period set by the Board.

All Committee members shall be independent directors as prescribed by the Canadian Securities Administrators and determined by the Board.

3. Chair

The Chair of the Committee is appointed by the Board. In the event of the Chair's inability to attend a meeting, the Committee members shall appoint a chair for such meeting.

The Chair of the Committee:

- Chairs all Committee meetings
- Ensures the fulfillment of the Committee mandate
- Reports on Committee activities to the Board

- Ensures that this mandate is reviewed annually by the Committee members to recommend to the Board any appropriate changes.

4. Meetings

The Committee meets at least twice a year at locations, dates and times it determines.

The Chair of the Committee may convene a meeting at any time.

5. Organization

The Corporation's secretary acts as Committee secretary.

Before each Committee meeting, the secretary distributes the agenda and the information required for discussion and decision-making purposes. The secretary records the minutes of each Committee meeting in a register kept for this purpose.

6. Quorum and Decisions

The Committee quorum is the majority of Committee members.

Subject to the quorum being reached, the Committee makes its decisions by a majority of the votes cast by attending members.

7. Outside Advisors

In fulfilling its duties, the Committee may retain legal, accounting or other advisors.

APPENDIX D – RESOLUTION

EXTENSION OF SHAREHOLDER RIGHTS PLAN

IT IS RESOLVED THAT:

1. The shareholder rights plan containing the terms and conditions set forth in the shareholder rights plan agreement dated March 15, 2011 between SEMAFO Inc. ("SEMAFO") and Computershare Trust Company of Canada, as rights agent (the "Rights Plan"), be amended by deleting the definition of "Expiration Time" in section 1.1 therein and substituting in its place the following:

"**Expiration Time**" means the termination of the annual meeting of shareholders of the Corporation in the year 2017.

2. Any director or officer of SEMAFO is authorized to execute and deliver all such documents and to do all such other acts and things as may be necessary or desirable to give effect to this resolution.

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