

SEMAFO MINING MARCH QTR 09: MANA CONTINUES TO IMPRESS

	Mar Qtr	Dec Qtr	Change
Operational			
Production (oz)	58,100	56,800	2%
Head Grade (g/t)	2.65	2.53	5%
Average Gold Price (US\$/oz)	923	793	16%
Cash Operating Cost (US\$/oz)	513	540	-5%
Development Cost (US\$/oz)	50	38	31%
Total Cash Cost (US\$/oz)	563	578	-3%
Gross Margin (US\$/oz)	360	215	68%
Investment			
Capital Expenditure (US\$/oz)	64	26	
Exploration/Evaluation (US\$/oz)	11	11	
Total Investment (US\$/oz)	76	36	
Corporate			
Net Finance Cost (Revenue) (US\$/oz)	17	24	
General Administration (US\$/oz)	43	62	
Total Corporate Costs (US\$/oz)	61	86	29%
Cash Surplus (Deficit) (US\$/oz)	224	93	141%
Balance Sheet			
Cash Balance (US\$m)	20.4	23.4	-13%
Interest Bearing Loans (US\$m)	55.4	60.5	-8%
Hedging Liability (US\$m)	8.5	15.0	-44%
Share Capital			
Shares Outstanding (m)	292.5	292.5	
Insider Holdings (%)	0.71%	0.71%	
Share Price (C\$) (End of Qtr)	2.03	1.20	69%

Operational

- SEMAFO (TSX:SMF) has turned in another solid quarterly result as the Mana operation in Burkina Faso continues to drive overall production levels. Cash operating costs at Mana fell 4% despite 8% lower head grades. This was primarily due to the expansion of the operation where production increased 20%. The performances of Samira Hill and Kiniero were both lack luster with increased costs.

- SEMAFO reported a new quarterly production record of 58,100 oz. The group cash cost fell 5% to US\$513. Development costs for the quarter were marginally higher with improvements made to water dams in both Niger and Burkina Faso along with some capitalized stripping costs.
- The average gold price received increased a healthy 16% and helped the company improve its overall gross margin by 68% along with the operational cost improvements at Mana.

Quarterly Operational Summary

Project	Mar Qtr			Dec Qtr			Variance		
	oz	g/t	Cash Cost	oz	g/t	Cash Cost	oz	g/t	Cash Cost
Mana	36,000	2.9	427	29,900	3.1	443	20%	-8%	-4%
Samira Hill	10,900	1.8	747	17,000	1.5	684	36%	21%	9%
Kiniero	11,200	2.7	511	9,900	2.6	488	13%	3%	5%
	58,100	2.7	513	56,800	2.5	540	2%	5%	-5%

Investment

- The capital expenditure for the quarter increased and was largely tied up with expansion activity at Mana, along with costs associated with the finalization of the project.
- Exploration was in line with the previous quarter.

Corporate

- Net finance costs declined during the March quarter as over US\$5m in long term debt was retired.
- Corporate costs were also lower against the December Quarter 08.

Cash Surplus/Deficit

- The overall cash surplus increased 141% to US\$224/oz thank primarily to a strong performance from Mana and a higher average gold price received.

Balance Sheet

- The cash balance fell marginally during that quarter as debt was repaid and gold continued to be delivered into hedging agreements, which were almost halved during the quarter. SEMAFO have since reported that they are now 100% hedge free (4 June 09).

Share Capital

- Share capital remained unchanged for the quarter and the share price received a 69% boost. Since the end of the quarter, SEMAFO have announced a capital raising of C\$40.5m for further exploration, plant expansion at the Mana mine and general corporate purposes.

Closing Comments

SEMAFO experienced another record quarter of production and continue to generate healthy cash flow, used to retire debt and grow the business. The company in May 09 signed an agreement with the Government of Burkina Faso to undertake a feasibility study into the construction of a 20 MW solar power station to generate electricity. The company continues to display a commitment to making a significant contribution and improvement to the communities in which they operate. This puts them in excellent standing with the local population and public administrations. We look forward to following the company's progress.

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