

1 Quarterly Report

Three month ended March 31, 2000

Exploring
New
Grounds



Message to Shareholders

For the three-month period ended March 31, 2000 Semafco recorded a loss of \$143,565 (\$0.00 per share) compared to a loss of \$148,196 (\$0.00 per share) for the same period in 1999. Revenues derived from investment were down from \$249,142 last year to \$207,689 in 2000. This reduction is mainly attributable to a temporary loan of US \$7.5 million, bearing no interest, to African Geomin Mining Development Corporation Ltd. ("African Geomin") relative to the transaction which led to the acquisition of a 50% interest of African Geomin. Following the increasing level of activities during the period, the administrative expenses were increased from \$249,643 to \$316,922. In 1999, the Company committed expenses of \$147,695 to identify and evaluate acquisition projects. No expenses of this nature were accounted for in the statement of earnings for the current period.

The cash and cash equivalents decreased by \$9,475,903 in 2000, compared to an increase of \$4,078,231 in 1999. This is attributed mainly to the acquisition of the Segala property in Mali for a consideration of US \$5 million. In addition to this acquisition, investment in mining properties amounted to \$1,233,252 in 2000, compared to \$430,198 in 1999.

Ghana

Anwia

Drilling by Ashanti Goldfields Ltd. has outlined an inferred resource of 2 million tonnes grading 3.0 grams per tonne at the Ebi/Teleku - Bokazo concession in Ghana in which Ashanti is earning a 75% interest. The project has the potential of providing feed for Ashanti's Iduapriem plant, 56 km away. Following additional delineation RC drilling, Ashanti has revised the geological model of the deposits and is evaluating their economics.

Tinga

Following a successful trenching and RC drilling program completed in 1999 on this prospect, a follow-up program is in progress. This program calls for 1400 meters of core and 4500 meters of RC drilling. The main objective is to better define the structure and ore controls of the gold-bearing orebody while being able to establish drill-indicated resources up to the -150 meter level.

The Tinga Far East mineralized structure is now traced over more than 1000 meters and shows an average width of 5 meters with an average grade of 5 g/t. At the end of May 2000, a total of 1147 meters of trenching in 32 trenches and 4000 meters of RC drilling has been completed. Compilation of results is in progress.

Wa SEMAFO signed a Heads of Agreement with AGEM Ltd., the Ashanti / IAMGold Alliance. The Agreement covers a group of 4 prospecting licences totalling 597 sq. km near Wa in Northern Ghana and is a part of the same greenstone belt hosting the Poura mine in Burkina Faso (located 80 km north of the border). Semafco has launched a short exploration program comprising a geological compilation and field verification mainly focusing on the potential of the Kunche prospect. This prospect has an inferred resource of 1 million tonnes at 3,7 grams per tonne.

Guinea

The feasibility study on Jean Gobebe compiled under the coordination of Lycopodium, from Australia, was deposited and presented by Semafco to the Government of Guinea. The interministry Commission responsible for the audit recommends the approval of the study and the granting of the exploitation permit.

A definition drilling program started in November 1999 is still underway over the newly discovered mineralized structure called Gobebe C. At the same time, more regional exploration work is being carried to rapidly increase the resource base. The priority targets are the north-south and east-west extensions of the known Jean and Gobebe structures.

Burkina Faso

At the Nyafé gold discovery on the Mana concession, a reverse circulation and core drilling campaign was commenced in November last year along with a geological and structural mapping program over the main mineralized horizon. More regional rock and soil geochemical exploration programs covering the rest of Mana and the new Fobiri concession are now underway with the objective of explaining many BLEG anomalies. A ground magnetic and IP geophysical survey was also completed during the last quarter.

The on-going compilation of drilling and other exploration results will allow confirmation of the depth extension of the high grade gold mineralization. This will enable a better understanding of its mineralogy and metallurgical recovery. A first preliminary resource evaluation will also be prepared.

Benoit La Salle
President and Chief Executive Officer
May 29, 2000

Consolidated Balance Sheets (unaudited)

Period ended March 31	2000	1999
Assets		
Current assets		
Cash and cash equivalents	\$ 13,126,287	\$ 12,632,484
Short-term investments	12,116,948	7,882,285
Receivables	138,232	526,372
Other assets	378,616	297,790
	25,760,083	21,338,931
Deferred charges	737,017	-
Long-term investments	574,748	505,635
Mining assets	26,583,749	41,294,279
	\$ 53,655,597	\$ 63,138,845
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 781,856	\$ 548,251
Shareholders' Equity		
Share capital	86,264,096	65,581,054
Deficit	(33,390,355)	(2,990,460)
	52,873,741	62,590,594
	\$ 53,655,597	\$ 63,138,845

Consolidated Statements of Loss and Deficit (unaudited)

Period ended March 31	2000	1999
Interest Income	\$ 207,689	\$ 249,142
Administrative expenses	316,922	249,643
Project search expenses	-	147,695
Write-off of mining assets	34,332	-
	351,254	397,338
Net loss for the period	(143,565)	(148,196)
Deficit at beginning of period	(33,246,790)	(2,842,264)
Deficit at end of period	\$ (33,390,355)	\$ (2,990,460)
Net income (loss) per share	\$ 0.00	\$ 0.00

Consolidated Statements of Changes in Financial Position (unaudited)

Period ended March 31	2000	1999
Operating activities		
Net loss for the period	\$ (143,565)	\$ (148,196)
Items not affecting cash and cash equivalents		
Write-off of mining assets	34,332	-
	(109,233)	148,196
Change in non-cash items		
Accounts receivable	226,288	25,239
Other assets	(42,182)	(29,764)
Accounts payable	(230,164)	(468,152)
	(46,058)	(472,677)
Cash used for operating activities	(155,291)	(620,873)
Investing activities		
Acquisition of investments	(942,230)	5,129,302
Addition to mining assets	(8,533,252)	(430,198)
Decrease in deferred expenses	154,870	-
Cash used for investing activities	(9,320,612)	4,699,104
Net change in cash resources during the period	(9,475,903)	4,078,231
Cash resources at beginning of period	22,602,190	8,554,253
Cash resources at end of period	\$ 13,126,287	\$ 12,632,484

Investor Information

Requests for copies of the Annual Report, quarterly reports and other Company information may be addressed to:

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