



## PRESS RELEASE SEMAFO

FOR IMMEDIATE RELEASE

### SEMAFO Provides 2018 Outlook

**Montreal, Quebec, February 15, 2018** – SEMAFO Inc. (TSX, OMX: SMF) today announced 2018 production and cost guidance for its Mana and Boungou Mines in Burkina Faso. All amounts are in US dollars unless otherwise stated.

#### Highlights

- Consolidated production of between 235,000 and 265,000 ounces of gold, representing a 21% increase over 2017 production
- All-in sustaining cost<sup>1</sup> for 2018 of between \$900 and \$940 per ounce
- Total production of 75,000 ounces at Boungou in 2018, of which 60,000 to 70,000 ounces in commercial production

#### 2018 Outlook

2018 Guidance	Consolidated	Mana	Boungou (Commercial)
Gold production ('000 oz)	235 – 265	175 - 195	60 - 70
All-in sustaining cost (\$/oz)	900 - 940	1,020 – 1,070	545 - 570
<b>Capital Expenditure</b> (included in AISC) (in millions of \$)			
Sustaining	13	10	3
Stripping	55	44	11
	68	54	14

Development capital expenditures that are not included in the AISC for 2018 are \$14.5 million out of the total of \$51.7 million for Siou underground.

The general and administrative expense for 2018 has been forecast at \$16 million.

<sup>1</sup> All-in sustaining cost is a non-IFRS financial performance measure with no standard definition under IFRS and represents the total cash cost, plus sustainable capital expenditures and stripping costs per ounce.

A number of assumptions were made in preparing the 2018 guidance, including

- Price of gold: \$1,250 US dollars per ounce
- Price of fuel: \$1.08 US dollars per litre
- Exchange rate: \$0.80 US dollars to the Canadian dollar
- Exchange rate: \$1.20 US dollars to the Euro
- Four months of commercial production at Boungou

In 2018, the Mana mill should process approximately 2.6 million tonnes at an average grade of 2.52 g/t Au, with an average gold recovery rate of 89%. A total of 2.1 million tonnes of ore will be extracted from the Siou and Wona pits at an average grade of 2.71 g/t Au, with the remaining balance sourced from stockpiles and low-grade material.

The lower production and higher cost in 2018 result from the mine sequencing, the lower recovery rate, and the negative effect of foreign exchange. Following the PFS results, mining at Siou in 2018 is restricted to the northern part since underground development of the southern portion of Siou will begin in the third quarter. The lower recovery rate is attributable to the higher proportion of ore sourced from the Wona pit. The 10% increase in the value of the Euro affected approximately 75% of our costs, which are denominated in Euro or Euro-equivalent currencies.

During the year, we expect to produce about 75,000 ounces at Boungou, of which 60,000-70,000 ounces in commercial production. Once in commercial production, Boungou should process approximately 0.45 million tonnes of ore at an average grade of 4.87 g/t Au with an average gold recovery rate of 93%.

## **2018 Exploration**

Initial exploration expenditure for 2018 has been set at \$26 million, \$9 million of which will be spent at Boungou, \$7 million at the Mana Project, \$4 million at Nabanga, \$3 million at Korhogo and the remaining \$3 million in the Bantou area.

The 2018 exploration program at Mana includes 10,000 meters of core, 25,000 meters of reverse-circulation and 60,000 meters of auger drilling. The core drill program will primarily target the Siou area with the aim of assessing the north part of Siou at depth. The Bara Trend located some 20 kilometers from the Mana mill will see extensive drilling in the first quarter, including follow-up work on significant RC results and untested auger anomalies.

At Boungou, the 2018 exploration program comprises 42,000 meters of RC and 60,000 meters of auger drilling. The bulk of the RC drill work will test regional gold anomalies on the Boungou proximal, Dangou, Pambourou and 045 Trend Sectors.

The 2018 core drill program at the Nabanga deposit, which will be carried out in the first half of the year, will test lateral and-at depth extension of the mineralization. Furthermore, the Corporation will carry out core and RC drill programs on the Korhogo and Bantou areas following a series of prospective results in 2017.

## **About SEMAFO**

SEMAFO is a Canadian-based mining company with gold production and exploration activities in West Africa. The Corporation operates the Mana Mine in Burkina Faso, which includes the high-grade satellite deposits of Siou and Fofina, and is targeting production start-up of the Boungou Mine in the third quarter of 2018. SEMAFO's strategic focus is to maximize shareholder value by effectively managing its existing assets as well as pursuing organic and strategic growth opportunities.

## **CAUTION CONCERNING FORWARD-LOOKING STATEMENTS**

This press release contains forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and assumptions and accordingly, actual results and future events could differ materially from those expressed or implied in such statements. You are hence cautioned not to place undue reliance on forward-looking statements. Forward-looking statements include words or expressions such as "outlook", "guidance", "forecast", "assumptions", "should", "will", "initial", "maximise", "growth", "opportunities" and other similar words or expressions. Factors that could cause future results or events to differ materially from current expectations expressed or implied by the forward-looking statements include the ability to meet our 2018 production guidance of between 235,000 and 265,000 ounces of gold at an all-in-sustaining cost of between \$900 and \$940 per ounce, the ability to incur a total of \$68 million capital expenditures at Mana and Boungou in 2018, the ability to keep our general and administrative expenditures at \$16 million, the accuracy of our assumptions, the ability of the Mana mill to process approximately 2.6 million tonnes at an average grade of 2.52 g/t Au with an average gold recovery rate of 89%, the ability to extract a total of 2.1 million tonnes of ore from the Siou, Fofina and Wona pits at an average grade of 2.71 g/t Au, the ability to begin the underground development of the southern portion of Siou in the third quarter of 2018, the ability to produce a total of about 75,000 ounces at Boungou in 2018 of which 60,000 to 70,000 ounces in commercial production, the ability to process 0.45 million tonnes of ore at an average grade of 4.87 g/t with an average gold recovery rate of 93%, the ability to invest a total of \$26 million in our initial exploration program, the ability to follow our initial exploration program, the ability to start production start-up of the Boungou Mine in the third quarter of 2018, the ability to execute on our strategic focus, fluctuation in the price of currencies, gold or operating costs, mining industry risks, uncertainty as to calculation of mineral reserves and resources, delays, political and social stability in Africa (including our ability to maintain or renew licenses and permits) and other risks described in SEMAFO's documents filed with Canadian securities regulatory authorities. You can find further information with respect to these and other risks in SEMAFO's 2016 Annual MD&A, as updated in SEMAFO's 2017 First Quarter MD&A, 2017 Second Quarter MD&A and 2017 Third Quarter MD&A and other filings made with Canadian securities regulatory authorities and available at [www.sedar.com](http://www.sedar.com). These documents are also available on our website at [www.semafo.com](http://www.semafo.com). SEMAFO disclaims any obligation to update or revise these forward-looking statements, except as required by applicable law.

The information in this release is subject to the disclosure requirements of SEMAFO under the *Swedish Securities Market Act* and/or the *Swedish Financial Instruments Trading Act*. This information was publicly communicated on February 15, 2018 at 7:28 p.m., Eastern Standard Time.

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