



PRESS RELEASE
SEMAFO

FOR IMMEDIATE RELEASE

SEMAFO Reports Cash Flow from Operations of \$110 Million in 2018

2019 Forecasts Record Production, Cash Flow and Development Activity

Montreal, Quebec, March 5, 2019 – SEMAFO Inc. (TSX, OMX: SMF) today reported its financial and operational results for the fourth quarter and year ended December 31, 2018. All amounts are in US dollars unless otherwise stated.

2018 - THE YEAR IN REVIEW

- Boungou constructed on time, on budget
- Maiden inferred mineral resource for the Bantou Zone of 361,000 ounces at 5.35 g/t Au
- Nabanga mineral inferred resource increased by 42% to 840,000 oz at 7.7 g/t Au; PEA in Q3 2019
- 2018 exploration, development, construction and operational achievements at Boungou, Mana, Bantou and Nabanga laid the groundwork for 2019

2019 - THE YEAR SO FAR & OUTLOOK

- Combination of Bantou-Savary properties underway to produce a 1,250 km² district scale land package on the prolific Houndé Greenstone Belt
- Production of 390,000-430,000 ounces at an all-in sustaining cost (AISC) of \$685-\$735 per ounce expected to be the best in SEMAFO's history

Benoit Desormeaux, President and CEO of SEMAFO, stated, "Congratulations to the entire SEMAFO team for their hard work in 2018. All areas including exploration, development, construction and operations made 2018 a solid year and set the stage for a successful 2019. SEMAFO is set to achieve many milestones in 2019 including record production of 390,000-430,000 ounces of gold at an AISC of \$685-\$735 per ounce. The combination of Bantou-Savary is in progress and when complete, will result in a 1,250 km² district scale land package on the prolific Houndé Greenstone Belt in a country we know well. Strategic goals for 2019 include increasing and improving mine life at Boungou and Mana and advancing our two development projects, Bantou-Savary and Nabanga."

¹ All-in sustaining cost, adjusted operating income, adjusted net income attributable to shareholders of the Corporation, adjusted basic earnings per share and operating cash flows per share are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" defined at the end of this press release.

² Cash flows from operating activities exclude changes in non-cash working capital items and are a non-IFRS performance measure.

2018 ANNUAL FINANCIAL & OPERATIONAL HIGHLIGHTS

The following highlights exclude pre-commercial production of 12,000 ounces at the Boungou Mine:

- Cash flows from operating activities² of \$110.2 million or \$0.34 per share¹ compared to \$107.0 million or \$0.33 per share¹ for the same period in 2017
- Consolidated annual gold production of 244,600 ounces, compared to 206,400 ounces for the same period in 2017, in line with 2018 guidance of 235,000 to 265,000 ounces
- Gold sales of \$296.7 million compared to \$259.0 million for the same period in 2017
- All-in sustaining cost¹ of \$951 per ounce sold compared to \$942 for the same period in 2017.

FOURTH QUARTER 2018 FINANCIAL & OPERATIONAL HIGHLIGHTS

- Cash flows from operating activities² of \$54.9 million or \$0.17 per share¹ compared to \$25.4 million or \$0.08 per share¹ for the same period in 2017
- Consolidated gold production of 95,200 ounces, compared to 49,500 ounces for the same period in 2017 due to the first full quarter of production at Boungou
- Gold sales of \$114.7 million compared to \$63.0 million for the same period in 2017
- Production at Boungou totalled 53,100 ounces of gold in the quarter, reflecting average head grade of 6.34 g/t Au
- All-in sustaining cost¹ of \$782 per ounce sold compared to \$982 for the same period in 2017

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.

Boungou

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 Tawori 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.

Mana

The 2019 exploration program at Mana includes 18,600 meters of 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 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.

¹ All-in sustaining cost, adjusted operating income, adjusted net income attributable to shareholders of the Corporation, adjusted basic earnings per share and operating cash flows per share are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" defined at the end of this press release.

² Cash flows from operating activities exclude changes in non-cash working capital items and are a non-IFRS performance measure.

Bantou and Consolidation of South Houndé Belt

In February 2019, SEMAFO and Savary Gold Corp. entered into a non-binding letter of intent (LOI) contemplating the acquisition by SEMAFO of all of the outstanding common shares of Savary not already owned by SEMAFO. Savary's Karankasso project is contiguous to the Bantou Zone. Both projects are located approximately 170 kilometers south of Mana. Given the prospectivity of the combined Savary-Bantou properties, the Bantou exploration budget of \$3 million will be enhanced when the Savary proposed acquisition closes in April 2019.

Nabanga

The 2019 program on Nabanga will test the northern extension, further explore the down-plunge extensions confirmed by recent drilling, and test drill auger geochemical anomalies proximal to the deposit for satellite mineralization. We continue to work on expanding the resource, and we will complete a PEA in the third quarter of 2019.

Boungou, Burkina Faso

Mining Operations

	2018
Operating Data	
Mining	
Waste mined (tonnes)	4,035,200
Ore mined (tonnes)	568,300
Operational stripping ratio	7.1
Capitalized Stripping Activity	
Waste material – Boungou (tonnes)	4,143,200
Total strip ratio	14.4
Processing	
Tonnes processed (tonnes)	368,100
Head grade (g/t)	5.75
Recovery (%)	94
Gold ounces produced ¹	63,600
Gold ounces sold ²	54,300
Statistics (in dollars)	
Average realized selling price (per ounce)	1,233
Cash operating cost (per tonne processed) ²	56
Cash operating cost, including stripping (per tonne processed) ²	79
Total cash cost (per ounce sold) ²	403
All-in sustaining cost (per ounce sold) ²	596
Depreciation (per ounce sold) ³	400

Boungou, Burkina Faso

Mining Operations

Boungou construction was completed on-time and on-budget in 2018. During the pre-commercial period from June to the end of August, Boungou produced 12,000 ounces of gold. Commercial production in the last four months of 2018 delivered 63,600 ounces of gold. Grade in the four months averaged 5.75 g/t Au, increasing in the fourth quarter as the mine plan reached higher grade zones. During the last four months of 2018, ramp-up economics were still tracking ahead of schedule with some minor optimizations still to be realized in 2019. The variation between gold ounces sold and gold ounces produced during the year is due to the timing of delivery and the build-up of gold in circuit. As at December 31, 2018, the stockpile held slightly more than 500,000 tonnes of ore with an average grade of 2.0 g/t Au.

¹ Gold ounces produced exclude pre-commercial production of 12,000 ounces.

² Cash operating cost, total cash cost and all-in sustaining cost are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" defined at the end of this press release.

³ Depreciation per ounce sold is a non-IFRS financial performance measure with no standard definition under IFRS and represents the depreciation expense per ounce sold.

Mana, Burkina Faso

Mining Operations

	2018	2017	Variation
Operating Data			
Mining			
Waste mined (tonnes)	17,802,100	16,913,100	5%
Ore mined (tonnes)	2,109,700	2,268,100	(7%)
Operational stripping ratio	8.4	7.5	12%
Capitalized Stripping Activity			
Waste material – Siou (tonnes)	4,200,500	12,607,300	(67%)
Waste material – Wona (tonnes)	11,643,400	9,189,900	27%
	15,843,900	21,797,200	(27%)
Total strip ratio	15.9	17.1	(7%)

Processing			
Ore processed (tonnes)	2,356,400	2,136,100	10%
Low grade material (tonnes)	217,500	603,800	(64%)
Tonnes processed (tonnes)	2,573,900	2,739,900	(6%)
Head grade (g/t)	2.36	2.46	(4%)
Recovery (%)	93	95	(2%)
Gold ounces produced	181,000	206,400	(12%)
Gold ounces sold	181,100	205,300	(12%)

Statistics (in dollars)			
Average realized selling price (per ounce)	1,268	1,261	1%
Cash operating cost (per tonne processed) ¹	51	46	11%
Cash operating cost, including stripping (per tonne processed) ¹	68	62	10%
Total cash cost (per ounce sold) ¹	786	655	20%
All-in sustaining cost (per ounce sold) ¹	1,056	942	12%
Depreciation (per ounce sold) ²	451	460	(2%)

Mana, Burkina Faso

Mining Operations

As expected, in 2018, the tonnes processed decreased by 6% due to the ore hardness. In 2018, gold sales amounted to \$229,713,000 compared to \$258,993,000 for 2017. The decrease is mainly due to the lower gold ounces produced and sold in line with the mine plan, partially offset by the higher average realized selling price. The variation between gold ounces sold and gold ounces produced in 2018 is due to the timing of delivery. The decrease in depreciation of property, plant and equipment mainly reflects the lower capitalized stripping ratio from Wona in 2018 compared to the higher capitalized stripping ratio from Siou at depth in 2017. As expected, in 2018, the all-in sustaining cost¹ reached \$1,056 per ounce sold compared to \$942 per ounce sold in 2017. The result is attributable to an increase in security expenses and a lower recovered head grade.

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² Depreciation per ounce sold is a non-IFRS financial performance measure with no standard definition under IFRS and represents the depreciation expense per ounce sold.

Siou Underground Development

During the fourth quarter of 2018, underground development continued to advance well, in line with our goal of achieving production in the first quarter of 2020. Specifically, the following milestones were completed:

- Development on budget with \$10.7 million of the \$51.7 million budget incurred
- 1,050 meters of development completed at year-end
- Construction of permanent contractor surface infrastructure
- Receipt of favorable opinion from Ministry of Environment regarding the Environmental and Social Impact Assessment (ESIA) study - final hearing with Mines Commission is expected shortly

2018 Reserves and Resources - as at December 31, 2018

As at December 31, 2018, total proven and probable mineral reserves stood at 2,909,000 ounces of gold. Measured and indicated mineral resources totalled 3,031,300 ounces. Inferred mineral resources increased by 48% to 2,141,100 ounces compared to year-end 2017.

Changes in reserves are net of 2018 depletion due to production. All mineral resources reported are exclusive of mineral reserves. Mineral reserves and resources reported at Mana and at Tapoa (Boungou Project) were estimated using a gold price of \$1,200 and \$1,400 per ounce, respectively.

Tapoa (Boungou Project)

Total proven and probable reserves at the Boungou Project were 10,939,000 tonnes averaging 3.94 g/t Au for 1,387,000 ounces of gold, compared to 11,195,000 tonnes at 4.11 g/t Au for 1,479,000 ounces. The slight decrease mainly represents depletion of the 75,600 ounces produced in 2018, which includes the pre-commercial production.

Mana

At year-end 2018, Mana's mineral reserves totalled 15,987,000 tonnes at an average grade of 2.96 g/t Au for 1,522,000 ounces, compared to 18,231,000 million tonnes averaging 2.92 g/t Au for 1,710,300 ounces.

Mana's mineral resources remained constant at 43,467,000 million tonnes at an average grade of 1.93 g/t Au for 2,695,300 ounces.

Kongolokoro (Bantou Zone)

At the end of 2018, the Bantou Zone hosted a maiden inferred mineral resource estimate of 2,100,000 tonnes at 5.35 g/t Au for 361,000 ounces of gold. The Bantou Zone, which is located approximately 170 kilometers south of the Mana Mine in Burkina Faso, remains open along strike and at depth.

The mineral resources at Kongolokoro Permit Group (Bantou) were estimated using a gold price of \$1,500 per ounce.

Yactibo (Nabanga Deposit)

An infill drilling program and a revised interpretation of the mineralization added 250,000 ounces of inferred mineral resources to Nabanga in 2018.

The updated mineral inferred resource estimation for Nabanga was established at 3,402,000 tonnes grading 7.69 g/t Au for 841,000 ounces of contained gold. The resource estimation update is based on 395 drill holes (RC and DD combined) totalling 57,488 meters, including 67 core holes drilled since the latest estimation completed by Snowden in August 2012, and a revised interpretation of the mineralization that suggests a shallower plunge of the higher-grade zones of gold mineralization.

The mineral resource estimate is reported above a cut-off grade of 3.0 g/t Au based on the assumption most of the resource would likely be mined by selective underground mining techniques. For further details, refer to the February 20, 2019 press release.

SEMAFO's Management's Discussion and Analysis, Consolidated Financial Statements and related financial materials are available in the "Investor Relations" section of the Corporation's website at www.semafo.com. These and other corporate reports are also available on www.sedar.com.

Fourth Quarter and Year-End 2018 Conference Call

A conference call will be held tomorrow, Wednesday, March 6, 2019 at 10:00 EST, to discuss this press release. Interested parties are invited to call the following telephone numbers to participate in the call:

Tel. local & overseas: +1 (647) 788 4922

Tel. North America: 1 (877) 223 4471

Webcast: www.semafo.com/English/investor-relations/news-and-events/events/default.aspx

Replay number: 1 (800) 585 8367 or +1 (416) 621 4642

Replay pass code: 6388407

Replay expiration: April 6, 2019

Annual General Meeting of Shareholders

SEMAFO's Annual General Meeting of Shareholders will be held on Thursday, May 9, 2019 at 10:00 EDT at Club Saint-James, Salon Midway, 1145 avenue Union, in Montreal. Attendees will have the opportunity to ask questions and meet the management team and members of the board of directors.

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 Boungou and Mana 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 "forecasts", "development", "laid the groundwork", "outlook", "underway", "expected", "set the stage", "set to achieve", "milestones", "in progress", "goals", "increasing", "improving", "advancing", "initial", "will", "objective", "targets", "identifying", "focus", "contemplating", "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 achieve record production, cash flow and development activity in 2019, the ability to produce 390,000-430,000 ounces at an AISC of \$685-\$735 per ounce, the ability to consummate the proposed transaction with Savary Gold Corp., the ability to increase and improve mine life at Boungou and Mana and advance our Bantou-Savary and Nabanga projects, the ability of our 2019 Exploration Program to meet its various objectives, the ability to achieve production from the Siou Underground in the first quarter of 2020, 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 2018 Annual MD&A, and other filings made with Canadian securities regulatory authorities and available at www.sedar.com. These documents are also available on our website at www.semafo.com. SEMAFO disclaims any obligation to update or revise these forward-looking statements, except as required by applicable law.

For more information, contact

SEMAFO

John Jentz

Vice-President, Corporate Development & Investor Relations

Email: John.Jentz@semafo.com

Ruth Hanna

Analyst, Investor Relations

Email: Ruth.Hanna@semafo.com

Tel. local & overseas: +1 (514) 744 4408

North America Toll-Free: 1 (888) 744 4408

Website: www.semafo.com

Financial and Operating Highlights

	2018	2017	2016
Gold ounces produced ¹	244,600	206,400	240,200
Gold ounces sold ²	235,400	205,300	240,600

(in thousands of dollars, except amounts per ounce and per share)

Revenues – Gold sales	296,679	258,993	300,483
Operating income	10,321	11,494	60,086
Net (loss) income attributable to shareholders of the Corporation	(8,192)	20,036	34,219
Basic (loss) earnings per share	(0.03)	0.06	0.11
Diluted (loss) earnings per share	(0.03)	0.06	0.11
Adjusted operating income ³	8,494	10,659	70,989
Adjusted net (loss) income attributable to shareholders of the Corporation ³	(4,462)	864	48,109
Per share ³	(0.01)	—	0.15
Cash flows from operating activities ⁴	110,203	107,023	142,222
Per share ³	0.34	0.33	0.45
Average realized selling price (per ounce)	1,260	1,261	1,249
Total cash cost (per ounce sold) ³	698	655	548
All-in sustaining cost (per ounce sold) ³	951	942	720
Total assets	1,034,275	1,028,363	895,276
Non-current liabilities	142,904	180,595	102,091

¹ Gold ounces produced exclude pre-commercial production of 12,000 ounces from Boungou in 2018

² Gold sales exclude sales resulting from pre-production activities that were offset against capitalized construction costs and amounted to \$14,994,000.

³ Adjusted operating income, adjusted net (loss) income attributable to shareholders of the Corporation, adjusted basic earnings per share, operating cash flows per share, total cash cost and all-in sustaining cost are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS Financial Measures" defined at the end of this press release.

⁴ Cash flows from operating activities exclude changes in non-cash working capital items and are a non-IFRS performance measure.

Fourth Quarter Financial and Operating Highlights

	Three-month periods ended December 31,		
	2018	2017	Variation
Gold ounces produced	95,200	49,500	92%
Gold ounces sold	92,900	49,200	89%

(in thousands of dollars, except amounts per ounce and per share)

Revenues – Gold sales	114,692	62,960	82%
Operating income	21,431	2,215	868%
Net income attributable to shareholders of the Corporation	6,486	1,649	293%
Basic earnings per share	0.02	0.01	100%
Diluted earnings per share ³	0.02	0.01	100%
Adjusted operating income ¹	20,957	2,405	771%
Adjusted net income (loss) attributable to shareholders of the Corporation ¹	7,754	(315)	—
Per share ¹	0.02	—	—
Cash flow from operating activities ²	54,932	25,409	116%
Per share ¹	0.17	0.08	113%
Average realized selling price (per ounce)	1,234	1,278	(3%)
Total cash cost (per ounce sold) ¹	559	667	(16%)
All-in sustaining cost (per ounce sold) ¹	782	982	(20%)

¹ Adjusted operating income, adjusted net income (loss) attributable to shareholders of the Corporation, adjusted basic earnings per share, operating cash flows per share, total cash cost and all-in sustaining cost are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS Financial Measures" defined at the end of this press release.

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Non-IFRS Financial Performance Measures

Some of the indicators used by us to analyze and evaluate our results represent non-IFRS financial measures. We provide non-IFRS financial performance measures as they may be used by some investors to evaluate our financial performance. Since the non-IFRS performance measures do not have any standardized definition prescribed by IFRS, they may not be comparable to similar measures presented by other companies. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. For the non-IFRS financial performance measures not already reconciled within the document, we have defined the IFRS financial performance measures below and reconciled them to reported IFRS measures.

Cash Operating Cost

A reconciliation of cash operating cost calculated in accordance with the Gold Institute Standard to the operating costs is included in the following table:

Per tonne processed	2018		2017
	Boungou	Mana	Mana
Tonnes of ore processed	368,100	2,573,900	2,739,900
(in thousands of dollars except per tonne)			
Mining operation expenses (relating to ounces sold)	21,902	142,307	134,385
Government royalties, development taxes and selling expenses	(3,537)	(10,592)	(11,364)
Effects of inventory adjustments (doré bars and gold in circuit)	2,323	36	3,184
Operating costs (relating to tonnes processed)	20,688	131,751	126,205
Cash operating cost (per tonne processed)	56	51	46

Cash Operating Cost, including stripping

Per tonne processed	2018		2017
	Boungou	Mana	Mana
Tonnes of ore processed	368,100	2,573,900	2,739,900
(in thousands of dollars except per tonne)			
Stripping cost	8,497	42,608	44,615
Stripping cost (per tonne processed)	23	17	16
Cash operating cost (per tonne processed)	56	51	46
Cash operating cost, including stripping (per tonne processed)	79	68	62

Total Cash Cost

Per ounce sold	2018			2017
	Boungou	Mana	Total	Mana
Gold ounce sold	54,300	181,100	235,400	205,300
(in thousands of dollars except per ounce)				
Mining operation expenses	21,902	142,307	164,209	134,385
Total cash cost (per ounce sold)	403	786	698	655

All-in Sustaining Cost

All-in sustaining cost represents the total cash cost plus sustainable capital expenditures and stripping costs per ounce.

Per ounce sold			2018	2017
	Boungou	Mana	Total	Mana
Gold ounce sold	54,300	181,100	235,400	205,300
(in thousands of dollars except per ounce)				
Sustaining capital expenditure	10,465	48,974	59,439	58,907
Sustaining capital expenditure (per ounce sold)	193	270	253	287
Total cash cost (per ounce sold)	403	786	698	655
All-in sustaining cost (per ounce sold)	596	1,056	951	942

Operating Cash Flows per Share

	2018	2017
(in thousands except per share)		
Cash flows from operating activities ¹	110,203	107,023
Weighted average number of outstanding common shares - basic	325,478	324,894
Operating cash flows per share	0.34	0.33

Adjusted Accounting Measures

	2018	2017
(in thousands of dollars except per share)		
Net (loss) income attributable to shareholders of the Corporation as per IFRS	(8,192)	20,036
Foreign exchange loss (gain)	1,613	(9,528)
Tax effect of currency translation on tax base	3,944	(8,809)
Share-based compensation recovery related to change in the fair value of the share price	(1,827)	(835)
Adjusted net (loss) income attributable to shareholders of the Corporation	(4,462)	864
Weighted average number of outstanding shares	325,478	324,894
Adjusted basic (loss) earnings per share	(0.01)	—

	2018	2017
(in thousands)		
Operating income as per IFRS	\$ 10,321	\$ 11,494
Share-based compensation recovery related to change in the fair value of the share price	(1,827)	(835)
Adjusted operating income	8,494	10,659

¹Cash flows from operating activities exclude changes in non-cash working capital items and are a non-IFRS performance measure.

Consolidated Statements of Financial Position

(Expressed in thousands of US dollars)

	As at December 31, 2018 \$	As at December 31, 2017 \$
Assets		
Current assets		
Cash and cash equivalents	96,519	198,950
Trade and other receivables	29,434	22,649
Income tax receivable	6,390	3,186
Inventories	83,211	66,409
Other current assets	5,378	4,094
	<u>220,932</u>	<u>295,288</u>
Non-current assets		
Advance receivable	2,117	2,867
Restricted cash	25,340	23,237
Property, plant and equipment	782,060	703,341
Intangible asset	1,204	1,374
Other non-current financial assets	2,622	2,256
	<u>813,343</u>	<u>733,075</u>
Total assets	1,034,275	1,028,363
Liabilities		
Current liabilities		
Trade payables and accrued liabilities	63,905	72,720
Current portion of long-term debt	60,181	310
Current portion of finance leases	7,820	4,703
Current portion of share unit plan liabilities	3,311	6,404
Provisions	3,051	3,069
	<u>138,268</u>	<u>87,206</u>
Non-current liabilities		
Long-term debt	57,388	115,247
Finance Leases	20,144	19,008
Share unit plan liabilities	2,263	3,138
Provisions	23,561	12,258
Deferred income tax liabilities	39,548	30,944
	<u>142,904</u>	<u>180,595</u>
Total liabilities	281,172	267,801
Equity		
Shareholders of the Corporation		
Share capital	623,604	622,294
Contributed surplus	6,771	7,220
Accumulated other comprehensive (loss) income	(18,909)	2,256
Retained earnings	109,216	97,710
	<u>720,682</u>	<u>729,480</u>
Non-controlling interests	32,421	31,082
Total equity	753,103	760,562
Total liabilities and equity	1,034,275	1,028,363

Consolidated Statements of (loss) Income

For the years ended December 31, 2018 and 2017

(Expressed in thousands of US dollars, except per share amounts)

	2018	2017
	\$	\$
Revenue – Gold sales	296,679	258,993
Costs of operations		
Mining operation expenses	164,209	134,385
Depreciation of property, plant and equipment	103,758	94,722
General and administrative	15,826	14,069
Corporate social responsibility expenses	1,262	1,097
Share-based compensation	1,303	3,226
Operating income	10,321	11,494
Other expenses (income)		
Finance income	(2,283)	(3,294)
Finance costs	5,722	1,309
Foreign exchange loss (gain)	1,613	(9,528)
Income before income taxes	5,269	23,007
Income tax expense (recovery)		
Current	2,136	4,181
Deferred	9,986	(4,737)
	12,122	(556)
Net (loss) income for the year	(6,853)	23,563
Attributable to:		
Shareholders of the Corporation	(8,192)	20,036
Non-controlling interests	1,339	3,527
	(6,853)	23,563
Earnings (loss) per share		
Basic	(0.03)	0.06
Diluted	(0.03)	0.06

Consolidated Statements of Cash Flows
For the years ended December 31, 2018 and 2017
(Expressed in thousands of US dollars)

	2018 \$	2017 \$
Cash flows from (used in):		
Operating activities		
Net (loss) income for the year	(6,853)	23,563
Adjustments for:		
Depreciation of property, plant and equipment	103,758	94,722
Share-based compensation	1,303	3,226
Unrealized foreign exchange loss (gain)	1,608	(9,480)
Deferred income tax expense (recovery)	9,986	(4,737)
Other	401	(271)
	<u>110,203</u>	<u>107,023</u>
Changes in non-cash working capital items	(2,279)	(30,115)
Net cash provided by operating activities	107,924	76,908
Financing activities		
Drawdown of long-term debt	—	60,000
Repayment of equipment financing	(310)	(310)
Payments of finance lease	(5,485)	(5,128)
Proceeds on issuance of share capital, net of expenses	861	255
	<u>861</u>	<u>255</u>
Net cash (used in) provided by financing activities	(4,934)	54,817
Investing activities		
Net acquisitions of equity investments	(1,740)	—
Acquisition of property, plant and equipment	(198,740)	(201,346)
Increase in restricted cash	(2,491)	(16,808)
	<u>(2,491)</u>	<u>(16,808)</u>
Net cash used in investing activities	(202,971)	(218,154)
Effect of exchange rate changes on cash and cash equivalents	(2,450)	11,607
Change in cash and cash equivalents during the year	(102,431)	(74,822)
Cash and cash equivalents – Beginning of year	198,950	273,772
Cash and cash equivalents – End of year	96,519	198,950
Interest paid	9,850	6,576
Interest received	2,464	3,360
Income tax paid	5,127	12,109