



**PRESS RELEASE**  
**SEMAFO**

**FOR IMMEDIATE RELEASE**

**SEMAFO Provides 2019 Outlook**  
**Reports Fourth Quarter and Year-End 2018 Costs**

**Montreal, Quebec, February 8, 2019** – SEMAFO Inc. (TSX, OMX: SMF) today provided 2019 production and cost guidance for its Boungou and Mana Mines in Burkina Faso. The Corporation also announced fourth quarter and annual 2018 costs. All amounts are in US dollars unless otherwise stated.

**2019 Overview**

- Consolidated production of between 390,000 and 430,000 ounces of gold, representing a 68% increase over 2018 production
- Consolidated all-in sustaining cost<sup>1</sup> for 2019 of between \$685 and \$735 per ounce, down 26% from 2018 all-in sustaining cost
- Initial exploration budget of \$19 million, half of which is allocated to Boungou

**2019 Outlook**

2019 Guidance	Consolidated	Boungou	Mana
Gold production ('000 oz)	390 – 430	220 - 240	170 - 190
All-in sustaining cost (\$/oz)	685 - 735	470 - 510	950 -1,020

<b>Capital Expenditure</b> (included in AISC) (in millions of \$)			
Sustaining	14	4	10
Stripping	64	21	43
	78	25	53

<b>Non-recurring Development Expenditure</b> (not included in AISC) (in millions of \$)			
Siou underground development	41	-	41
Air strips & mill optimisations	8	6	2
	49	6	43

The general and administrative expense for 2019 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 2019 guidance, including

- Price of gold: \$1,250 US dollars per ounce
- Price of fuel: \$1.19 US dollars per litre
- Exchange rate: \$0.73 US dollars to the Canadian dollar
- Exchange rate: \$1.14 US dollars to the Euro

In 2019, at Boungou, we expect to process approximately 1.3 million tonnes of ore at an average grade of 5.72 g/t Au with an average gold recovery rate of 94%.

In the year, the Mana mill should process approximately 2.4 million tonnes at an average grade of 2.68 g/t Au, with an average gold recovery rate of 86%. A total of 2.3 million tonnes of ore will be extracted from the Siou and Wona pits at an average grade of 2.76 g/t Au, with the remaining balance sourced from low-grade material. Approximately 350,000 tonnes of ore will be sourced from Siou in 2019, which means that the 2020 mine plan will include some Siou high-grade, open-pit ounces at a very low strip ratio.

## **2019 Exploration**

Initial exploration expenditure for 2019 has been set at \$19 million, \$9 million of which will be spent at Boungou, \$4 million at Mana, \$3 million at Bantou, \$2 million at Nabanga and the remaining \$1 million at Korhogo.

At Boungou, the main objective of the 2019 exploration program is to identify new resources within trucking distance of the mill. To this end, this year's program comprises 41,000 meters of reverse-circulation (RC), 1,000 meters of diamond and 100,000 meters of auger drilling. The bulk of the RC drill work will follow up on recent discoveries at Dangou and test regional gold anomalies on the Pambourou and 045 Trend Sectors. The auger program will provide a complete coverage of the property and identify future exploration targets.

The 2019 exploration program at Mana includes 18,600 meters of reverse-circulation (RC) and 58,000 meters of auger drilling. The RC program will be dedicated to identifying satellite deposits near existing operations with a particular emphasis on the Pompoi area located 3.5 kilometers east of the Yaramoko Mine. The Pompoi program will focus on previous results of up to 7.40 g/t Au over 2 meters coincident with auger anomalies identified in 2018 with the objective of finding intrusive-hosted, high-grade mineralization.

The 2019 program on Nabanga will continue to explore the down plunge extension of the high-grade zones and test proximal auger anomalies.

### **Full Year and Fourth Quarter 2018 Highlights\***

- Annual production of 244,600 ounces of gold, in line with 2018 guidance of 235,000 and 265,000 ounces
- Consolidated all-in sustaining cost of \$951 per ounce for the year
- Quarterly all-in sustaining cost of \$579 per ounce at Boungou, and \$596 per ounce for 2018
- All-in sustaining cost of \$1,056 per ounce at Mana for the year, meeting guidance of between \$1,020 and \$1,070 per ounce
- All-in sustaining cost of \$1,021 per ounce at Mana in the fourth quarter
- Gold sales of \$297 million in 2018, an increase of 15% compared to the same period in 2017
- Cash and cash equivalents of \$122 million at year-end

\*2018 numbers are preliminary and are subject to final adjustment.

The higher consolidated costs in 2018 result primarily from an increase in mine-level security expenses that were not included in the 2018 guidance. At Siou, underground development commenced in the third quarter of 2018 and remains on budget and on schedule.

### **About SEMAFO**

SEMAFO is a Canadian-based intermediate gold producer with over twenty years' experience building and operating mines in West Africa. The Corporation operates two mines, the Mana and Boungou Mines in Burkina Faso. SEMAFO is committed to building value through responsible mining of its quality assets and leveraging its development pipeline.

### **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”, “initial”, “forecast”, “assumptions”, “expect”, “should”, “objective”, “program”, “will”, “future”, “targets”, “focus”, “committed”, “building”, “leveraging” 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 2019 consolidated production guidance of between 390,000 and 430,000 ounces of gold at an all-in-sustaining cost of between \$685 and \$735 per ounce, including at each of the Boungou Mine and the Mana Mine, the ability to incur a total of \$78 million capital expenditures at Boungou and Mana in 2019, the ability to incur a total of \$49 million of non-recurring development expenditure at Boungou and Mana in 2019, the ability to keep our general and administrative expenditures at \$16 million, the ability of the Boungou mill to process approximately 1.3 million tonnes at an average grade of 5.72 g/t Au with an average gold recovery rate of 94%, the ability of the Mana mill to process approximately 2.4 million tonnes at an average grade of 2.68 g/t Au with an average gold recovery rate of 86%, the ability to extract a total of 2.3 million tonnes of ore from the Siou and Wona pits at an average grade of 2.76 g/t Au, the ability to source approximately 350,000 tonnes of ore from Siou in 2019,

the ability to include some Siou high-grade, open-pit ounces at a very low strip ratio in the 2020 mine plan, the ability of the 2019 exploration program at Boungou to identify new resources within trucking distance of the mill, the ability of Boungou's auger program to identify future exploration targets, the ability of the RC program at Mana to identify satellite deposits near existing operations, the ability of the Pompoi program to find intrusive-hosted, high-grade mineralization, the ability to execute on our strategic focus, the accuracy of our assumptions, 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 2017 Annual MD&A, as updated in SEMAFO's 2018 First Quarter MD&A, 2018 Second Quarter MD&A and 2018 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.

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