11 February 2019

Results for the 12 months ended 31 December 2018 (Unaudited)

Based on IFRS and expressed in US Dollars (US$)

Acacia Mining plc ("Acacia'') reports full year 2018 results

"I am pleased to report that during 2018 we successfully stabilised the business with our focus on operational performance across all three mines. We achieved gold production of 521,980 ounces for the year, substantially ahead of our initial 2018 production guidance of 435,000 to 475,000 ounces, and we maintained a strong cost discipline achieving an all-in sustaining cost of US$905 per ounce sold, well below the full year guidance range of US$935 to US$985 per ounce," **said Peter Geleta, Interim CEO of Acacia.** "This would not have been possible without the sheer resilience, hard work and determination of all of our people and I would like to thank each and every one of them for their contributions to the Acacia Group, particularly given the continued challenging operating environment this year. We were able to return the Company to free cash flow generation in the second quarter of the year, a trend which was sustained during the second half, ending the year with a net cash position of US$88 million. At the same time, we continued to demonstrate our long-term commitment to Tanzania and its mining industry, contributing over US$127 million in taxes and royalties, spending over US$273 million with local suppliers in Tanzania, achieving a rate of 97% local employees and investing US$8.8 million in our Sustainable Communities strategy to improve the lives of those living near our mine sites. Looking ahead to 2019 we expect production of 500,000-550,000 ounces at an all-in sustaining cost of US$860-920 per ounce with cash costs of US$665-710 per ounce."

Continued Peter Geleta, "We are also highly encouraged by the provisional outcomes of the Bulyanhulu optimisation study, with a focus on achieving higher margin ounces in line with the Company's focus on free cash generation. The provisional outcomes support a potential life of mine of 18 years and delivery of an average steady state production rate of 300,000 to 350,000 ounces per year at an AISC of US$700 to US$750 per ounce assuming a successful resumption of underground mining and the ability to economically produce and sell gold concentrates. To that end, we continue to provide support to Barrick in its discussions with the Government of Tanzania and believe that a negotiated resolution is in the best interests of all stakeholders. "

Operational Highlights

- 2018 gold production of 521,980 ounces, ahead of initial guidance of 435,000-475,000 ounces for the year due to the strong operating performance at all three mines
- Gold sales of 520,380 ounces, broadly in line with production for the year
- 2018 AISC[1] of US$905 per ounce sold was below the full year guidance range of US$935-985 per ounce, driven by the higher production base, lower capital allocation and strong cost discipline
- Bulyanhulu optimisation study has progressed well, with provisional outcomes supporting a potential 18 years life of mine at steady state production of 300,000-350,000 ounces per year at an AISC of US$700-750 per ounce sold, upon further capital investment of around US$120-140 million, including capital, drilling, development and rehabilitation costs over a 12-18 month period, successful resumption of underground mining operations and a return to full production and sale of gold in both doré and concentrates. A final decision to resume underground mining operations will be considered by the Board at the appropriate time

Financial Highlights

- Revenue of US$664 million, 12% lower than 2017, with the higher average realised gold price offset by the lower sales base
- EBITDA[1] of US$226 million, 12% down on 2017 mainly due to the lower revenue, partly offset by the US$45 million gain on the sale of a non-core royalty, with adjusted EBITDA[1] of US$183 million, 41% lower than 2017 excluding the sale of the non-core royalty
- Net earnings of US$59 million compared to a net loss of US$707 million in 2017, with adjusted net earnings of US$44 million (US10.8 cents per share) compared to US$146 million in 2017 (US35.7 cents per share) mainly due to lower revenue
- Cash balance increased by US$50 million during 2018 to US$130 million due to the sale of a non-core royalty combined with strong operational performance, with net cash balance of US$88 million at the end of 2018
- Contributed US$127 million of taxes and royalties to Tanzania and spent over US$273 million with local suppliers in Tanzania

(Unaudited)	Three months ended 31 December 2018	2017	Twelve months ended 31 December 2018	2017
Gold production (ounces)	130,581	148,477	521,980	767,883
Gold sold (ounces)	133,460	147,636	520,380	592,861
Cash cost (US$/ounce)[1]	651	581	680	587
AISC (US$/ounce)[1]	857	779	905	875
Net average realised gold price (US$/ounce)[1]	1,228	1,296	1,272	1,260
(in US$'000)				
Revenue	164,765	189,249	663,789	751,515
EBITDA [1]	47,792	45,463	225,924	257,180
Adjusted EBITDA[1]	47,214	67,613	183,376	310,527
Net earnings/(loss)	16,139	(785,975)	58,866	(707,394)
Basic earnings/(loss) per share (EPS) (cents)	3.9	(191.7)	14.4	(172.5)
Adjusted net earnings[1]	18,917	45,799	44,286	146,218
Adjusted net earnings per share (AEPS) (cents)[1]	4.6	11.2	10.8	35.7
Cash generated from/(utilised in) operating activities	33,635	(1,503)	126,133	(22,972)
Capital expenditure[2]	18,217	21,301	92,504	149,376
Cash balance	130,195	80,513	130,195	80,513
Total borrowings	42,600	71,000	42,600	71,000

[1] These are non-IFRS measures. Refer to page 35 for definitions

[2] Excludes non-cash capital adjustments (mainly reclamation asset adjustments) and includes land purchases recognised as long term prepayments

CEO Statement

During 2018, we successfully stabilised the business, delivering a strong operational performance across all three mines and returning the Company to free cash flow generation in the second quarter which was then sustained throughout the second half of the year. Despite an increasingly challenging operating environment, as announced previously, the Company was able to achieve gold production of 521,980 ounces in 2018, substantially ahead of the initial production guidance of 435,000 to 475,000 ounces for the year. We maintained a strong cost discipline across the group achieving an all-in sustaining cost of US$905 per ounce sold, well below the full year guidance range of US$935 to US$985 per ounce. At the same time our cash balance increased by US$50 million to US$130 million due to the strong operational performance and the sale of a non-core royalty for US$45 million to end the year with a net cash balance of US$88 million. This compares favourably to 2017 when the cash balance fell from US$318 million to US$81 million at year-end, due to lost revenue resulting from the concentrate ban and a gross build-up of VAT receivables of US$91 million. These achievements are a testament to the sheer resilience, hard work and determination of all of our people within the Acacia Group.

Our North Mara mine continued to perform well, achieving full year production of 336,055 gold ounces, 4% higher than 2017, and benefited from the higher grade ore received from the eastern part of the Nyabirama open pit. AISC of US$866 per ounce sold was 8% higher than 2017, primarily due to higher cash costs and sustaining capital costs. We achieved full year gold production at our Buzwagi mine of 145,440 ounces which, although 46% lower than in 2017, was ahead of expectations due to the extended mining of the final cut of the higher grade ore at the bottom of the pit and switchbacks, combined with the better than expected performance of the processing plant with improved throughput and recoveries. AISC per ounce sold of US$977 was 46% higher than 2017, mainly driven by the transition to processing lower grade stockpiles which drove higher cash costs. Our Bulyanhulu mine remained on reduced operations throughout the year but was able to achieve gold production of 40,485 ounces from the retreatment of tailings. AISC per ounce sold of US$786 was 43% lower than 2017 driven by reduced operating and capital spend, partly offset by the lower production base.

The operating environment became increasingly challenging for Acacia last year, culminating in October 2018 when criminal charges were brought by the Government of Tanzania (“GoT”) against the Group’s operating subsidiaries in Tanzania and three current Acacia employees and a former employee. Each of the companies and the three current employees and the former employee deny the allegations and are defending all charges. The Company notes with concern that three of those charged continue to be held in jail under non-bailable offences. Acacia continues to await a detailed proposal agreed in principle between Barrick and the GoT for a comprehensive resolution of Acacia’s disputes with the GoT.

During 2018, Acacia paid a total of US$127 million in taxes and royalties in our host country of Tanzania. We also continued to invest in our Sustainable Communities Strategy with the aim of contributing to the development of "sustainable communities" around our mines in order that they enjoy a thriving local economy, have access to social infrastructure and live in a safe and inclusive environment in line with the Tanzania Development Vision 2025 as well as the United Nations' Sustainable Development Goals. To this end, during the year Acacia continued its US$1 million investment in the Bugarama Health Centre near Bulyanhulu, while construction began on a 55-kilometre pipeline to carry water from Lake Victoria to 100,000 residents in the Lake Zone which is due to be completed in mid-2019. Construction of the Nyamwaga Health Centre at North Mara was completed in April while, at Buzwagi, we also began the development and implementation of a three-year US$1.1 million agricultural improvement project in partnership with Farm Concern International ("FCI").

One of the key focus areas at Acacia over the last five years has been the implementation of our Tanzanian localisation strategy. In 2018 we progressed a number of strategies within our Supply Chain function with a view to further increasing our annual spend with Tanzanian-owned businesses to reach the goal of US$140 million by early 2019. We have also continued to focus on reducing the number of international employees and contractors within our business and ensuring that our Tanzanian assets are increasingly led and operated by Tanzanian employees.

Looking ahead to 2019, we are highly encouraged by the provisional outcomes of the Bulyanhulu optimisation study which is due to be fully completed by the end of the first quarter of the year. Assuming the ability to economically produce and sell gold in concentrate and a successful resumption of underground mining operations, the outcomes of the study indicate that further capital investment of around US$120 to US$140 million could deliver an expected life of mine of 18 years with an average steady state production rate of 300,000 to 350,000 ounces per year at an AISC of US$700 to US$750 per ounce. This is subject to further detailed work on cost estimates and a project schedule, while a final decision to resume underground mining operations and make necessary further capital investments would be dependent on achieving a comprehensive settlement with the GoT. We anticipate a pre-production start-up period of 12-18 months until first gold production followed by approximately two years to ramp up to full production from the underground mine.

The Group's Mineral Reserves decreased from 7.5Moz to 5.2Moz of contained gold during the year with exclusive M&I Mineral Resources decreasing from 7.7Moz to 5.6Moz and Inferred Mineral Resources decreasing from 12.2Moz to 10.1Moz. This was primarily driven by the provisional outcomes of the optimisation study conducted at Bulyanhulu in conjunction with a comprehensive review of the geological and resource models including applying tighter drill spacings and enhanced stope optimisation techniques. A focused drilling programme has been designed in conjunction with the optimisation study, targeting the higher value zones and planned to commence after a decision to resume underground mining operations. Given our historic conversion rate, we have a high level of confidence that the planned drilling programme will continue to convert Mineral Resources to Mineral Reserves and mineralised inventory into Mineral Resources.

Safety

Safety performance during 2018 demonstrated significant progress on the previous year. The Company recorded a Group-wide Total Recordable Injury Frequency Rate ('TRIFR') of 0.19, compared to 0.45 in 2017, a 58% improvement. There was a significant reduction in the number of recordable injuries from 45 in 2017 to 13 in 2018. The number of Lost Time Injuries (LTI) also decreased from 18 in 2017 to four in 2018, a 78% improvement, while the severity of injuries decreased by 46%.

However, regrettably, on 11 June 2018, Sadock Crispin Tindahenile, an operator for one of our contractors at North Mara, passed away as a result of an accident which involved a reversing vehicle at the Gokona deposit. We completed an investigation into the incident and have implemented the relevant recommendations at all our operations. We continue to target zero injuries and remain committed to every person going home safely every day.

Outlook

Our guidance for 2019 assumes a continuation of the current operating environment with Bulyanhulu remaining on reduced operations ('ROP'), Buzwagi continuing to process stockpiles until early 2021 and North Mara fully operational. On this basis, we expect 2019 production of 500,000-550,000, with production ramping up slightly in the second half of the year as North Mara comes closer to the main ore zone at the Nyabirama open pit, at an all-in sustaining cost of US$860-920 per ounce with cash costs of US$665-710 per ounce. These are all broadly in line with 2018 levels. All gold produced in 2019 is expected to be in doré form.

At North Mara we expect production to be around 10% higher than 2018 at approximately 370,000 ounces. The Nyabirama open pit is expected to deliver increased ore volumes at high grades as we gain access to the main ore zone in cut 4 while we also expect positive grade reconciliations at Gokona underground. AISC is expected to be approximately 10% lower than 2018 at around US$790 per ounce sold, driven by the higher production base and lower cash costs as a result of the higher grades in the open pit, offset by an increase in sustaining capital expenditure following the deferral of 2018 capital projects which are now expected to be completed in 2019. We are also undertaking a pre-feasibility study for an underground mine beneath the Nyabirama open pit. This is expected to be completed in mid-2019.

We expect Bulyanhulu to remain on reduced operations and to continue to reprocess tailings at a monthly reduced operations cost of approximately US$2 million. These costs are excluded from AISC on the principle that they are not representative of sustaining operational costs. Acacia is finalising an optimisation study which is designed to ensure that when underground mining operations can resume, the mine will operate in an optimised manner. The current stage of the study is expected to be completed by the end of Q1 2019. The mine will continue with the reprocessing of tailings through 2019 at an annual production rate of approximately 35,000 ounces and an AISC of approximately US$790 per ounce, which will partially offset the cost of reduced operations.

Buzwagi will continue to process stockpiles through 2019 and until mid-2021. Following completion of the mining of the final cut at the bottom of the pit in Q1 2019, the mill feed will be exclusively from stockpiles. Production for 2019 is expected to total approximately 115,000 ounces. As a result of the lower production and release of non-cash high cost inventory of approximately US$285 per ounce, reported AISC in 2019 is expected to increase to approximately US$1,140 per ounce sold.

We expect to see Group capital expenditure in 2019 fall to approximately US$75-85 million compared to US$93 million in 2018. This will be comprised of approximately US$65 million of capitalised development costs and sustaining capital, primarily at North Mara and US$15 million of expansion capital. Capital expenditure at North Mara is expected to be notably lower than 2018 due to the cessation of deferred stripping as a result of a lower strip ratio from the increased ore volumes expected to be mined in the Nyabirama open pit, partly offset by higher sustaining capital expenditure following significant deferrals during 2018, increased capitalised underground development costs and additions to expansion capital which focuses on the Gokona and Nyabirama in-fill and extensional drilling programmes combined with the Nyabirama pre-feasibility study. Bulyanhulu's total capital expenditure incorporates critical sustaining capital requirements for the TSF retreatment operations and water management pond upgrades as well as expansion capital for the optimisation study costs and asset integrity work on the main process plant. Buzwagi is expected to incur limited sustaining capital during 2019 as it nears the end of its mine life.

Following the exploration portfolio review carried out in 2018, we expect a reduced exploration budget of approximately US$10 million in 2019 compared to US$13 million in 2018. In line with the results of the portfolio review, we expect to focus this spend on our targets in West Africa and with further work on the Liranda scoping study which will mainly focus on a review of the mining methods in Kenya.

We are committed to continuing our focus on strong cost discipline in 2019. To this end we are targeting corporate administration costs in the region of US$18-20 million for the year ahead compared to US$24 million in 2018. We are also expecting to incur legal costs of approximately US$18-22 million relating to the ongoing disputes with the GoT, Barrick negotiations, historical tax disputes and arbitration proceedings compared to legal costs of US$28 million in 2018.

Update on Discussions between Barrick and the Government of Tanzania ("GoT")

Barrick and the GoT continued their discussions in 2018 aimed at agreeing and documenting the details of the proposed framework they announced in 2017. Barrick announced on 25 June 2018 that it was no longer providing a timetable for the completion of its discussions with the GoT. Acacia has continued to provide support to Barrick in its discussions with the GoT, but has not been directly involved in those discussions to date. Acacia has not yet received a detailed proposal agreed in principle between Barrick and the GoT for a comprehensive resolution of Acacia's disputes with the GoT. Acacia continues to engage with Barrick to understand and support Barrick's plans for the next steps in its direct discussions with the GoT. On 24 September 2018, Barrick and Randgold Resources ("Randgold") announced their intention to merge and, following successful shareholder votes, the merger completed on 2 January 2019 with Randgold's CEO, Mark Bristow, becoming CEO of the new Barrick group.

Any proposal received by Acacia in the future for a comprehensive resolution of the Company's disputes with the GoT that might be agreed in principle between Barrick and the GoT as a result of any such future discussions will be subject to review by the Independent Committee of the Acacia Board of Directors.

Operating Environment

In 2018, and particularly during the final quarter of the year, the operating environment became increasingly challenging for Acacia with criminal charges brought by the GoT against three group companies as well as three current Acacia employees and a former employee, three of whom continue to be held under non-bailable offences.

On 10 October 2018, one of the Group's employees in Tanzania, a South African national, was charged by the Tanzanian Prevention and Combating of Corruption Bureau ("PCCB") with an offence under the Tanzanian Prevention and Combating of Corruption Act. The employee pleaded not guilty and was granted bail. The charges related to the historical activities of a Land Task Force ("LTF") conceived and agreed between the GoT and North Mara Gold Mine Limited ("NMGML") in 2012 to create a transparent, safe, fair and inclusive process for valuing land that might be purchased by agreement around the North Mara mine, and which operated between 2013 and 2015. The allegations made by the PCCB are denied and the charges are being defended by the employee.

On 17 October 2018 a current and a former employee of the Company's Tanzanian businesses, together with three individual companies, were charged by the PCCB with a number of different offences, including breaches of the Tanzanian Anti-Money Laundering Act. A total of 39 charges were brought, either against the current and former employee and/or against one or more of the Company's operating subsidiaries in Tanzania, Pangea Minerals Limited ("PML"), Bulyanhulu Gold Mine Limited ("BGML") and NMGML, as well as a Canadian company, Explorations Minieres du Nord Ltd. On 23 October 2018, a senior manager of one of the Company's Tanzanian businesses, a Tanzanian national, was also arrested and charged by the PCCB. The senior manager was charged as an additional accused to some (but not all) of the 39 criminal charges brought by the PCCB on 17 October. The Company notes with concern that under Tanzanian law, offences under the Anti-Money Laundering Act are not bailable, and, accordingly, the accused have not been released on bail.

The majority of the 39 charges and allegations brought by the PCCB on 17 October appear to relate to the historical structuring and financing of PML, BGML and NMGML dating back as far as 2008, prior to the creation of the Acacia Group. The charges are wide ranging and include: tax evasion; conspiracy; a charge under organised crime legislation; forgery; money laundering and corruption. The great majority of the allegations in the criminal proceedings by the GoT relate to matters already being considered in the arbitrations commenced by BGML and PML in July 2017 regarding their disputes with the GoT under their respective Mineral Development Agreements, which are progressing towards a hearing and in which the GoT are fully participating. The criminal allegations and charges against the group and current and former employees are denied and are being defended.

In addition, on 17 December 2018 the Company issued a news release noting media speculation claiming a UK Serious Fraud Office ("SFO") investigation into the Company. The Company confirmed that it was not aware that the SFO was investigating the Company, but that the Company had been in contact with the SFO about the allegations of corrupt activities which are the subject of criminal proceedings in Tanzania. This position remains unchanged. The Company has provided information to the SFO and will continue to do so, but has not been notified that the SFO has commenced a criminal investigation.

Post year-end on 10 January 2019, the North Mara mine received an Environmental Protection Order ("EPO") from the National Environment Management Council ("NEMC") requiring payment of a fine of US$130,000 in relation to alleged breaches of environmental regulations in Tanzania. NEMC's reported findings allege discharges of a hazardous substance at the North Mara mine. The Mine has still not received any supporting reports, findings or testing data in relation to the matters set out in the EPO and continues to assess the technical basis of the alleged non-compliances. The Mine is also awaiting NEMC's detailed reports, findings and testing data in relation to the allegations but is not aware of any such discharge. Acacia believes that the reports and allegations relate to a longstanding seepage issue at the base of the TSF, which was already well known to NEMC and the GoT. This seepage remains managed by pumps which return the water to the TSF and it is, therefore, contained on the mine site, does not flow into the surrounding environment or present a risk of contamination to any public water source. Pending further factual clarification from the GOT and NEMC, however, and to dispose of all regulatory or other legal action, NMGML has decided to pay the fine.

At the same time, the GoT also issued a directive to the North Mara mine to construct a new Tailings Storage Facility ("TSF"). The Mine had already recognised the need for additional tailings management and storage capacity to meet its life of mine plans and, while the Company does not yet have detailed or fully costed plans or project schedules for the construction of a new facility, Acacia expects that a new TSF is likely to be an economically viable alternative to further expansions of the existing TSF at North Mara.

International Arbitration

A negotiated resolution remains the preferred outcome to the Company's on-going disputes with the GoT. In 2017, Bulyanhulu Gold Mine Limited ("BGML"), the owner and operator of the Bulyanhulu mine, and Pangea Minerals Limited ("PML"), the owner and operator of the Buzwagi mine each referred their current disputes with the GoT to arbitration in accordance with the dispute resolution processes agreed by the GoT in its Mine Development Agreements with BGML and PML. The commencement of arbitration by BGML and PML was necessary to protect their respective rights and interests and to promote a sustainable resolution of disputes.

These contractual arbitration processes have continued through 2018, with a number of necessary procedural steps and with the GoT fully participating, including service of its defence in October 2018. Most of the criminal charges brought by the Government against Group companies and the Group's current and former employees to date relate to matters which the Government has sought to introduce into these existing contractual arbitrations with the GoT. The international arbitration claims are progressing. The hearings are scheduled for the beginning of Q3 2019 and we expect the Tribunal's findings to follow in the later stages of the year.

Contribution to Tanzania

We remain committed to paying all applicable taxes and royalties to the Tanzanian Treasury as well as to supporting efforts towards the country's socioeconomic advancement, including the realisation of the Government's Development Vision 2025. Since the inception of its businesses, over 15 years ago, the Acacia Group and its predecessors have invested over US$4 billion to build and sustain its mines and paid over US$1.3 billion in taxes and royalties. We have also spent over US$3 billion with Tanzanian suppliers to support the operation of our businesses and, since 2010, invested over US$92 million in our communities.

During 2018 alone, Acacia paid a total of US$127 million in taxes and royalties to the GoT. This comprised provisional and final corporate tax payments for the year of US$42 million, royalties of US$51 million, payroll taxes of US$24 million and other taxes of US$10 million.

Acacia's Sustainable Communities Strategy aims to contribute to the development of "sustainable communities" around its mines in order that they enjoy a thriving local economy, have access to social infrastructure and live in a safe and inclusive environment achieved through strong and transparent relationships with our businesses. The strategy focuses on education, health, water, roads, energy, and various economic development activities and is aligned with the Tanzania Development Vision 2025 as well as the United Nations' Sustainable Development Goals.

During 2018 Acacia continued its US$1 million investment in the Bugarama Health Centre near Bulyanhulu and supported the construction of a surgical theatre, general and specialised maternity wards, an outpatient department, and mortuary facilities. The health centre currently provides care for 58,000 people living in the 14 villages in Kakola and its surrounding areas. Upon completion in 2019, the centre could, potentially, be designated as a district referral facility and would then cater for over 100,000 community members.

At North Mara the construction of the Nyamwaga Health Centre was completed in April 2018. The centre boasts critical medical infrastructure including a surgical theatre, pharmacy and a maternity ward, as well as staff housing and rainwater harvesting tanks. Since its renovation, the health centre can treat 60% more patients (800 each month) thanks to the wider availability of services. Besides the development of crucial infrastructure, North Mara conducted its annual eye screening initiative which has seen over 3,000 patients tested annually and the distribution of free spectacles. During the year North Mara also partnered with the Medical Women Association of Tanzania (MEWATA) for breast and cervical cancer awareness and testing for women reaching over 1,200 women.

At Bulyanhulu construction began on a 55-kilometre pipeline to carry water from Lake Victoria to 100,000 residents in the Lake Zone. Under the Joint Water Project Partnership (JWPP) the company is investing around US$2 million to provide vital water supply and sanitation services to local communities. The pipeline will pass through 14 villages located in the vicinity of the mine and is scheduled to be completed in mid-2019.

At Buzwagi, we began the development and implementation of a three-year US$1.1 million agricultural improvement project in partnership with Farm Concern International ("FCI"). Agriculture is an important economic mainstay for our local communities around Buzwagi and the project seeks to substantially increase farmers' incomes through greater productivity and improved links to market.

An independent report released by Ernst and Young during 2018 demonstrated the significant contribution that Acacia's three mines continue to make to Tanzania's economy as well as the country's broader social development. The report concluded that in 2017 Acacia contributed US$712 million to the national economy. The 2017 contribution comprised US$200 million from our businesses, an indirect contribution via suppliers of US$304 million and induced contributions of US$208 million. Furthermore, Acacia continues to grow its local staff-base in Tanzania; 97% of our employees are Tanzanian nationals thanks to an 85% reduction in the number of international staff in the past five years. Approximately 70% of our management positions are currently held by Tanzanians.

Meanwhile in 2018 Acacia progressed a number of strategies within its Supply Chain function with a view to further increasing its annual spend with Tanzanian-owned businesses. Acacia has always maintained a policy of sourcing from local suppliers first, where viable, and the plans form part of our continued efforts to grow our annual local spend. Based on our current plans, we expect that by early 2019 we will achieve a further increase in our total annual spend with suppliers that are Tanzanian-owned. This will take the Group's annual spend with Tanzanian-owned businesses on goods and services – including construction materials, fuel and lubricants, as well as internet and security services – to approximately US$140 million.

Bulyanhulu Reduced Operations and Optimisation Study Update

In Q3 2017, Acacia took the decision to place Bulyanhulu on reduced operations due to the unsustainable losses experienced at the mine due to the inability to export concentrate. During 2018 Acacia took the opportunity to progress essential capital spend of approximately US$7 million, primarily on the process plant, and progressed an optimisation study designed to ensure that when the mine resumes underground mining operations it does so in an optimised manner and reaches its full long term potential.

The study work has progressed well during the year and the current stage is on track to be fully completed by the end of Q1 2019. Management has received favourable indications from the study's provisional outcomes with the future focus likely to be on mining the higher grade ore in the deep west area to achieve higher margin ounces in line with the Company's focus on free cash generation. In addition, there is likely to be a significant reduction in development requirements as a result of focusing solely on the deep west area. With expected changes to reserves and resources including increases in mined grades, there is also expected to be a reduction in the amount of tonnes required to be mined over any new life of mine plan. Given our historic conversion rate, we have a high level of confidence in the ability to convert resources to reserves through further drilling over the first few years after any resumption of mining operations.

Indicative pre-production capital requirements are in the range of US$90-110 million with subsequent development and rehabilitation costs of a further US$30 million. Additional ramp-up costs are expected to total approximately US$20 million comprising sustainable communities initiatives and costs relating to the existing processing plant, recruitment and freight for supplies which would be incurred over a 12-18 month period until first gold production from resumed underground mining operations. It is expected to take approximately two years to ramp up to full production from the underground mine, with an estimated average steady state production rate of 300,000 to 350,000 ounces per year at an AISC of US$700-750/oz. over an indicative life of mine of 18 years.

All the current draft estimates are subject to further detailed work on cost and capital estimates, final decisions on recommended options and designs and the schedule for resumption of underground mining, as well as Bulyanhulu's ability to economically produce and sell gold in concentrate. We expect to be in a position to provide a full update on the Company's views on the optimisation study findings and recommendations by the end of Q1 2019. A final decision to resume underground mining operations would be dependent on achieving a comprehensive resolution of Bulyanhulu's disputes with the GoT including the ability to resume concentrate sales.

Reserves and Resources

Due to the consistent performance of the gold price in the last three years and current outlook, we have taken the decision to increase the 2018 gold price assumptions supporting our Mineral Reserve calculations. Our Mineral Reserve pricing has increased to US$1,200 per ounce and our Mineral Resource price assumption has been maintained at US$1,400 per ounce.

The Group's Mineral Reserves decreased from 7.5Moz to 5.2Moz of contained gold during the year with exclusive M&I Mineral Resources decreasing from 7.7Moz to 5.6Moz and Inferred Mineral Resources decreasing from 12.2Moz to 10.1Moz. The changes were primarily driven by the provisional outcomes of the optimisation study conducted at Bulyanhulu in conjunction with a comprehensive review of the geological and resource models through the year, including applying tighter drill spacings and enhanced stope optimisation techniques. A focused drilling programme for Bulyanhulu has been designed in conjunction with the optimisation study, targeting the higher value zones and planned to commence after a decision to resume underground mining operations. Given our historic conversion rate, we have a high level of confidence that the planned drilling programme will continue to convert Mineral Resources to Mineral Reserves and mineralised inventory into Mineral Resources.

At North Mara, Mineral Reserves decreased by 146koz of contained gold, from 2.3Moz at 2.74 g/t in 2017 to 2.2Moz at 2.59 g/t, primarily driven by mining depletion. As the Nyabirama Open Pit progressed further into the Cut 4 phase, there was significant improvement in reconciliation to the planned production. The application of revised reconciliation factors added 238koz of contained gold to the Mineral Reserves. This supports the strong production that Nyabirama Open Pit is scheduled to deliver in the coming years. The exclusive Mineral Resource at North Mara decreased by 200koz of contained gold to 1.7Moz at 3.10 g/t, mostly due to lower grade material that was removed from the Nyabirama Underground project, and infill drilling that better defined the orebody in preparation for opening new mining fronts at Gokona Underground.

At Bulyanhulu, underground Mineral Reserves decreased by 1.9Moz of contained gold, with the underground Mineral Reserve now amounting to 2.6Moz at 10.70 g/t compared to the previously stated 4.5Moz at 9.70 g/t. The change was driven by a comprehensive review through the year involving detailed review and validation of data, review and refinement of the geological and mineral resource models, and mine scheduling and planning work through the optimisation study, resulting in the re-classification of 2.23Moz of material from Mineral Reserves to Mineral Resources, and was partially offset by the refining of block modelling practices which added 249koz of material to Mineral Reserves. This was part of the rigorous optimisation study that is seeking to identify the optimal designs and methods to resume underground mining operations at Bulyanhulu as a robust and sustainable business. 4Moz of marginal Mineral Resource was reclassified as mineralised inventory due to the revised approach and refinement of the Resource Model, leading to revised exclusive Mineral Resources of 7.8Moz at 10.58 g/t. This revised approach establishes a baseline that will drive a programme of disciplined and focused drilling targeting the higher value zones to continue to convert Mineral Resources to Mineral Reserves in the future. The Tailings Mineral Reserve decreased by 68koz to 107koz at 1.23 g/t due to mining depletion.

At Buzwagi, Mineral Reserves declined from 421koz of contained gold at 0.92 g/t to 308koz contained gold at 0.90 g/t, as lower grade stockpile processing continued in 2018. The last mining activities of higher grade areas in the open pit were completed in January 2019 (during 2018, these activities added 19koz beyond original expectations). Overall the exclusive Mineral Resources at Buzwagi remained unchanged.

At our exploration properties the Mineral Resources remained flat. However, the 50% interest in Tankoro, and 85% interest at Nyanzaga are both part of sale processes; which were still pending as at 31 December 2018. On finalisation of the transactions, the quoted Mineral Resources for those two properties will be removed.

Carrying Value Review

At the end of the reporting period, there remained a number of potential triggers for impairment testing, including the on-going uncertainty surrounding a potential resolution of the Company's disputes with the Government of Tanzania, the optimisation study and updating of the geological and resource models at Bulyanhulu, and the fact that the Company's market capitalisation has been lower than its carrying values during the current reporting period. As a result, the Group has undertaken a carrying value assessment of its affected cash generating units ("CGUs") and long life intangible assets. Using Management's best information, including current understanding of the principles of the framework reached between Barrick and the GoT in October 2017, the carrying values of all our assets are still below the Company's view of their recoverable values at discount rates consistent with the prior year's impairment testing processes. Further information on the carrying value review as at year end 2018 can be found in Note 6 to the condensed consolidated financial information.

Indirect Taxation Update

The net indirect tax receivables balance increased for the year from US$170.7 million at 31 December 2017 to US$178.7 million at 31 December 2018. The increase was driven by a further US$54.3 million of VAT outflows, net of adjustments, for which no cash VAT refunds were received and the part reversal of prior discounting provisions of US$0.6 million, offset by the full year provisional corporate tax payments relating to North Mara of US$38.2 million, as well as a final 2017 corporate tax payment of US$4.2 million and foreign exchange revaluation losses of US$4.5 million. The provisional corporate tax payments have been offset against indirect tax receivables in line with an existing agreement with the Tanzanian Revenue Authority, resulting in a net cash impact of US$11.9 million.

As previously disclosed, Tanzania's new mining legislation includes an Amendment to the VAT Act 2015 to the effect that no input tax credit can be claimed for the exportation of "raw minerals", with effect from 20 July 2017. Bulyanhulu, Buzwagi and North Mara have each received notices from the Tanzania Revenue Authority that they are not eligible for any VAT relief from July 2017 onwards on the basis that all production (both doré and concentrate) constitutes "raw minerals" for this purpose. The total VAT claims submitted since July 2017 amount to approximately US$89 million. We have disputed this interpretation of the legislation as a matter of Tanzanian law, while this is also a matter that is in contravention of the relevant terms of our Mineral Development Agreements with the GoT and subject to our on-going disputes with the GoT.

Nyanzaga Project Update

On 6 September 2018, the Tanzanian Fair Competition Commission ("FCC") granted its approval for OreCorp Tanzania Limited (OreCorp Tanzania) to increase its interest in Nyanzaga Mining Company Limited ("NMCL") to 51%. This move remains subject to: (i) the approval of the newly established Mining Commission, the application for which was lodged at the same time as the application for FCC approval; and (ii) the future payment of US$3 million to the Acacia Group.

Members of the OreCorp Group also entered into a completion agreement with Acacia and other members of the Acacia Group to allow OreCorp Tanzania to move to 100% ownership of NMCL, and thereby 100% ownership of the Nyanzaga Gold Project (Project). This move remains subject to: (i) the Tanzanian regulatory approvals referred to above; (ii) the grant of the Special Mining Licence (SML) in respect of the Project; and (iii) the making of a future payment of US$7 million to the Acacia Group. Following completion Acacia will retain a net smelter return production royalty over the Project, capped at US$15 million.

South Houndé Project Update

During the fourth quarter of 2018 Acacia signed a binding conditional agreement with its partner, Sarama Resources Ltd. (TSX-V: SWA), to terminate the earn-in agreement in respect of the South Houndé Project in south-western Burkina Faso. The termination of the earn-in agreement is conditional on definitive documentation being agreed by the parties before April 30, 2019. Acacia's divestment of South Houndé fits with the Company's strategy of divesting certain non-core assets as part of an on-going review of its exploration portfolio. Acacia remains committed to exploration in Burkina Faso with various earn-in agreements still active and which provide exposure to approximately 2,000 km² of the prospective Houndé Belt.

Asset Level Discussions

As announced in February 2018, in response to a number of indicative expressions of interest to Acacia from Chinese companies, the Company engaged with a small number of parties to explore the potential sale of a stake in one or more of its Tanzanian assets. The timetable and successful completion of any discussions in relation to any such transaction are likely to be inextricably linked to the Company's ability to reach a comprehensive agreement with the GoT in order to settle historic disputes and provide a stable future operating environment.

Dividend

As a result of the continuing inability to export concentrates following the imposition of the concentrate export ban in 2017, the uncertainty around the on-going resolution of the Company's dispute with the GoT and current liquidity requirements, the Board of Directors has not recommended a dividend for 2018.

Key Statistics		Three months ended		Twelve months ended	
		31 December		31 December	
(Unaudited)		2018	2017	2018	2017
Tonnes mined	Kt	4,503	5,354	17,413	32,728
Ore tonnes mined	Kt	1,284	2,274	4,048	13,707
Ore tonnes processed	Kt	2,329	1,750	9,272	7,709
Ore tonnes processed exc. Tailings reclaim	Kt	1,832	845	7,373	8,719
Process recovery rate exc. Tailings reclaim	%	91.4%	91.1%	91.7%	92.4%
Head grade exc. tailings reclaim	g/t	2.2	2.8	2.2	3.3
Process recovery rate incl. tailings reclaim	%	86.4%	90.2%	86.9%	90.0%
Head grade incl. tailings reclaim	g/t	2.0	2.8	2.0	3.0
Gold production	oz	130,581	148,477	521,980	767,883
Gold sold	oz	133,460	147,636	520,380	592,861
Copper production	Klbs	-	-	-	12,897
Copper sold	Klbs	-	-	-	1,341
Cash cost per tonne milled exc. tailings reclaim[1]	US$/t	45	48	46	43
Cash cost per tonne milled incl. tailings reclaim[1]	US$/t	37	46	38	40
Per ounce data					
Average spot gold price[2]	US$/oz	1,227	1,275	1,269	1,257
Net average realised gold price[1]	US$/oz	1,228	1,296	1,272	1,260
Total cash cost[1]	US$/oz	651	581	680	587
All-in sustaining cost[1]	US$/oz	857	779	905	875
Average realised copper price	US$/lbs	-	-	-	2.98

Financial results

(Unaudited, in US$'000 unless otherwise stated)	Three months ended 31 December 2018	2017	Twelve months ended 31 December 2018	2017
Revenue	164,765	189,249	663,789	751,515
Cost of sales	(110,029)	(108,942)	(444,374)	(458,447)
Gross profit	**54,736**	**80,307**	**219,415**	**293,068**
Corporate administration	(6,173)	(7,613)	(23,813)	(26,913)
Share based payments	(1,155)	(186)	74	8,236
Exploration and evaluation costs	(2,762)	(3,384)	(13,343)	(24,829)
Corporate social responsibility expenses	(3,599)	(2,354)	(8,812)	(8,213)
Impairment charges	(4,643)	(850,182)	(28,877)	(850,182)
Other charges (net)	(15,528)	(46,567)	(36,094)	(90,370)
Profit/(loss) before net finance expense and taxation	**20,876**	**(829,979)**	**108,550**	**(699,203)**
Finance income	379	140	1,421	1,944
Finance expense	(2,788)	(3,971)	(13,200)	(12,407)
Profit/(loss) before taxation	**18,467**	**(833,810)**	**96,771**	**(709,666)**
Tax (expense)/credit	(2,328)	47,835	(37,905)	2,272
Net profit/(loss) for the year	**16,139**	**(785,975)**	**58,866**	**(707,394)**

[1] These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to “Non IFRS measures” on page 35 for definitions.

[2] Reflect the London PM fix price.

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About Acacia Mining plc

Acacia Mining plc (LSE:ACA) is the UK holding company of the Acacia Group, Tanzania’s largest gold miner and one of the largest producers of gold in Africa. The Acacia Group has three mines, all located in north-west Tanzania: Bulyanhulu, which is owned and operated by Bulyanhulu Gold Mine Limited, Buzwagi, which is owned and operated by Pangea Minerals Limited and North Mara, which is owned and operated by North Mara Gold Mine Limited.

The Acacia Group also has a portfolio of exploration projects in Kenya, Burkina Faso and Mali. Acacia is a UK public company headquartered in London. We are listed on the Main Market of the London Stock Exchange with a secondary listing on the Dar es Salaam Stock Exchange. Barrick Gold Corporation is our majority shareholder. Acacia reports in US dollars and in accordance with IFRS as adopted by the European Union, unless otherwise stated in this announcement.

Conference call

A presentation will be held for analysts and investors on 11 February 2019 at Noon GMT. For those unable to attend, an audio webcast of the presentation will be available on our website www.acaciamining.com. For those who wish to ask questions, the access details for the conference call are as follows:

Conference Call Dial-in:

United Kingdom (Local): 020 3936 2999

All other locations: +44 20 3936 2999

Participant Access Code: 864721

A replay of the call will be available for 7 days after the event

Replay information:

United Kingdom: 020 3936 3001

All other locations: + 44 20 3936 3001

Replay code: 504734

FORWARD- LOOKING STATEMENTS

This report includes "forward-looking statements" that express or imply expectations of future events or results. Forward-looking statements are statements that are not historical facts. These statements include, without limitation, financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future production, operations, costs, projects, and statements regarding future performance. Forward-looking statements are generally identified by the words "plans," "expects," "anticipates," "believes," "intends," "estimates" and other similar expressions.

All forward-looking statements involve a number of risks, uncertainties and other factors, many of which are beyond the control of Acacia*, which could cause actual results and developments to differ materially from those expressed in, or implied by, the forward-looking statements contained in this report. Factors that could cause or contribute to differences between the actual results, performance and achievements of* Acacia *include, but are not limited to, changes or developments in political, economic or business conditions or national or local legislation or regulation in countries in which* Acacia *conducts - or may in the future conduct - business, industry trends, competition, fluctuations in the spot and forward price of gold or certain other commodity prices (such as copper and diesel), currency fluctuations (including the US dollar, South African rand, Kenyan shilling and Tanzanian shilling exchange rates),* Acacia*'s ability to successfully integrate acquisitions,* Acacia'*s ability to recover its reserves or develop new reserves, including its ability to convert its resources into reserves and its mineral potential into resources or reserves, and to process its mineral reserves successfully and in a timely manner,* Acacia'*s ability to complete land acquisitions required to support its mining activities, operational or technical difficulties which may occur in the context of mining activities, delays and technical challenges associated with the completion of projects, risk of trespass, theft and vandalism, changes in* Acacia's *business strategy including, the on-going implementation of operational reviews, as well as risks and hazards associated with the business of mineral exploration, development, mining and production and risks and factors affecting the gold mining industry in general. Although* Acacia's *management believes that the expectations reflected in such forward-looking statements are reasonable,* Acacia *cannot give assurances that such statements will prove to be correct. Accordingly, investors should not place reliance on forward-looking statements contained in this report.*

Any forward-looking statements in this report only reflect information available at the time of preparation. Save as required under the Market Abuse Regulation or otherwise under applicable law, Acacia explicitly disclaims any obligation or undertaking publicly to update or revise any forward-looking statements in this report, whether as a result of new information, future events or otherwise. Nothing in this report should be construed as a profit forecast or estimate and no statement made should be interpreted to mean that Acacia's *profits or earnings per share for any future period will necessarily match or exceed the historical published profits or earnings per share of Acacia.*

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Operating Review

Full year production of 521,980 ounces was ahead of the initial 2018 production guidance of 435,000 to 475,000 ounces for the year, due to the strong operating performance at all three sites, although 32% lower than 2017 due to the transition to reduced operations at Bulyanhulu and to stockpile processing at Buzwagi.

Full year gold sales of 520,380 ounces were broadly in line with production. AISC of US$905 per ounce sold and cash costs of US$680 per ounce sold were both well below the 2018 full year guidance ranges of US$935 to US$985 per ounce for AISC and US$690 to US$720 per ounce for cash costs, mainly driven by higher production while AISC was further assisted by lower capital expenditure. Q4 2018 AISC per ounce sold of US$857 has decreased further in Q4 2018 from US$880 in Q3 2018 and has seen a downward trend quarterly over the year.

North Mara achieved full year production of 336,055 ounces, 4% higher than 2017. Gold production in 2018 benefited from the higher grade ore received from the eastern part of the Nyabirama open pit. Gold ounces sold for the year of 332,195 ounces were broadly in line with production. AISC of US$866 per ounce sold was 8% higher than 2017 primarily due to higher cash costs and sustaining capital costs driven by the investment in mobile equipment and component change-outs.

At **Buzwagi**, full year gold production of 145,440 ounces was 46% lower than 2017, but ahead of expectations due to the extended mining of the final cut of the higher grade ore at the bottom of the pit and switchbacks combined with the better than expected performance of the processing plant with improved throughput and recoveries. Gold sold for the year amounted to 146,630 ounces, in line with production. AISC per ounce sold of US$977 was 46% higher than 2017, mainly driven by the transition to processing lower grade stockpiles which drove higher cash costs.

At **Bulyanhulu,** gold production of 40,485 ounces was 77% lower than the prior year due to the decision in Q3 2017 to place the underground mine on reduced operations. All production continued to be produced from the retreatment of tailings. Gold sales for the year were 41,555 ounces, 3% ahead of production due to the sale of gold on hand at the end of 2017. AISC per ounce sold of US$786 was 43% lower than 2017 (US$1,373 per ounce sold) driven by reduced operating and capital spend, partly offset by the lower production base, but excludes reduced operations costs of US$28.8 million (2017: US$24.8 million).

Total tonnes mined during the year amounted to 17.4 million tonnes, 47% lower than 2017, while ore tonnes mined of 4 million tonnes were 70% lower than 2017, mainly as a result of the transition to stockpile processing at Buzwagi and reduced operations at Bulyanhulu.

Ore tonnes processed amounted to 9.3 million tonnes, 6% higher than 2017 driven by the improved throughput of reprocessed tailings at Bulyanhulu and the better than expected processing plant performance at Buzwagi. Head grade for the year (excluding tailings retreatment) of 2.2g/t was 33% lower than the corresponding figure of 3.3g/t in 2017. This was due to the lower grade stockpile processing at Buzwagi which was partly offset by higher head grades at North Mara as a result of the higher grades received from the open pit mine.

Cash costs of US$680 per ounce sold for the year were 16% higher than 2017 (US$587 per ounce sold), primarily due to:

- The higher average cost valuation relating to the drawdown of lower grade stockpiles at Buzwagi compared to the higher grade mining ounces in 2017, combined with the build-up of finished gold concentrate inventory in 2017 of approximately 186,000 ounces at Bulyanhulu and Buzwagi (US$286/oz);
- Lower capitalised underground development costs at Bulyanhulu and lower capitalised stripping costs driven by a lower strip ratio in stage 4 of the Nyabirama pit at North Mara (US$88/oz); and
- Lower production base (US$82/oz).

This was offset by:

- Savings in direct mining costs (US$364/oz) driven by the cessation of mining activities at Buzwagi and Bulyanhulu, partly offset by higher direct mining costs at North Mara.

All-in sustaining cost of US$905 per ounce sold was 3% higher than 2017 (US$875 per ounce sold), mainly due to higher cash costs (refer to above) (US$93/oz), the impact of lower sales volumes on individual cost items (US$40/oz), and a smaller credit relating to the share-based payment revaluation driven by the reduction in Acacia's share price (US$16/oz), partly offset by lower capitalised expenditure relating to North Mara and Bulyanhulu (US$102/oz), the lower sustaining capital spend, mainly driven by Bulyanhulu being on reduced operations (US$9/oz), and lower corporate administration expenditure due to the restructuring of corporate and shared services offices (US$6/oz).

Cash generated from operating activities of US$126.1 million for 2018 was US$149.1 million higher than 2017 (a cash outflow of US$23 million). The increase relates to lower working capital outflows of US$57.8 million compared to outflows of US$313.1 million in 2017 as a result of the build-up of concentrate stockpiles compared to the draw-down of ore stockpiles at Buzwagi in the current year, smaller increase in indirect taxes receivable in 2018 due to the lower operating costs, and a stable level of accounts payable in 2018 compared to a decrease in 2017 as the Bulyanhulu mine was transitioned to reduced operations, partly offset by lower adjusted EBITDA (US$127.2 million).

Capital expenditure for the year of US$92.5 million was 38% lower than 2017 of US$149.4 million. The decrease was mainly driven by lower capitalised development costs at Bulyanhulu and North Mara (US$53.1million) and lower sustaining capital expenditure at Bulyanhulu (US$5.9 million). Capital expenditure primarily comprised capitalised development and stripping at North Mara (US$47.5 million), investment in mobile equipment and component change-outs mainly relating to North Mara (US$15.5 million), capitalised drilling expenditure mainly relating to the Gokona resource and reserve development and the Nyabirama underground studies (US$8.3 million), investment in fixed equipment and infrastructure (US$2.9 million) and the Bulyanhulu optimisation study costs (US$2.6 million).

Mine Site Review

North Mara

Key statistics

(Unaudited)		Three months ended 31 December 2018	Three months ended 31 December 2017	Twelve months ended 31 December 2018	Twelve months ended 31 December 2017
Key operational information:					
Ounces produced	oz	84,079	72,018	336,055	323,607
Ounces sold	oz	83,850	71,740	332,195	324,455
Cash cost per ounce sold[1]	US$/oz	617	587	591	498
AISC per ounce sold[1]	US$/oz	851	903	866	803
Open pit:					
Tonnes mined	Kt	3,887	3,572	15,736	15,299
Ore tonnes mined	Kt	854	798	2,875	3,147
Mine grade	g/t	2.1	1.7	2.0	1.7
Underground:					
Tonnes mined	Kt	318	238	1,199	1,084
Ore tonnes mined	Kt	209	153	782	654
Mine grade	g/t	7.7	7.7	7.8	8.7
Processing information:					
Ore milled	Kt	728	708	2,847	2,841
Head grade	g/t	3.9	3.5	4.0	3.9
Mill recovery	%	92.6%	91.5%	92.7%	92.0%
Cash cost per tonne milled[1]	US$/t	71	59	69	57
Capital Expenditure					
- Sustaining capital[2]	US$('000)	5,787	5,370	25,771	22,563
- Capitalised development	US$('000)	8,306	13,328	47,496	61,066
- Expansionary capital	US$('000)	1,887	3,339	8,335	10,270
		15,980	22,037	81,602	93,899
- Non-cash reclamation asset adjustments	US$('000)	1,554	(3,325)	(865)	(2,951)
Total capital expenditure	US$('000)	17,534	18,712	80,737	90,948

[1]These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to 'Non-IFRS measures" on page 35 for definitions.

[2] Includes land purchases recognised as long term prepayments

Operating performance

North Mara's gold production of 336,055 ounces was 4% higher than 2017, mainly driven by a 3% higher head grade due to higher grade ore received from the Eastern part of the Nyabirama open pit, combined with improved plant recovery rates. Gold sold for the year of 332,195 ounces was broadly in line with production.

Ore tonnes from underground mining continued to increase and were 20% higher than 2017, due to the increase in the availability of developed mining areas and improved equipment availability.

Cash costs of US$591 per ounce sold were 19% higher than 2017 (US$498/oz), mainly driven by higher direct mining costs (US$117/oz), largely due to lower capitalised stripping costs driven by a lower strip ratio in stage 4 of the Nyabirama pit, higher external services, energy and fuel, general administration and consumables costs; combined with higher sales-related costs linked to the increase in the royalty rate and the higher sales base (US$24/oz). This was partly offset by the higher production base (US$45/oz).

AISC of US$866 per ounce sold was 8% higher than 2017 (US$803/oz), primarily as a result of higher cash costs discussed above (US$93/oz) and higher sustaining capital expenditure (US$10/oz), partly offset by lower capitalised stripping costs (US$41/oz).

Capital expenditure for the year before reclamation adjustments amounted to US$81.6 million, 13% lower than 2017 (US$93.9 million). Key capital expenditure included capitalised stripping costs (US$28.2 million), capitalised underground development costs (US$19.3 million), capitalised drilling mainly relating to resource and reserve development at Gokona underground and the Nyabirama underground studies (US$8.3 million), investment in mobile equipment and component change-outs (US$15.5 million) and investment in fixed equipment and infrastructure (US$2.9 million).

The drilling programme at Gokona focused initially on infill drilling to enable the finalisation of mine design and subsequently in testing for the long term potential of the deposit. The pre-feasibility study for a potential underground mine continues at Nyabirama; further extensional drilling will continue in 2019 and is expected to be completed in mid-2019.

For 2019, we expect production to be around 10% higher than 2018 at approximately 370,000 ounces. The Nyabirama open pit is expected to deliver increased ore volumes at high grades as we gain access to the main ore zone in cut 4 while we also expect positive grade reconciliations at Gokona underground. AISC is expected to be approximately 10% lower than 2018 at around US$790 per ounce sold, driven by the higher production base and lower cash costs as a result of the higher grades in the open pit, offset by an increase in sustaining capital expenditure following the deferral of 2018 capital projects which are now expected to be completed in 2019.

Buzwagi

Key statistics

(Unaudited)		Three months ended 31 December 2018	Three months ended 31 December 2017	Twelve months ended 31 December 2018	Twelve months ended 31 December 2017
Key operational information:					
Ounces produced	oz	35,881	73,604	145,440	268,785
Ounces sold	oz	38,755	75,520	146,630	160,552
Cash cost per ounce sold[1]	US$/oz	755	535	906	594
AISC per ounce sold[1]	US$/oz	828	583	977	667
Copper production	Klbs	-	-	-	8,991
Copper sold	Klbs	-	-	-	752
Mining information:					
Tonnes mined	Kt	299	1,545	478	15,368
Ore tonnes mined	Kt	221	1,321	391	9,309
Processing information:					
Ore milled	Kt	1,105	1,041	4,526	4,256
Head grade	g/t	1.1	2.4	1.1	2.1
Mill recovery	%	88.6%	90.8%	89.4%	94.3%
Cash cost per tonne milled[1]	US$/t	26	39	29	22
Capital Expenditure					
- Sustaining capital	US$('000)	636	1,235	3,503	4,338
- Non-cash reclamation asset adjustments	US$('000)	(5,699)	(2,192)	(5,665)	(1,978)
Total capital expenditure	US$('000)	(5,063)	(957)	(2,162)	2,360

[1]These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to "Non-IFRS measures" on page 35 for definitions.

Operating performance

Buzwagi gold production of 145,440 ounces for 2018 was higher than expected, although 46% lower than 2017 as a result of Buzwagi transitioning primarily to a low grade stockpile processing operation compared to the processing of run-of-mine ore in the previous period. Gold production benefited from the extended mining of the final cut of the higher grade ore at the bottom of the pit and switchbacks and the better than expected processing plant performance which drove 6% higher throughput and better than expected recovery rates. Gold sold for the year of 146,630 ounces was in line with production.

Total tonnes mined of 0.5 million tonnes were significantly lower than 2017 due to the mining of only the final cut of the higher grade ore at the bottom of the pit and switchbacks. This was delayed from Q4 2017 due to the flooding of the pit but was largely completed in Q4 2018.

There was no copper production or sales for the year as the flotation circuit ceased operating in 2017.

Cash costs for the period of US$906 per ounce sold were 53% higher than 2017 (US$594/oz), mainly due to the higher average cost valuation relating to the drawdown of lower grade stockpiles compared to the higher grade mining ounces in 2017 (US$812/oz) and lower co-product revenue (US$15/oz), partially offset by lower direct mining costs as a result of Buzwagi transitioning to a stockpile processing operation (US$491/oz) and lower sales related costs due to lower sales volumes (US$21/oz).

AISC per ounce sold of US$977 was 46% higher than 2017 (US$667/oz). This was mainly driven by higher cash costs as explained above (US$312/oz) and the negative impact of the lower sales volumes on individual cost items (US$7/oz), partly offset by lower corporate administration cost allocations (US$7/oz) and lower sustaining capital expenditure (US$6/oz).

Capital expenditure before reclamation adjustments of US$3.5 million was 19% lower than 2017 (US$4.3 million). Capital expenditure for the year mainly consisted of the expansion of the tailings storage facility (US$2.4 million) and other process plant upgrades (US$1.1 million).

Buzwagi will continue to process stockpiles through 2019 and until mid-2021. Following completion of the mining of the final cut at the bottom of the pit in Q1 2019, the mill feed will be exclusively from stockpiles. Production for 2019 is expected to total approximately 115,000 ounces. As a result of the lower production and release of non-cash high cost inventory of approximately US$285 per ounce, reported AISC in 2019 is expected to increase to approximately US$1,140 per ounce sold.

Bulyanhulu

Key statistics

(Unaudited)		Three months ended 31 December 2018	Three months ended 31 December 2017	Twelve months ended 31 December 2018	Twelve months ended 31 December 2017
Key operational information:					
Ounces produced	oz	10,622	2,855	40,485	175,491
Ounces sold	oz	10,855	376	41,555	107,855
Cash cost per ounce sold[1,2]	US$/oz	547	-	599	840
AISC per ounce sold[1,2]	US$/oz	772	-	786	1,373
Reduced operations cost	US$('000)	5,812	15,893	28,817	24,804
Copper production	Klbs	-	-	-	3,906
Copper sold	Klbs	-	-	-	588
Run-of-mine:					
Underground ore tonnes hoisted	Kt	-	-	-	596
Ore milled	Kt	-	-	-	612
Head grade	g/t	-	-	-	8.6
Mill recovery	%	-	-	-	90.1%
Ounces produced	oz	-	-	-	153,279
Cash cost per tonne milled[1]	US$/t	-	-	-	126
Reprocessed tailings:					
Ore milled	Kt	497	105	1,899	1,010
Head grade	g/t	1.2	1.4	1.2	1.4
Mill recovery	%	53.4%	58.7%	53.6%	48.0%
Ounces produced	oz	10,622	2,856	40,485	22,212
Capital Expenditure					
- Sustaining capital	US$('000)	549	(2,447)	3,164	9,033
- Capitalised development	US$('000)	-	337	-	39,543
- Expansionary capital	US$('000)	980	151	3,899	1,190
		1,529	(1,959)	7,063	49,766
- Non-cash reclamation asset adjustments	US$('000)	1,185	(4,735)	(1,955)	(4,158)
Total capital expenditure	US$('000)	2,714	(6,694)	5,108	45,608

[1]These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to 'Non-IFRS measures" on page 35 for definitions.

[2]Cash cost per ounce sold and AISC per ounce sold for the prior year quarter are non-meaningful due to the impact of the negligible sales ounces on the costs relating to reprocessed tailings.

Operating performance

Gold production of 40,485 ounces was 77% lower than 2017, as a result of the transition of Bulyanhulu to reduced operations at the end of Q3 2017. Production consisted solely of the reprocessing of tailings which was 82% higher than 2017 due to operational efficiencies driving higher throughput and recovery rates, as well as the impact of a drought in the Kahama district which led to a near four-month halt in production from reprocessed tailings in the prior year. Gold sold for the year of 41,555 ounces was 3% higher than production due to the sale of gold on hand at the beginning of the year.

There was no copper production or sales for the period as a result of the underground mine at Bulyanhulu being on reduced operations.

Cash costs of US$599 per ounce sold were 29% lower than 2017 (US$840/oz), mainly due to the lower direct mining costs compared to the prior year as a result of Bulyanhulu being on reduced operations and lower sales related costs driven by lower sales volumes, partly offset by the lower production base and co-product revenue.

AISC per ounce sold of US$786 was 43% lower than 2017 (US$1,373/oz) mainly due to lower capital expenditure, lower operating costs and lower corporate administration cost allocations, partly offset by the lower production base. AISC per ounce sold excludes reduced operations costs of US$28.8 million, higher than 2017 of US$24.8 million driven by 12 months of reduced operations in 2018.

Capital expenditure for the year before reclamation adjustments amounted to US$7.1 million, 86% lower than 2017 (US$49.8 million). This was due to the transition of Bulyanhulu to reduced operations and includes the Bulyanhulu optimisation study costs (US$2.6 million), asset integrity work to the processing plant facilities (US$2 million) and water management pond upgrades (US$1.2 million).

We expect Bulyanhulu to remain on reduced operations and to continue to reprocess tailings through the period, at a monthly reduced operations cost of approximately US$2 million. These costs are excluded from AISC on the principle that they are not representative of sustaining operational costs. Acacia is finalising an optimisation study which is intended to ensure that underground mining, processing and all supporting operations can be optimised and fit for purpose when underground mining operations at Bulyanhulu are in a position to resume, upon the resolution of the current disputes and the resumption of sales of concentrate. The current stage of the study is expected to be completed by the end of Q1 2019. The mine will continue with the reprocessing of tailings through 2019 at an annual production rate of approximately 35,000 ounces and an AISC of approximately US$790 per ounce, which will partially offset the cost of reduced operations.

Exploration Review

Brownfield Projects

In 2018, brownfield exploration was focused exclusively at North Mara and restricted to underground diamond drilling at Gokona. Surface diamond drilling on the Nyabirama deposit was suspended in late 2017 but additional drilling is planned in 2019 to test the underground potential below the eastern side of the open pit.

North Mara

Gokona Underground

In addition to the grade control drilling, approximately 45,000 metres of infill and extensional diamond drilling was completed at Gokona Underground during 2018; with a maximum of four underground diamond drill rigs in operation.

Drilling from the hanging wall exploration drill drive developed at the 1030mRL elevation defined the Upper Central area beneath the open pit for mine development planning, with multiple significant intersections:

- UGKD453 15.0m @ 13.2g/t Au from 176m
- UGKD457 17.0m @ 6.3g/t Au from 225m
- UGKD476 10.0m @ 10.9g/t Au from 234m
- UGKD486 30.0m @ 4.3g/t Au from 219m
- UGKD503 25.0m @ 4.6g/t Au from 269m
- UGKD441 30.0m @ 5.6g/t Au from 228m
- UGKD451 30.0m @ 9.0g/t Au from 200m
- UGKD480 30.0m @ 4.6/t Au from 163m
- UGKD499 31.0m @ 7.0g/t Au from 194m
- UGKD516 19.0m @ 6.7/t Au from 222m
- UGKD431 26.0m @ 4.8g/t Au from 165m

The Central mineralisation is cut by an east-west trending dolerite dyke that displaces the mineralisation; with additional drilling required to adequately delineate the depth extensions of the Central zone.

Drilling during 2018 also tested the third mining panel in the West zone; with better widths and grades seen below the lower grade base of the second panel:

- UGKD448 20.0m @ 8.7g/t Au from 157m
- UKGC_01087 30.0m @ 6.1g/t Au from 201m
- UKGC_00440 34.0m @ 6.9g/t Au from 200m
- UKGC_01008 26.0m @ 5.2g/t Au from 227m
- UKGC_01011 33.0m @ 8.4g/t Au from 224m
- UKGC_01050 30.7m @ 3.1g/t Au from 221m
- UKGC_01076 24.0m @ 8.7g/t Au from 318m
- UKGC_01079 24.0m @ 3.5g/t Au from 233m
- UKGC_01083 26.0m @ 3.8g/t Au from 169m

A programme of initial holes to test the Far West zone was also undertaken, with some of the initial results showing more moderate grade mineralisation:

- UGKD551 24.0m @ 5.5g/t Au from 176m
- UGKD553 13.0m @ 4.9g/t Au from 225m
- UGKD554 17.0m @ 4.3g/t Au from 234m

Late in 2018, a programme was commenced to test for the presence of higher grade mineralisation at depth immediately to the west of the Gokona Fault. Initial results were highly encouraging with some significant downhole intersections:

- UGKD501 20.0m @ 5.0g/t Au from 564m
- UGKD502 10.0m @ 14.1g/t Au from 505m; and 18.0m @ 17.9g/t Au from 537m
- UGKD510 23.0m @ 110.2g/t Au from 426m; and 6.0m @ 14.9g/t Au from 502m; and 19.0m @ 3.2g/t Au from 549m

- UGKD546 18.0m @ 14.4g/t Au from 582m

Drilling of this deeper zone located 300-400 metres vertically below the current East Decline will continue in 2019; as well as infill drilling of the Lower East zone when the East Decline reaches it in the second quarter of 2019.

A total of 39,000 metres of underground infill and extensional diamond drilling is currently planned for Gokona in 2019; with an additional 16,000 metres of grade control drilling. An additional surface diamond drilling programme of 13,000 metres is planned for the eastern side of the potential underground mining area for Nyabirama.

Bulyanhulu

No drilling was conducted at Bulyanhulu.

Greenfield Exploration

In late 2018 Acacia commenced a review of its exploration portfolio and took the decision to divest or explore the possibility of bringing in a partner for its licences in western Kenya. In November 2018 the Company also signed a binding conditional agreement with its partner, Sarama Resources Ltd, to terminate the earn-in agreement in respect of the South Houndé Project in south-western Burkina Faso. Acacia remains committed to exploration in Burkina Faso with various earn-in agreements still active and which provide exposure to approximately 2,000 km^2 of the prospective Houndé Belt. In 2019 our exploration plans focus on Burkina Faso and Mali.

Kenya

Liranda Corridor

In May 2017 a maiden resource of 1.31 million ounces of gold at 12.1 grams per tonne was declared for the Isulu prospect. This resource was unconstrained.

A scoping study completed in September 2018 indicated a reduction in the mineable portion of the resource to 4.7 Mt at 5.92 g/t Au (fully diluted) containing 894 koz gold with a proposed mining scenario giving an ore production rate of 400-500 kt/y using mechanised mining and treated through conventional gravity and CIL processing. However, the resource can potentially improve with further drilling and the opportunity exists for the deposit to be mined using conventional mining methods, which are typically used in 'small scale' mines. Therefore, Acacia is currently looking at different options and exploring the possibility of bringing in a partner who has the necessary conventional mining expertise to take the project forward.

At the end of November BARA consulting was contracted to assess the economics of the project considering a conventional mining method and a different production profile. It is expected that this will significantly enhance the economics of the project creating an opportunity for a partner with the necessary conventional mining expertise. The study is expected to be finalised during Q1 2019.

During the year drilling in the Isulu South East tested for structures parallel to Isulu within five kilometres along strike from the existing inferred resources. Nine diamond holes for 3,400 metres were completed. Mineralisation within shears of similar orientation to the Isulu prospect was intersected as targeted. Assays returned broad zones of lower-grade mineralisation including some medium-grade intervals:

- LCD0206: 20.5m @ 1.13 g/t Au and 1m @ 3.68 g/t Au
- LCD0209: 31.8m @ 1.29g/t Au, incl. 7.7m @ 3.05 g/t Au
- LCD0210: 13.5m @ 0.90 g/t Au, incl. 1m @ 7.56g/t Au
- LCD0216 0.5m @ 4.2g/t Au and 1.8m @ 1.18g/t Au

Multi-element analysis of the soils collected in early 2018 and modelling of strong VTEM geophysical anomalies identified a 'blind' target between the Isulu and Bushiangala, the so-called GAP target. Interpretation of the geophysical signature and a well-defined pathfinder element leakage soil anomaly pointed to a mineralised intrusive body. Drilling on this target started at the end of June and was completed in August 2018. Three diamond holes, totaling 1514 meters, were drilled into the GAP target. The results received show several wide and weakly mineralised shear zones; best results include:

- LCD0214: 0.5m @ 1.15 g/t Au.

The intersected mineralisation is non-economic for an underground scenario and drilling was stopped.

Lake Zone

In the Lake Zone Camp geological mapping and soil geochemical surveys were completed across several potential target areas including Ramba-Lumba, Rambi Aila, Aila Centre and Ochiegue-Ramula. Some of the targets were followed-up by diamond drilling.

Aila-Centre target was covered by mapping and soil sampling. Previously unknown ultramafic rocks and diorite intrusion were identified supporting the geological interpretation based on multi-element soil geochemistry. These rocks are in contact with felsic volcanics, the contact is strongly anomalous in gold. Numerous artisanal workings exist along the Aila trend. The target was not tested further during 2018.

The **Rambi-Aila** target, related to a colonial mine, was drilled by three DD holes for 1068.4 meters. Three zones of weak alteration and quartz-carbonate veining with minor pyrite mineralisation were intercepted. The assays returned no significant intercepts.

The **Ramba-Lumba** target is characterised by multiple parallel and anastomosing shear structures and quartz veins mapped in a >3km long and up to 600 meters wide corridor. The shallow parts of the mineralisation were partially mined in the 1980-1990s. Previously unknown ultramafic and conglomerate rocks have been identified. A total of 16 DD holes, totaling 5789 meters, were drilled into the target. All holes intercepted strong alteration, sheared and mineralised structures and quartz veining. Significant intersections include:

- LZD0002: 1.5m @ 4.34g/t Au and 2.0m @ 30.7g/t Au.
- LZD0004: 1.0m @ 1.10g/t Au and 1.6m @ 6.40g/t Au
- LZD0006: 0.5m @ 2.65g/t Au and 1.0m @ 3.30g/t Au

- LZD0007: 2.1m @ 4.81g/t Au; 1.0m @ 1.33g/t Au and 2.7m @ 2.91g/t Au
- LZD0008: 0.7m @ 1.68g/t Au
- LZD0009: 0.5m @ 1.18g/t Au, 2.8m @ 1.42g/t Au
- LZD0010: 4.2m @ 4.95g/t Au, 0.5m @ 2.34g/t Au and 0.9m @9.92g/t Au
- LZD0014: 2.5m @ 0.93g/t Au and 1.2m @ 1.99g/t Au.
- LZD0016: 0.5m @ 8.12g/t Au, 0.8m @ 1.33g/t Au, 1m @ 1.25g/t Au and 1m @ 1.15g/t Au.
- LZD0017: 0.5m @ 1.20g/t Au, 0.6m @ 1.34g/t Au and 1m @ 3.02g/t Au
- LZD0019: 0.5m @ 2.98g/t Au

The target does not appear to have potential to support a mid-tier mine. Remodeling of the mineralisation is in progress.

The **Ochiegue-Ramula** system consists of two targets: Ramula prospect and Ochiegue corridor. These targets, situated only one kilometer apart, have potential for discovery of a 300 – 500 Koz gold deposit which may be of interest to a potential partner with the necessary conventional mining expertise. Previously drilled and modeled in 2018, the diorite hosted Ramula mineralisation was estimated (unconstrained non-compliant resource) at 0.670Mt @ 12.8g/t Au for 275Koz Au (uncapped) or @ 9.10g /t Au for 197Koz Au (grade capped @ 30g/t Au). 9 holes totaling 3161 meters were drilled into the targets.

The holes intercepted multiple shear zones and veins of various orientations hosted by strongly altered (Fe-carbonate, sericite, silica) intermediate volcanics, as well as quartz-feldspar porphyries and diorite. Better intercepts include:

- RMD0001: 1m @ 2.26 g/t Au
- RMD0002: 2.1m @ 1.15g/t Au from 66.9m and 1m @ 1.41 Au, 1.2m @ 9.15g/t Au, 5.6m @ 2.08g/t Au, 0.6m @ 24.9 g/t Au, 13.1m @ 3.26 g/t Au and 0.5m @ 18.55 g/t
- RMD0003: 0.5m @ 22.9g/t Au and 1m @ 2.23 g/t Au
- RMD0004: 3m @ 2.74 g/t Au, 1.1m @ 5.96g/t Au, 4.3m @ 0.93g/t and 1.3m @ 7.55 g/t Au
- RMD0005: 0.5m @ 1.95 g/t Au, 0.5m @ 1.56 g/t Au, 0.7m @ 1.24 g/t Au and 0.8m @ 27.0 g/t Au
- RMD0006: 1.1m @ 1.51 g/t Au
- RMD0008: 0.8m @ 6.29g/t Au, 1.5m @ 1.58g/t Au , 1m @ 3.33g/t Au, 1m @ 2.23g/t Au
- RMD0009: 1m @ 1.94g/t Au and 4m @ 6.40g/t Au

Because of the potential divestment/JV process a minimum expenditure budget has been put in place for 2019. The number of staff members was reduced to 15.

Burkina Faso

Up to mid-April 2018 most work on the Houndé Belt concentrated on the South Houndé JV ground. When the decision was taken to stop all work at Tankoro, activities were directed to the Central Houndé JV ground (Thor Exploration limited) and the Pinarello-Konkolikan JV ground (Canyon Resources). Activities comprised geological and regolith mapping, geochemistry sampling and IP surveys on regional targets. A total of 19,391 air-core/reverse circulation metres were drilled into various targets.

South Houndé JV (Sarama Resources Limited)

Tankoro Corridor

In November 2018 Acacia signed a binding conditional agreement with its partner, Sarama Resources Ltd., to terminate the earn-in agreement in respect of the South Houndé Project in south-western Burkina Faso. The termination of the earn-in agreement is conditional on definitive documentation being agreed by the parties before April 30, 2019.

Acacia's divestment of South Houndé fits with the Company's strategy of divesting certain non-core assets as part of an on-going review of its exploration portfolio. The agreement will allow Sarama to move to 100% ownership of the South Houndé Project by making a payment of US$2 million in staged payments. Acacia will also receive US$2 million once commercial production commences and retain an improved net smelter return royalty (NSR) of 1-2%, based on a sliding rate basis on gold price received and a capped gold production of 1Moz Au. In addition, Acacia will be granted 5 million warrants for common shares in Sarama, exercisable for five years.

Central Houndé JV (Thor Explorations Limited)

Detailed field geological mapping and rock-chip sampling continued on the Légué-Bongui Corridor and on the Ouéré soil anomaly. Regional soil sampling covered the north-western part of the Ouéré license. An IP geophysical survey, comprising 40 line kilometres, was conducted on the Legué South-West target.

A number of anomalies were identified and followed up by drilling. A programme of 6,658 metres of combined air-core and reverse circulation drilling was completed. The programme was aimed at testing targets on the Légué-Bongui Corridor (LBC) and on the recently identified targets on the Péké-Poya Corridor (PPC). At LBC 4,406 metres were completed. The purpose of the drilling was to test a four-kilometre-long arsenic gold + IP chargeability shear trend. Best results include:

- CHAC00129: 4m @ 3g/t Au
- CHAC00131: 18m @ 0.56g/t Au
- CHAC00134: 4m @ 1.4g/t Au
- CHAC00081: 6m @ 0.7g/t Au
- CHAC00042: 2m @ 2.1g/t Au
- CHAC00017: 4m @ 1 g/t Au

The drilling defined a wide alteration halo consistently developed along the targeted trend (sericite, silicification, kaolinite and carbonate) with anomalous Au grades, which confirms the presence of an Au fertile structure. Alteration and Au anomalism forms a consistent trend over four kilometers that will require follow-up testing, particularly considering the widely spaced drill lines completed (800-2,000 meter line spacing).

At PPC 2,252 metres were completed. The drilling aimed to test prospective gold anomalous soils, coincidental with mapped NE & NNW structures, sericite altered diorite dykes and mineralised contacts with granitoids and intermediate volcanics. Best results received so far include:

- CHAC00165: 2m @ 10.5g/t Au
- CHAC00186: 4m @ 1.5g/t Au
- CHAC00185: 5m @ 2.4g/t Au
- CHAC00190: 8m @ 0.5g/t Au

Both targets (PPC and LBC) are characterised by strong alteration and extensive soil anomalies. The limited amount of drilling to date was widely spaced and cannot be seen as being representative for the full potential offered by the targets. Acacia gives both targets a high priority ranking; follow-up drilling is planned for early 2019. A number of additional drill targets remain untested.

Pinarello & Konkolikan JV (Canyon Resources Limited)

Geology and regolith mapping and rock-chip sampling has been conducted on the Tankoro Corridor South Zone and on the regional soil anomalies.

An IP geophysical survey, comprising 53 line kilometres, was conducted on the Tangolobé target.

Air-core drilling started in mid-June 2018 on the Western part of the Tangolobé target. A total of 9,940 meters were drilled, returning only one significant result (2m @ 1.11g/t Au). In view of these disappointing results it was decided to stop all exploration on the licence.

Detailed geology and regolith mapping and infill soil sampling was conducted over the 10-killometre-long Teninbo soil anomaly (Pinarello East). The mapping shows the presence of sub-parallel sets of shears, moderate sericite alteration in a favourable structural setting, associated with extensive soil anomalism; artisanal workings are found along the Teninbo trend.

No drilling has taken place to date. Air-core/ reverse circulation reconnaissance drilling is planned for 2019.

Frontier JV (Metallor SA)

No field work was conducted on Frontier during 2018; the area is difficult to access due to a lack of infrastructure, and there are also some security concerns. The programme has been put on hold until further security assessments are completed. Earlier soil surveys conducted in 2017 revealed strong gold anomalies associated with favourable structural settings. The ground is considered to be highly prospective and a drill programme is planned for 2019 once infrastructure has been improved and measures have been taken to ensure that our staff can work in a secure environment.

Mali

During 2018 we continued to explore our properties in the Senegal-Mali Shear Zone (SMSZ) in southwest Mali.

Tintinba-Bané Project JV (Demba Camara and Cadem Gold) 100% interest

A programme of 4,527 metres of combined air-core and reverse circulation drilling was completed in 2018. The drilling aimed to continue testing different soil anomalies and structural targets but failed to demonstrate significant or continuous gold mineralisation. Best results include: 8m @ 0.45g/t Au in TIAC00068, 6m @ 0.57g/t Au in TIAC00069, 2m @ 1.3g/t Au in TIAC00074 and 4m @ 0.56g/t Au in TIAC00067.

A full review of the exploration data in Q4 2018 (including the participation of an external geological consultant) showed that the Tintinba – Bane Project appears to have limited potential to host a significant deposit. A decision will be made in Q1 2019 whether further work on the project can be justified.

Gourbassi Est – 100% Acacia (ABG Exploration Mali SARL)

Work was limited to a regional soil sampling survey and geology and regolith mapping. The results from the Au soil survey show a strong >80 ppm Au, NNE striking, soil anomaly in the western portion of the tenement. The soil anomaly has a strike length of approximately three kilometers. A weaker NNE trending two-kilometer-long anomaly was identified in the eastern part. The size and strength of these anomalies are highly encouraging and warrant follow up by drilling. Drilling is planned in 2019.

Future Plans in West Africa

A review of our exploration portfolio resulted in the discontinuation of the South Houndé JV in Burkina Faso. We also achieved a much deeper understanding of the potential of our licences in the region and a decision will be taken with regard to other JVs in West Africa during 2019.

In Mali work in 2019 will focus on Gourbassi Est. (100% Acacia) and will consist of infill soil sampling and an IP survey. Drilling is planned for late Q2. A recent review of all work done on the Tintinba – Bane licence led to the conclusion that an economic ore body is unlikely to be found on the JV ground.

In Burkina we have three active JVs, two of which (Central Houndé and Pinarello) have seen limited drill testing. Results so far point to the Central Houndé ground having the best potential of the two JVs to deliver a mine. Drilling of Central Houndé will therefore be a priority in 2019.

The western licenses of the Pinarello ground are seen as having low potential to host significant mineralisation; activities in early 2019 will therefore be directed at testing the substantial Teninbo anomaly at Pinarello East. A decision concerning the future of Pinarello will be made by the end of H1 2019.

Surface exploration results at Frontier are exciting and under normal circumstances rigs would have tested the ground during 2018; however activities were put on hold due to infrastructure and security issues. Should conditions allow, drill testing is planned for 2019.

Financial Review

The Group financial performance was resilient despite the impact of the planned transitioning to low grade stockpile processing at Buzwagi and the transition of Bulyanhulu to reduced operations. The strong operational performance and the gain on the sale of a non-core royalty early in the year drove positive earnings and cash flow for 2018. In an effort to minimise the impact of the current challenging operating environment, we increased our focus on cost control, cash flow management and capital allocation. The key aspects of our financial performance for 2018 are summarised below, and should be read in conjunction with the consolidated condensed financial information:

- Revenue of US$663.8 million was US$87.7 million lower than 2017, with the US$12 per ounce higher average realised gold price offset by the 12% lower sales base in line with lower production.
- Cash costs increased to US$680 per ounce sold in 2018 from US$587 per ounce sold in 2017, driven by the higher average cost valuation relating to the drawdown of lower grade stockpiles at Buzwagi compared to the higher grade mining ounces in 2017, combined with the build-up of finished gold concentrate inventory in 2017 at Bulyanhulu and Buzwagi, the lower production base and lower co-product revenue, partly offset by lower direct operating costs.
- AISC of US$905 per ounce sold was 3% higher than 2017 (US$875 per ounce sold), mainly due to higher cash costs, the impact of lower sales volumes on individual cost items and lower non-cash share-based payment revaluation credits, partly offset by lower capitalised development costs at Bulyanhulu and North Mara, lower sustaining capital expenditure driven by Bulyanhulu being on reduced operations and lower corporate administration expenditure due to the restructuring of corporate and shared services offices.
- EBITDA decreased from US$257.2 million in 2017 to US$225.9 million in 2018, mainly due to the above mentioned factors, partly offset by lower exploration expenditure and lower other charges. Other charges of US$36.1 million is lower than the prior year of US$90.4 million driven by the gain on the sale of a non-core royalty for US$45 million, partly offset by higher reduced operations costs at Bulyanhulu and higher legal fees.
- Impairment charges of US$28.9 million, mainly related to the Nyanzaga exploration project in Tanzania, following the completion agreement to sell the Group's stake in the project, combined with the impairment of historical exploration assets during the year end carrying value reviews.
- The tax expense of US$37.9 million compared to the tax credit of US$2.3 million in 2017. The tax expense for 2018 is driven by the current year profit generated at North Mara, partly offset by losses incurred at Bulyanhulu. Included in the current year expense is a 2017 final North Mara tax charge of US$3.1million.
- As a result of the above, the net earnings amounted to US$58.9 million, compared to net loss in 2017 of US$707.4 million (after a net impairment of US$644 million), with earnings per share of US14.4 cents compared to a loss per share of US172.5 cents (after impact of impairment of US157.1 cents).
- Adjusted net earnings of US$44.3 million were US$101.9 million lower than 2017. Adjusted earnings per share amounted to US10.8 cents, down from US35.7 cents in 2017.
- Operational cash inflows of US$126.1 million compared to outflows of US$23 million in 2017, primarily as a result of lower working capital outflows due to the build-up of concentrate on hand which impacted 2017 compared to the draw-down of ore stockpiles at Buzwagi in 2018, partly offset by lower adjusted EBITDA.

The following review provides a detailed analysis of our consolidated results for the 12 months ended 31 December 2018 and the main factors affecting financial performance. It should be read in conjunction with the unaudited consolidated financial information and accompanying notes on pages 40 to 63, which have been prepared in accordance with International Financial Reporting Standards as adopted for use in the European Union ("IFRS").

Revenue

Revenue for 2018 of US$663.8 million was 12% (US$87.7 million) lower than 2017 due to a 12% decrease in gold sales volumes mainly from Bulyanhulu (66koz) driven by lower production following the transition to reduced operations at the mine, and from Buzwagi (14koz) driven by the planned transition to stockpile processing. This was partly offset by a US$12 per ounce increase in the average net realised gold price from US$1,260 per ounce sold in 2017 to US$1,272 per ounce sold in 2018.

The net realised gold price for the year of US$1,272/oz was US$3/oz higher than the average market price of US$1,269/oz due to the impact of gold price protection measures in the form of put options entered into during the year which delivered realised gains of US$1.8 million as a result of the strike price of the put options of US$1,320 exceeding the average market price for the period. Included in total revenue is co-product revenue of US$3.8 million relating to silver sales, 48% lower than the prior period (US$7.2 million), as a result of the lack of concentrate sales from March 2017 combined with the lower production base. There were no copper sales since the concentrate export ban commenced and copper production ceased in September 2017.

The unsold concentrate on hand as a result of the concentrate ban remains unchanged at approximately 186,000 ounces of gold, 12.1 million pounds of copper and 159,000 ounces of silver. These contained metals are in a condition to be sold, and will deliver revenue, net of government royalties of approximately US$247 million (at the average year to date spot metal prices).

Cost of sales

Cost of sales of US$444.4 million for 2018 was 3% lower than 2017 (US$458.4 million). The key aspects impacting the cost of sales for the year include a 17% decrease in depreciation and amortisation mainly due to the lower production base and carrying value of assets at Buzwagi as mining was concluded and at Bulyanhulu after the 2017 impairment; and 72% lower third party selling costs due to the lower sales volumes; partly offset by a 13% increase in royalty expenses due to the higher average realised gold price and the increase in royalty rates from 4% to 6%, as well as the new 1% clearing fee on mineral exports; and a 2% increase in direct mining costs as a result of lower capitalised mining costs at Bulyanhulu and North Mara.

The table below provides a breakdown of cost of sales:

(US$'000)	Three months ended 31 December		Twelve months ended 31 December	
(Unaudited)	2018	2017	2018	2017
Cost of Sales				
Direct mining costs	75,231	70,773	304,614	299,591
Third party smelting and refining fees	339	1,439	2,679	9,675
Realised (gains)/ losses on economic hedges[1]	(131)	128	(446)	743
Realised gains on gold hedges	(122)	(2,693)	(1,784)	(2,693)
Royalty expense	12,439	14,035	50,814	44,930
Depreciation and amortisation[2]	22,273	25,260	88,497	106,201
Total	**110,029**	**108,942**	**444,374**	**458,447**

1 Economic hedges include zero cost collars for Brent crude and, in prior years, copper.

2 Depreciation and amortisation includes credits relating to the depreciation component of the cost of inventory for Q4 2018 of US$2.2 million (Q4 2017: US$0.1 million charge) and for 2018 of US$5.5million (2017: US$26.9 million).

A detailed breakdown of direct mining expenses is shown in the table below:

(US$'000)	Three months ended 31 December		Twelve months ended 31 December	
(Unaudited)	2018	2017	2018	2017
Direct mining costs				
Labour	11,286	14,067	46,737	83,238
Energy and fuel	14,449	15,454	57,660	80,461
Consumables	16,564	15,855	66,477	85,698
Maintenance	11,667	16,576	49,146	92,603
Contracted services	23,211	24,788	88,530	124,592
General administration costs	13,776	15,620	60,575	77,546
Gross direct mining costs	**90,953**	**102,360**	**369,125**	**544,138**
Bulyanhulu Reduced operations cost[1]	(5,812)	(13,687)	(28,817)	(14,227)
Capitalised mining costs	(9,910)	(17,900)	(35,694)	(230,320)
Total direct mining costs	**75,231**	**70,773**	**304,614**	**299,591**

1 Includes non-sustaining costs relating to Bulyanhulu reduced operations cost (ROP).

Gross direct mining costs of US$369.1 million for 2018 were 32% lower than US$544.1 million in 2017. The overall decrease was driven by the impact of the changes in mining activities at Bulyanhulu (US$127.1 million) and Buzwagi (US$72 million), partly offset by an increase in costs at North Mara as follows:

- Higher underground contracted services at Gokona due to the improved performance of underground related contractors driven by higher productivity rates (US$6.6 million).
- Higher energy and fuel costs driven by increased power generation as a result of increased underground mining activities combined with a higher fuel price (US$6.1 million).
- Higher general administration costs driven by a higher shared service cost allocation from corporate offices due to reduced activity at the other sites and an increase in inventory obsolescence provisions due to the aging of supplies (US$5.6 million).
- Increased consumables mainly driven by higher underground support materials as a result of a 25% increase in backfill placed and higher open pit explosives costs due to an increase in tonnes mined (US$5.1 million).

Capitalised direct mining costs, consisting of capitalised development costs and investment in inventory is made up as follows:

(US$'000)	Three months ended 31 December		Twelve months ended 31 December	
(Unaudited)	2018	2017	2018	2017
Capitalised direct mining costs				
Capitalised development costs	(7,369)	(12,212)	(43,486)	(89,388)
(Investment in)/ drawdown of inventory	(2,541)	(5,688)	7,792	(140,932)
Total capitalised direct mining costs	**(9,910)**	**(17,900)**	**(35,694)**	**(230,320)**

Capitalised direct mining costs were significantly lower than 2017, primarily driven by the net drawdown of inventory in 2018 related to a drawdown in ore inventory at Buzwagi after the transition to stockpile processing compared to the net investment in inventory in 2017 as a result of the build-up of finished gold concentrate inventory at Bulyanhulu and Buzwagi after the imposition of the concentrate ban, combined with a decrease in capitalised development costs mainly driven by the cessation of development activities at Bulyanhulu and the lower stripping costs at North Mara, as a result of a lower strip ratio at the Nyabirama pit.

Central costs

Total central costs of US$23.7 million were 27% higher than 2017 (US$18.7 million) driven by a lower non-cash share-based payment revaluation credit compared to the prior period which resulted from a greater decrease in the share price and share price performance compared to the global mining index, impacting on the valuation of future share-based payment liabilities to employees. This was partly offset by a 12% reduction in corporate administration costs mainly as a result of lower labour costs after the restructuring of corporate and shared services offices, lower consulting and professional fees and the increased focus on cost control.

(US$'000)	Three months ended 31 December		Twelve months ended 31 December	
(Unaudited)	2018	2017	2018	2017
Corporate administration	6,173	7,613	23,813	26,913
Share-based payments	1,155	186	(74)	(8,236)
Total central costs	**7,328**	**7,799**	**23,739**	**18,677**

Exploration and evaluation costs

Exploration and evaluation costs of US$13.3 million were 46% lower than 2017 (US$24.8 million) in line with the reduced budget for the year. The key focus areas for the year were Greenfield exploration programmes in West Kenya amounting to US$6.2 million and Greenfield exploration programmes in West Africa amounting to US$5.5 million.

Corporate social responsibility expenses

Corporate social responsibility costs of US$8.8 million were in line with the prior year of US$8.2 million. Corporate social responsibility overheads and central initiatives amounted to US$3.9 million in 2018 and were 15% lower than 2017. General community projects funded from the Acacia Maendeleo Fund amounted to US$4.9 million, 35% higher than 2017, driven by the timing of projects and the number of qualifying initiatives identified.

Impairment charges

During the year, OreCorp, Acacia's JV partner in the Nyanzaga Project in Tanzania, executed its option under the earn-in agreement to increase its stake to 51% in the project through the payment of US$3 million to Acacia. Acacia also signed a completion agreement to transfer its remaining 49% stake to OreCorp for US$7 million and a net smelter royalty capped at US$15 million based on future production. As a result of the agreement, and Management's commitment to a sale, Acacia expects to recover the value of the asset through sale and not through value in use and as such has valued the asset at fair value less costs to sell of US$10 million and recorded an impairment charge of US$24.2 million and reclassified the associated non-current assets and liabilities held for sale on the balance sheet.

In addition, as part of the year-end carrying value assessment we have impaired US$3.2 million of property plant and equipment mainly relating to previously capitalised drilling costs in Tanzania and US$1.5 million relating to other historical exploration assets. Refer to Note 6 of the condensed consolidated financial information for further details.

Other charges

Other charges amounted to US$36.1 million in 2018, compared to US$90.4 million in 2017. The main contributors include Bulyanhulu reduced operations costs not included within all-in sustaining costs of US$28.8 million, legal fees driven by the concentrate export ban and historical outstanding tax matters of US$28.4 million, retrenchment costs of US$5.3 million, foreign exchange losses of US$5.3 million, once-off legal settlement costs relating to a North Mara village royalty settlement of US$3 million, disallowed indirect taxes of US$2.6 million and unrealised losses on economic hedges of US$2.3 million. The charges were largely offset by the gain on the sale of a non-core royalty of US$45 million. Refer to note 7 of the condensed financial information for details.

Finance expense and income

Finance expense of US$13.2 million was 6% higher than 2017 of US$12.4million. The key components were premiums paid on gold put options (US$3.9 million), higher accretion expenses of US$3.6 million relating to the discounting of the environmental reclamation liability, US$2.3 million relating to the servicing of the US$150 million undrawn revolving credit facility and borrowing costs relating to the Bulyanhulu CIL facility (US$1.9 million) which were lower than the prior year due to a lower outstanding facility following repayments. Other costs include bank charges and other finance costs of US$1 million.

Finance income relates predominantly to interest received on money market funds and interest charged on non-current receivables. Refer to note 8 of the condensed financial information for details.

Taxation matters

The tax expense of US$37.9 million compared to a tax credit of US$2.3 million in 2017. The tax expense for 2018 is driven by the current year profit generated at North Mara, partly offset by losses incurred at Bulyanhulu and an increase in the associated deferred tax asset. Included in the current year expense is a 2017 final North Mara tax charge of US$3.1 million. The effective tax rate of 39% (2017: 0.4%) mainly reflects the impact of non-deductible expenses and losses in exploration and corporate entities for which no deferred tax asset is recognised partly offset by the utilisation of previously unrecognised tax losses at Buzwagi.

During 2018, we made provisional corporate tax payments of US$38.2 million relating to North Mara, which was based on North Mara's expected full year profitability. These provisional corporate tax payments have been offset against the indirect tax receivable covered under previous agreements with the Tanzanian Revenue Authority, and as a result, were not paid in cash. In addition, we have also offset US$4.2 million relating to the final 2017 corporate tax payment relating to North Mara.

Net earnings and earnings per share

As a result of the factors discussed above, net earnings for 2018 were US$58.9 million, against the prior year loss of US$707.4 million.

Earnings per share for 2018 amounted to US14.4 cents, compared to the prior year loss per share of US172.5 cents per share. The increase was driven by the higher earnings, with no change in the underlying issued shares.

Adjusted net earnings and adjusted earnings per share

Adjusted net earnings were US$44.3 million compared to US$146.2 million in 2017 and reflect the impact of the reduced operations. Net earnings for the period as described above have been adjusted for the impact of items such as the gain on sale of a non-core mineral royalty, impairment charges, prior year tax provisions, discounting of indirect tax receivables, restructuring costs, legal settlements as well as Bulyanhulu reduced operations cost. Refer to page 38 for reconciliation between net profit and adjusted net earnings.

Adjusted earnings per share for 2018 amounted to US10.8 cents, a decrease of US24.9 cents from 2017 adjusted earnings per share of US35.7 cents.

Financial position

Acacia ended the year with cash and cash equivalents on hand of US$130.2 million, 62% up on the balance as at 31 December 2017. The Group's cash and cash equivalents are with counterparties whom the Group considers to have an appropriate credit rating. Location of credit risk is determined by physical location of the bank branch or counterparty. Investments are held mainly in United States dollars, with cash and cash equivalents in other foreign currencies maintained for operational requirements.

During 2013, a US$142 million facility ("Facility") was put in place to fund the bulk of the costs of the construction of the Bulyanhulu tailings retreatment project ("Project"). The Facility has a term of seven years with a spread over Libor of 250 basis points. The seven year Facility is repayable in ten equal instalments (bi-annual) over the term of the Facility, after a two year repayment holiday period. The interest rate has been fixed at 3.6% through the use of an interest rate swap. The full facility of US$142 million was drawn in 2013. During 2018, the 6^{th} and 7^{th} repayments amounting to US$28.4 million were made. At 31 December 2018, the outstanding capital balance is US$42.6 million compared to US$71 million at the end of 2017.

The above complements the existing undrawn revolving credit facility of US$150 million, which runs until November 2019.

The net book value of property, plant and equipment decreased from US$770.6 million as at 31 December 2017 to US$761.2 million as at 31 December 2018 mainly due to depreciation charges of US$90.3 million, non-cash reclamation asset adjustment credits of US$8.5 million, assets impaired and transferred to assets held for sale of US$3.9 million, partly offset by capital expenditure of US$92.2 million as discussed below. Refer to note 13 to the condensed financial information for further details.

The current portion of inventories increased to US$312.9 million at 31 December 2018 from US$291.9 million at 31 December 2017 due to the reallocation of ore stockpiles to be processed at Buzwagi in the short term and an increase in supplies inventory at North Mara and Buzwagi. Total finished gold ounces on hand of approximately 199,000 ounces as at 31 December 2018 comprised approximately 186,000 ounces of gold in concentrate and 13,000 ounces of gold in doré.

Total indirect tax receivables increased from US$170.7 million as at 31 December 2017 to US$178.7 million as at 31 December 2018. The increase was driven by a further US$54.3 million of VAT outflows, net of adjustments, for which no cash VAT refunds were received and the part reversal of prior discounting provisions of US$0.6 million, offset by the full year provisional corporate tax payments relating to North Mara of US$38.2 million, as well as a final 2017 corporate tax payment of US$4.2 million and foreign exchange revaluation losses of US$4.5 million. The provisional corporate tax payments have been offset against indirect tax receivables in line with an existing agreement with the Tanzanian Revenue Authority.

Net assets increased from US$1.12 billion as at 31 December 2017 to US$1.18 billion as at 31 December 2018, reflecting the current year earnings of US$58.9 million.

Cash flow generation and capital management

Cash flow

(US$000)	Three months ended 31 December		Twelve months ended 31 December	
(Unaudited)	2018	2017	2018	2017
Cash generated by/ (used in) operating activities	33,635	(1,503)	126,133	(22,972)
Cash used in investing activities	(20,455)	(13,411)	(47,594)	(151,711)
Cash used in financing activities	-	-	(28,400)	(62,785)
Increase/ (decrease) in cash	13,180	(14,914)	50,139	(237,468)
Foreign exchange difference on cash	(21)	106	(457)	190
Opening cash balance	117,036	95,321	80,513	317,791
Closing cash balance	**130,195**	**80,513**	**130,195**	**80,513**

Cash flow from operating activities of US$126.1 million for 2018 was US$149.1 million higher than 2017 (a cash outflow of US$23.0 million). The increase relates to lower working capital outflows of US$57.8 million compared to outflows of US$313.1 million in 2017 as a result of the build-up in gold in concentrate ounces on hand in 2017 compared to the draw-down of ore stockpiles at Buzwagi in the current year, the smaller build-up of indirect taxes receivable in 2018 due to the lower operating costs, and a stable level of accounts payable in 2018 compared to a decrease in 2017 as the Bulyanhulu mine was transitioned to reduced operations. This was partly offset by lower adjusted EBITDA (US$127.2 million).

The working capital outflow relates mainly to an increase in indirect tax receivables driven by the lack of VAT refunds and corporate tax payments (US$54.3 million), a net increase in inventory of US$5.7 million mainly driven by investment in supplies inventory and a decrease in other liabilities as severance cost provisions were utilised (US$2.9 million), partly offset by a reduction in accounts receivable of US$6.4 million.

Cash flow used in investing activities was US$47.6 million for 2018, a 69% decrease from 2017 of US$151.7 million, driven by lower capitalised development and sustaining capital expenditure at Bulyanhulu due to reduced operations, lower capitalised stripping costs at North Mara and the proceeds of the sale of a non-core royalty of US$45 million.

A breakdown of total capital and other investing capital activities for 2018 is provided below:

	Three months ended		Twelve months ended	
(US$'000)	31 December		31 December	
(Unaudited)	2018	2017	2018	2017
Sustaining capital	(5,985)	(3,586)	(30,768)	(45,226)
Expansionary capital	(2,867)	(3,490)	(12,234)	(11,573)
Capitalised development	(8,306)	(13,665)	(47,496)	(100,609)
Total cash capital	**(17,158)**	**(20,741)**	**(90,498)**	**(157,408)**
Proceeds from the sale of mineral royalty	-	-	45,000	-
Rehabilitation expenditure	(189)	(2,295)	(4,689)	(3,106)
Non-current asset movement[1]	(3,108)	9,625	2,593	8,803
Cash used in investing activities	**(20,455)**	**(13,411)**	**(47,594)**	**(151,711)**
Capital expenditure reconciliation:				
Total cash capital	17,158	20,741	90,498	157,408
Land purchases	10	133	258	1,637
Movement in capital accruals	1,049	427	1,748	(9,669)
Capital expenditure	18,217	21,301	92,504	149,376
Land purchases classified as long term prepayments	(10)	(133)	(258)	(1,637)
Non-cash rehabilitation asset adjustment	(2,960)	(10,252)	(8,485)	(9,087)
Other non-cash capital expenditure	1,034	1,066	820	1,212
Total capital expenditure per segment note	**16,281**	**11,982**	**84,581**	**139,864**

[1] Non-current asset movements relates to the movement in Tanzania government receivables and other long term assets.

Sustaining capital

Sustaining capital expenditure includes investment in mobile equipment and component change-outs mainly relating to North Mara (US$15.5 million), investment in fixed equipment and infrastructure (US$2.9 million), the expansion of the tailings storage facility at Buzwagi (US$2.4 million) and the upgrade of the water management ponds and essential plant upgrade costs at Bulyanhulu (US$2.2 million). Capital accruals increased by US$1.7 million during 2018 reflecting capital expenditure that has been accrued but not yet paid.

Capitalised development

Capitalised development includes North Mara capitalised stripping costs (US$28.2 million) and capitalised underground development (US$19.3 million).

Expansionary capital

Expansionary capital expenditure consisted mainly of capitalised expansion drilling at North Mara of US$8.3 million, relating to drilling performed as part of the Gokona resource and reserve development and Nyabirama underground studies, and Bulyanhulu optimisation studies (US$2.6 million) and processing facilities upgrades (US$1.2 million)

Cash flow used in financing activities for 2018 of US$28.4 million, a decrease of US$34.4 million from US$62.8 million in 2017 as a result of a final 2017 and interim 2018 dividend not being paid. The 6th and 7th instalments of the borrowings related to the Bulyanhulu CIL facility totalling US$28.4 million were paid in 2018.

Dividend

As a result of the continuing inability to export concentrates following the imposition of the concentrate export ban in 2017, the uncertainty around a resolution of the on-going dispute between the Company and the GoT and current liquidity requirements, the Board of Directors has not recommended a final dividend for 2018.

Significant judgements in applying accounting policies and key sources of estimation uncertainty

Many of the amounts included in the condensed consolidated financial information require management to make judgements and/or estimates. These judgements and estimates are continuously evaluated and are based on management's experience and best knowledge of the relevant facts and circumstances, but actual results may differ from the amounts included in the condensed consolidated financial information included in this release. Information about such judgements and estimation is included in the accounting policies and/or notes to the consolidated financial statements, and the key areas are summarised below.

Areas of judgement and key sources of estimation uncertainty that have the most significant effect on the amounts recognised in the condensed consolidated financial statements include:

- Judgements around the prospect, timing and final terms of any comprehensive negotiated settlement that the Company might be able to agree with the Government of Tanzania, including by reference to the key terms of the Framework announcements made in October 2017 by Barrick and the GoT and including judgements around the timing and quantum of any cash outflows that might be made in respect of historical tax matters;
- Estimates of the quantities of proven and probable gold and copper mineral reserves and measured, indicated and inferred mineral resources;
- Estimates included within the life-of-mine planning such as the timing and viability of processing of long term stockpiles;
- The capitalisation of production stripping costs;

- The capitalisation of exploration and evaluation expenditures;
- Review of goodwill, tangible and intangible assets' carrying value, the determination of whether a trigger for an impairment review exists, whether these assets are impaired and the measurement of impairment charges or reversals, and also includes the judgement of reversal of any previously recorded impairment charges;
- The estimated fair values of cash generating units for impairment tests, including estimates of future costs to produce reserves and resources, future commodity prices, foreign exchange rates and discount rates;
- The estimated useful lives of tangible and long-lived assets and the measurement of depreciation expense;
- Recognition of a provision for environmental rehabilitation and the estimation of the rehabilitation costs and timing of expenditure;
- Whether to recognise a liability for loss contingencies and the amount of any such provision;
- Whether to recognise a provision for accounts receivable, and in particular the indirect tax receivables from the Tanzanian Government, a provision for obsolescence on consumables inventory and the impact of discounting the non-current element of the indirect tax receivable;
- Recognition of deferred income tax assets, amounts recorded for uncertain tax positions, the measurement of income tax expense and indirect taxes;
- Determination of the cost incurred in the productive process of ore stockpiles, gold in process, gold doré/bullion and concentrate, as well as the associated net realisable value and the split between the long term and short term portions;
- Determination of fair value of derivative instruments;
- Determination of fair value of share options and cash-settled share-based payments;
- Judgements around the timing of Bulyanhulu's resumption of underground mining operations and production ramp up.

Non-IFRS Measures

Acacia has identified certain measures in this report that are not measures defined under IFRS. Non-IFRS financial measures disclosed by management are provided as additional information to investors in order to provide them with an alternative method for assessing Acacia's financial condition and operating results, and reflects more relevant measures for the industry in which Acacia operates. These measures are not in accordance with, or a substitute for, IFRS, and may be different from or inconsistent with non-IFRS financial measures used by other companies. These measures are explained further below.

Net average realised gold price per ounce sold is a non-IFRS financial measure which excludes from gold revenue:

- Unrealised gains and losses on non-hedge derivative contracts; and

- Export duties

It also includes realised gains and losses on gold hedge contracts reported as part of cost of sales.

Net average realised gold price per ounce sold has been calculated as follows:

	Three months ended		Twelve months ended	
(US$000)	31 December		31 December	
(Unaudited)	2018	2017	2018	2017
Gold revenue	163,786	188,607	660,029	744,294
Add: Realised gold hedge gains	122	2,693	1,784	2,693
Net gold revenue	163,908	191,300	661,813	746,987
Gold sold (ounces)	133,460	147,636	520,380	592,861
Net average realised gold price (US$/ounce)	1,228	1,296	1,272	1,260

Cash cost per ounce sold is a non-IFRS financial measure. Cash costs include all costs absorbed into inventory, as well as royalties, and production taxes, and exclude capitalised production stripping costs, inventory purchase accounting adjustments, unrealised gains/losses from non-hedge currency and commodity contracts, depreciation and amortisation and corporate social responsibility charges. Cash cost is calculated net of co-product revenue. Cash cost per ounce sold is calculated by dividing the aggregate of these costs by total ounces sold.

The presentation of these statistics in this manner allows Acacia to monitor and manage those factors that impact production costs on a monthly basis. Cash costs and cash cost per ounce sold are calculated on a consistent basis for the periods presented.

The table below provides a reconciliation between cost of sales and total cash cost to calculate the cash cost per ounce sold.

	Three months ended		Twelve months ended	
(US$'000)	31 December		31 December	
(Unaudited)	2018	2017	2018	2017
Total cost of sales	**110,029**	**108,942**	**444,374**	**458,447**
Deduct: depreciation and amortisation*	(22,273)	(25,260)	(88,497)	(106,201)
Add: realised gains on gold hedges	122	2,693	1,784	2,693
Deduct: Co-product revenue	(979)	(642)	(3,760)	(7,221)
Total cash cost	**86,899**	**85,733**	**353,901**	**347,718**
Total ounces sold	133,460	147,636	520,380	592,861
Total cash cost per ounce sold	651	581	680	587

* Depreciation and amortisation includes the depreciation component of the cost of inventory sold

All-in sustaining cost (AISC) per ounce sold is a non-IFRS financial measure. The measure is in accordance with the World Gold Council's guidance issued in June 2013. It is calculated by taking cash cost and adding corporate administration costs, share-based payments, reclamation and remediation costs for operating mines, corporate social responsibility expenses, mine exploration and study costs, realised gains and/or losses on operating hedges, capitalised stripping and underground development costs and sustaining capital expenditure. This is then divided by the total ounces sold. The World Gold Council has issued revised guidance at the end of 2018, which will mainly address changes to the accounting for leases and will be applied from 1 January 2019, in line with the effective date for the adoption of the changes to lease accounting in accordance with IFRS 16, "Leases". A reconciliation between cash cost per ounce sold and AISC for the key business segments is presented below:

(Unaudited)	Three months ended 31 December 2018				Three months ended 31 December 2017			
(US$/oz sold)	Bulyanhulu	North Mara	Buzwagi	Group*	Bulyanhulu[1]	North Mara	Buzwagi	Group*
Cash cost per ounce sold	547	617	755	651	-	587	535	581
Corporate administration	50	38	33	46	-	29	21	52
Share based payments	8	3	2	9	-	-	1	1
Rehabilitation	29	7	8	9	-	12	3	9
CSR expenses	88	18	14	27	-	15	8	16
Capitalised development	(4)	99	-	62	-	186	-	93
Sustaining capital	54	69	16	53	-	74	15	27
Total AISC	772	851	828	857	-	903	583	779

[1] Cash cost per ounce sold and AISC per ounce sold for the quarter are non-meaningful due to the impact of negligible sales ounces on the costs relating to reprocessed tailings.

** The group total includes a cost of US$20/oz of unallocated corporate related costs in Q4 2018 (Q4 2017: US$19/oz).*

(Unaudited)	Twelve months ended 31 December 2018				Twelve months ended 31 December 2017			
(US$/oz sold)	Bulyanhulu	North Mara	Buzwagi	Group*	Bulyanhulu	North Mara	Buzwagi	Group*
Cash cost per ounce sold	599	591	906	680	840	498	594	587
Corporate administration	44	36	32	46	59	26	35	45
Share based payments	(11)	-	(1)	-	(6)	(2)	(2)	(14)
Rehabilitation	28	7	7	9	20	11	5	11
CSR expenses	50	11	10	17	10	11	8	14
Capitalised development	-	143	-	91	367	188	-	170
Sustaining capital	76	78	23	62	83	71	27	62
Total AISC	786	866	977	905	1,373	803	667	875

** The group total includes a cost of US$15/oz of unallocated corporate related costs in 2018 (2017: US$5/oz).*

AISC is intended to provide additional information on the total sustaining cost for each ounce sold, taking into account expenditure incurred in addition to direct mining costs and selling costs.

Cash cost per tonne milled is a non-IFRS financial measure. Cash costs include all costs absorbed into inventory, as well as royalties, co-product credits, and production taxes, and exclude capitalised production stripping costs, inventory purchase accounting adjustments, unrealised gains/losses from non-hedge currency and commodity contracts, depreciation and amortisation and corporate social responsibility charges. Cash cost is calculated net of co-product revenue. Cash cost per tonne milled is calculated by dividing the aggregate of these costs by total tonnes milled.

EBITDA is a non-IFRS financial measure. Acacia calculates EBITDA as net profit or loss for the period excluding:

- Income tax expense;
- Finance expense;
- Finance income;
- Depreciation and amortisation; and
- Impairment charges of goodwill and other long-lived assets.

EBITDA is intended to provide additional information to investors and analysts. It does not have any standardised meaning prescribed by IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore is not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate EBITDA differently.

A reconciliation between net profit for the period and EBITDA is presented below:

	Three months ended		Twelve months ended	
(US$000)	31 December		31 December	
(Unaudited)	2018	2017	2018	2017
Net profit/ (loss) for the period	16,139	(785,975)	58,866	(707,394)
Plus income tax expense/ (credit)	2,328	(47,835)	37,905	(2,272)
Plus depreciation and amortisation[1]	22,273	25,260	88,497	106,201
Plus: impairment charges/write-offs[2]	4,643	850,182	28,877	850,182
Plus finance expense	2,788	3,971	13,200	12,407
Less finance income	(379)	(140)	(1,421)	(1,944)
EBITDA	**47,792**	**45,463**	**225,924**	**257,180**
Adjusted for:				
Restructuring costs	-	8,874	-	34,988
Gain on sale of non-core mineral royalty	-	-	(45,000)	-
Once-off legal settlements	-	-	3,030	5,083
Discounting of indirect taxes	(578)	13,276	(578)	13,276
Adjusted EBITDA	**47,214**	**67,613**	**183,376**	**310,527**

1 Depreciation and amortisation includes the depreciation component of the cost of inventory sold.

2 Refer to note 6 of the condensed financial information.

Adjusted EBITDA is a non-IFRS financial measure. It is calculated by excluding one-off costs or credits relating to non-routine transactions from EBITDA. It excludes other credits and charges that, individually or in aggregate, if of a similar type, are of a nature or size that requires explanation in order to provide additional insight into the underlying business performance.

EBIT is a non-IFRS financial measure and reflects EBITDA adjusted for depreciation and amortisation and goodwill impairment charges.

Adjusted net earnings is a non-IFRS financial measure. It is calculated by excluding certain costs or credits relating to non-routine transactions from net profit attributed to owners of the parent. It includes other credit and charges that, individually or in aggregate, if of a similar type, are of a nature or size that requires explanation in order to provide additional insight into the underlying business performance.

Adjusted net earnings and adjusted earnings per share have been calculated as follows:

(US$000)	Three months ended 31 December		Year ended 31 December	
(Unaudited)	2018	2017	2018	2017
Net earnings/ (loss)	16,139	(785,975)	58,866	(707,394)
Adjusted for:				
Gain on sale of non-core mineral royalty	-	-	(45,000)	-
Restructuring cost	-	8,874	-	34,988
Discounting of indirect taxes	(578)	13,276	(578)	13,276
One-off legal settlements	-	-	3,030	5,083
Impairment charges/write-offs[1]	4,643	850,182	28,877	850,182
Provision for uncertain tax positions	-	172,000	-	172,000
Tax impact of the above	(1,287)	(212,558)	(909)	(221,917)
Adjusted net earnings	**18,917**	**45,799**	**44,286**	**146,218**

1 Refer note 6 in the condensed consolidated financial information

Adjusted net earnings per share is a non-IFRS financial measure and is calculated by dividing adjusted net earnings by the weighted average number of Ordinary Shares in issue.

Free cash flow is a non-IFRS measure and represents the change in cash and cash equivalents in a given period.

Net cash is a non-IFRS measure. It is calculated by deducting total borrowings from cash and cash equivalents.

Mining statistical information

The following describes certain line items used in the Acacia Group's discussion of key performance indicators:

- Open pit material mined – measures in tonnes the total amount of open pit ore and waste mined.
- Underground ore tonnes hoisted – measures in tonnes the total amount of underground ore mined and hoisted.
- Total tonnes mined includes open pit material plus underground material mined.
- Strip ratio – measures the ratio of waste-to-ore for open pit material mined.
- Ore milled – measures in tonnes the amount of ore material processed through the mill.
- Head grade – measures the metal content of mined ore going into a mill for processing.
- Milled recovery – measures the proportion of valuable metal physically recovered in the processing of ore. It is generally stated as a percentage of the metal recovered compared to the total metal originally present.

Risk Review

For 2018 our principal risks have continued to fall within four broad categories: strategic risks, financial risks, external risks and operational risks.

There has been no significant improvement in the operating environment, which remains challenging, influenced mainly by the continuing dispute with the Government of Tanzania and delays in reaching a negotiated solution. This has led to the makeup of our principal risks remaining relatively consistent throughout 2018. However, in-country stakeholder reaction to the prolonged situation in Tanzania along with other global developments and trends affecting the wider mining industry, have resulted in changes to certain risk profiles which we have assessed to relate to the following:

- Political, legal and regulatory developments
- Single country risk
- Attraction and retention of employees
- Significant changes to commodity prices
- Liquidity
- Social license to operate and key stakeholder support
- Reserve and resource estimates
- Environmental hazards and rehabilitation
- Safety risks relating to mining operations
- Operational security and theft
- Significant fraud and corruption

In terms of Political, legal and regulatory developments, during the final quarter of the year, the operating environment became increasingly challenging for Acacia with criminal charges brought by the GoT against three current Acacia employees and a former employee, three of whom continue to be held under non-bailable offences, and against three group companies (see above, Operating Environment). The allegations made are being refuted and the criminal charges brought are being defended, but there is a risk of continuing and further legal or regulatory action by the Government of Tanzania, or of other regulatory or law enforcement action in Tanzania and/or the UK.

Further details regarding our Principal Risks and Uncertainties along with the corresponding risk assessments conducted will be provided as part of the 2018 Annual Report and Accounts.

Condensed Financial Information

Consolidated income statement

(US$'000)	Notes	For the year ended 31 December (Unaudited) 2018	(Audited) 2017
Revenue		663,789	751,515
Cost of sales		(444,374)	(458,447)
Gross profit		**219,415**	**293,068**
Corporate administration		(23,813)	(26,913)
Share-based payments		74	8,236
Exploration and evaluation costs		(13,343)	(24,829)
Corporate social responsibility expenses		(8,812)	(8,213)
Impairment charges	6	(28,877)	(850,182)
Other charges (net)	7	(36,094)	(90,370)
Profit/ (loss) before net finance expense and taxation		**108,550**	**(699,203)**
Finance income	8	1,421	1,944
Finance expense	8	(13,200)	(12,407)
Profit/ (loss) before taxation		**96,771**	**(709,666)**
Tax (expense)/credit	9	(37,905)	2,272
Net profit/ (loss) for the year		**58,866**	**(707,394)**
Earnings/ (loss) per share (cents):			
Basic earnings/ (loss) per share (cents)	10	14.4	(172.5)
Diluted earnings/ (loss) per share (cents)	10	14.4	(172.5)

The notes on pages 45 to 63 are an integral part of this financial information.

Consolidated statement of comprehensive income

	For the year ended 31 December	
	(Unaudited)	**(Audited)**
(US$'000)	**2018**	**2017**
Net profit/ (loss) for the year	58,866	(707,394)
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss:		
Changes in fair value of cash flow hedges	(247)	108
Total comprehensive income/ (loss) for the year	**58,619**	**(707,286)**

Consolidated balance sheet (US$'000)	**Notes**	**As at 31 December (Unaudited) 2018**	**As at 31 December (Audited) 2017**
ASSETS			
Non-current assets			
Goodwill and intangible assets	12	39,100	82,383
Property, plant and equipment	13	761,205	770,574
Deferred tax assets		176,093	169,513
Non-current portion of inventory	15	118,198	133,550
Derivative financial instruments	14	420	907
Other non-current assets	16	151,065	180,708
		1,246,081	**1,337,635**
Current assets			
Inventories	15	312,909	291,880
Trade and other receivables		11,693	18,085
Derivative financial instruments	14	633	2,619
Other current assets	16	99,507	70,155
Cash and cash equivalents		130,195	80,513
		554,937	**463,252**
Assets of disposal group classified as held for sale	17	**19,707**	**-**
Total assets		**1,820,725**	**1,800,887**
EQUITY AND LIABILITIES			
Share capital and share premium		929,199	929,199
Other reserves		250,412	191,793
Total equity		**1,179,611**	**1,120,992**
Non-current liabilities			
Borrowings	18	14,200	42,600
Deferred tax liabilities		97,918	99,533
Derivative financial instruments	14	26	-
Provisions		124,442	127,028
Other non-current liabilities		1,789	5,038
		238,375	**274,199**
Current liabilities			
Trade and other payables		349,115	350,450
Borrowings	18	28,400	28,400
Derivative financial instruments	14	462	481
Provisions		14,254	24,650
Other current liabilities		801	1,715
		393,032	**405,696**
Liabilities of disposal group classified as held for sale	17	**9,707**	**-**
Total liabilities		**641,114**	**679,895**
Total equity and liabilities		**1,820,725**	**1,800,887**

The notes on pages 45 to 63 are an integral part of this financial information

Consolidated statement of changes in equity

(US$'000)	Notes	Share capital	Share premium	Other distributable reserve	Cash flow hedging reserve	Share option reserve	Accumulated (losses)/profit	Total equity
Balance at 1 January 2017 (Audited)		**62,097**	**867,102**	**1,368,713**	**559**	**3,953**	**(439,529)**	**1,862,895**
Total comprehensive loss for the year		-	-	-	108	-	(707,394)	(707,286)
Dividends to equity holders of the Company		-	-	-	-	-	(34,385)	(34,385)
Share option grants		-	-	-	-	(232)	-	(232)
Balance at 31 December 2017 (Audited)		**62,097**	**867,102**	**1,368,713**	**667**	**3,721**	**(1,181,308)**	**1,120,992**
Total comprehensive income for the year		-	-	-	(247)	-	58,866	58,619
Share option grants		-	-	-	-	-	-	-
Dividends to equity holders of the Company		-	-	-	-	-	-	-
Balance at 31 December 2018 (Unaudited)		**62,097**	**867,102**	**1,368,713**	**420**	**3,721**	**(1,122,442)**	**1,179,611**

The notes on pages 45 to 63 are an integral part of this financial information.

Consolidated statement of cash flows

(US$'000)	Notes	For the year ended 31 December (Unaudited) 2018	(Audited) 2017
Cash flows from operating activities			
Net profit/ (loss) for the year		58,866	(707,394)
Adjustments for:			
Tax expense/(credit)		37,905	(2,272)
Depreciation and amortisation		95,844	125,968
Finance items		11,779	10,463
Impairment charges		28,877	850,182
Gain from sale of mineral royalty		(45,000)	(1,753)
(Profit)/Loss on disposal of property, plant and equipment		(163)	123
Cash settlement of share options		-	(259)
Working capital adjustments	19	(57,765)	(313,091)
Other non-cash items	19	3,942	22,160
Cash generated by/ (used in) operations before interest and tax		**134,285**	**(15,873)**
Finance income		1,421	1,944
Finance expenses		(9,573)	(9,043)
Net cash generated by/ (used in) operating activities		**126,133**	**(22,972)**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(90,498)	(157,408)
Movement in other assets		2,094	6,856
Proceeds from sale of mineral royalty		45,000	1,753
Other investing activities	19	(4,190)	(2,912)
Net cash used in investing activities		**(47,594)**	**(151,711)**
Cash flows used in financing activities			
Loans paid		(28,400)	(28,400)
Dividends paid		-	(34,385)
Net cash used in financing activities		**(28,400)**	**(62,785)**
Net increase/ (decrease) in cash and cash equivalents		50,139	(237,468)
Net foreign exchange difference		(457)	190
Cash and cash equivalents at 1 January		80,513	317,791
Cash and cash equivalents at 31 December		**130,195**	**80,513**

The notes on pages 45 to 63 are an integral part of this financial information.

Notes to the condensed financial information

1. General Information

Acacia Mining plc, formerly African Barrick Gold plc (the “Company”, "Acacia” or collectively with its subsidiaries the “Group”) was incorporated on 12 January 2010 and re-registered as a public limited company on 12 March 2010 under the Companies Act 2006. It is registered in England and Wales with registered number 7123187.

On 24 March 2010 the Company’s shares were admitted to the Official List of the United Kingdom Listing Authority (“UKLA”) and to trading on the Main Market of the London Stock Exchange, hereafter referred to as the Initial Public Offering (“IPO”). The address of its registered office is No.1 Cavendish Place, London, W1G 0QF.

Barrick Gold Corporation (“Barrick”) currently owns approximately 63.9% of the shares of the Company and is the ultimate parent and controlling party of the Group. The financial statements of Barrick can be obtained from www.barrick.com.

The condensed consolidated financial information for the year ended 31 December 2018 was approved for issue by the Board of Directors of the Company on 8 February 2019. The condensed consolidated financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The condensed consolidated financial information is unaudited.

The Group’s primary business is the mining, processing and sale of gold. The Group has three operating mines located in Tanzania. The Group also has a portfolio of exploration projects located across Africa.

2. Basis of Preparation of the condensed financial information

The financial information set out above does not constitute the Group’s statutory accounts for the year ended 31 December 2018, but is derived from the Group’s full financial accounts, which are in the process of being audited. The Group’s full financial accounts will be prepared under International Financial Reporting Standards as adopted by the European Union.

The condensed consolidated financial information has been prepared under the historical cost convention basis, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit and loss. The financial statements are presented in US dollars (US$) and all monetary results are rounded to the nearest thousand dollars (US) except when otherwise indicated.

The group’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group’s annual financial statements as at 31 December 2018. There have been no significant changes in the risk management department or in any risk management policies since the year end.

The impact of the seasonality on operations is not considered as significant on the condensed consolidated financial information.

At 31 December 2018, the Group had cash and cash equivalents of US$130 million with a further US$150 million available under the undrawn revolving credit facility which remains in place until November 2019. Total borrowings at the end of the period amounted to US$43 million, of which US$28 million will be paid in the next 12 months. Total indirect tax receivables at the end of the period amounted to US$179 million, of which US$68 million is included in other current assets and are expected to be received or recovered within 12 months. The refunds remain dependent on processing and payments of refunds by the Government of Tanzania. Furthermore, included in working capital is finished gold contained in concentrate of approximately 186,000 ounces, approximately 12.1 million pounds of copper contained in concentrate and approximately 159,000 ounces of silver contained in concentrate.

In assessing the Acacia Group’s going concern status the Directors have taken into account the impact of the concentrate export ban on on-going operations as well as the following factors and assumptions: the current cash position; the latest mine plans, the short-term gold price, and Acacia Group’s capital expenditure and financing plans. In addition, the Directors have considered a range of scenarios around the various potential outcomes for the resolution of the current operating challenges in Tanzania in the circumstances, including the cash flow impact of an extended concentrate export ban; and the potential impacts of the timing and final terms of any comprehensive settlement which might be approved by the Company which reflect key terms of the framework announcements made by Barrick and the GoT in October 2017, including the lifting of the concentrate export ban and staged payments of US$300 million relating to historical tax matters. In addition, the Directors have assumed that the Group will not be required to settle its current outstanding borrowing obligations and will repay these in accordance with the current terms of the relevant agreements. After making appropriate enquiries and considering the uncertainties described above, the Directors consider that it is appropriate to adopt the going concern basis in preparing the condensed consolidated financial information, however have concluded that the combination of the above circumstances represents a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The condensed consolidated financial information does not include any adjustments that would result if the Group was unable to continue as a going concern should the assumptions referred to above prove not to be correct.

The auditors have indicated that they will issue an emphasis of matter within their audit opinion included within the Annual Report, drawing attention to the material uncertainties related to the impact of the concentrate export ban and on-going dispute between the Company and the GoT on the group's company's assets, liabilities and cash flows, and to include a separate section within their audit opinion under the heading "Material uncertainty related to going concern" detailing the matters outlined above.

3. Accounting Policies

The accounting policies adopted are consistent with those used in the Acacia Mining plc annual financial statements for the year ended 31 December 2017. As disclosed in those annual financial statements, IFRS 9, "Financial Instruments" and IFRS 15, "Revenue from contracts with customers" were applicable for financial reporting periods starting 1 January 2018 and as a result have been adopted by the Group, however the changes have not materially affected the Group. There are no other new standards, interpretations or amendments to standards issued and effective for the period which materially impacted on the Group. The following exchange rates to the US dollar have been applied:

	As at 31 December 2018	**Average year ended 31 December 2018**	As at 31 December 2017	Average year ended 31 December 2017
South African rand (US$:ZAR)	**14.39**	**13.16**	12.36	13.30
Tanzanian shilling (US$:TZS)	**2,281**	**2,264**	2,230	2,229
Australian dollars (US$:AUD)	**1.42**	**1.34**	1.28	1.30
UK pound (US$:GBP)	**0.78**	**0.75**	0.74	0.78

4. Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017.

5. Segment Reporting

The Group has only one primary product produced in a single geographic location, being gold produced in Tanzania. In addition the Group has produced copper and silver as a co-product. Reportable operating segments are based on the internal reports provided to the Chief Operating Decision Maker ("CODM") to evaluate segment performance, decide how to allocate resources and make other operating decisions. After applying the aggregation criteria and quantitative thresholds contained in IFRS 8, the Group's reportable operating segments were determined to be: North Mara gold mine; Bulyanhulu gold mine; Buzwagi gold mine; a separate Corporate and Exploration segment, which primarily consists of costs related to other charges and corporate social responsibility expenses.

Segment results and carrying values include items directly attributable to the segment as well as those that can be allocated on a reasonable basis. Segment carrying values are disclosed and calculated as shareholders equity after adding back debt and intercompany liabilities, and subtracting cash and intercompany assets. Capital expenditures comprise of additions to property, plant and equipment. The Group has also included segment cash costs and all-in sustaining cost per ounce sold.

Segment information for the reportable operating segments of the Group for the years ended 31 December 2018 and 31 December 2017 is set out below.

(Unaudited)	For the year ended 31 December 2018				
(US$'000,except per ounce amounts)	**North Mara**	**Bulyanhulu**	**Buzwagi**	**Other**	**Total**
Gold revenue	421,332	52,718	185,979	-	660,029
Co-product revenue	1,900	998	862	-	3,760
Total segment revenue	**423,232**	**53,716**	**186,841**	**-**	**663,789**
Segment cash operating cost[1]	(198,121)	(25,893)	(133,647)	-	(357,661)
Realised gains on gold hedges	1,183	-	601	-	1,784
Corporate administration	(12,115)	(1,820)	(4,632)	(5,246)	(23,813)
Share-based payments	(117)	456	116	(381)	74
Exploration and evaluation costs	-	-	-	(13,343)	(13,343)
Other charges and corporate social responsibility expenses	(12,998)	(34,352)	(3,617)	6,061	(44,906)
EBITDA[2]	**201,064**	**(7,893)**	**45,662**	**(12,909)**	**225,924**
Impairment charges	-	-	-	(28,877)	(28,877)
Depreciation and amortisation[4]	(61,632)	(23,144)	(2,478)	(1,243)	(88,497)
EBIT[2]	**139,432**	**(31,037)**	**43,184**	**(43,029)**	**108,550**
Finance income					1,421
Finance expense					(13,200)
Profit before taxation					**96,771**
Tax expense					(37,905)
Net profit for the year					**58,866**
Capital expenditure:					
Sustaining	25,513	3,164	3,503	336	32,516
Expansionary	8,335	3,899	-	-	12,234
Capitalised development	47,496	-	-	-	47,496
	81,344	**7,063**	**3,503**	**336**	**92,246**
Non-cash capital expenditure adjustments					
Reclamation asset adjustment	(865)	(1,955)	(5,665)	-	(8,485)
Other non-cash capital expenditure	-	-	-	820	820
Total capital expenditure	**80,479**	**5,108**	**(2,162)**	**1,156**	**84,581**
Segmental cash operating cost	198,121	25,893	133,647		**357,661**
Deduct: co-product revenue	(1,900)	(998)	(862)		(3,760)
Total cash costs	**196,221**	**24,895**	**132,785**		**353,901**
Sold ounces	332,195	41,555	146,630		**520,380**
Cash cost per ounce sold[2]	**591**	**599**	**906**		**680**
Corporate administration charges	36	44	32		46
Share-based payments	-	(11)	(1)		-
Rehabilitation - accretion and depreciation	7	28	7		9
Corporate social responsibility expenses	11	50	10		17
Capitalised stripping/ UG development	143	-	-		91
Sustaining capital expenditure	78	76	23		62
All-in sustaining cost per ounce sold[2]	**866**	**786**	**977**		**905**
Segment carrying value[3]	**277,064**	**588,292**	**195,467**	**45,746**	**1,106,569**

(Audited)	For the year ended 31 December 2017				
(US$'000,except per ounce amounts)	North Mara	Bulyanhulu	Buzwagi	Other	Total
Gold revenue	406,917	134,110	203,267	-	744,294
Co-product revenue	1,296	2,937	2,988	-	7,221
Total segment revenue	**408,213**	**137,047**	**206,255**	**-**	**751,515**
Segment cash operating cost[1]	(163,001)	(93,521)	(98,417)	-	(354,939)
Realised gains on gold hedges	1,294	-	1,399	-	2,693
Corporate administration	(8,313)	(6,314)	(5,694)	(6,592)	(26,913)
Share-based payments	511	593	349	6,783	8,236
Exploration and evaluation costs	-	(571)	-	(24,258)	(24,829)
Other charges and corporate social responsibility expenses	(13,243)	(52,916)	(13,605)	(18,819)	(98,583)
EBITDA[2]	**225,461**	**(15,682)**	**90,287**	**(42,886)**	**257,180**
Impairment charges	-	(837,921)	-	(12,261)	(850,182)
Depreciation and amortisation[4]	(54,826)	(46,531)	(4,288)	(556)	(106,201)
EBIT[2]	**170,635**	**(900,134)**	**85,999**	**(55,703)**	**(699,203)**
Finance income					1,944
Finance expense					(12,407)
Loss before taxation					**(709,666)**
Tax expense					2,272
Net profit for the year					**(707,394)**
Capital expenditure:					
Sustaining	20,927	9,033	4,338	1,259	35,557
Expansionary	10,270	1,190	-	113	11,573
Capitalised development	61,066	39,543	-	-	100,609
	92,263	**49,766**	**4,338**	**1,372**	**147,739**
Non-cash capital expenditure adjustments					
Reclamation asset adjustment	(2,951)	(4,158)	(1,978)	-	(9,087)
Other non-cash capital expenditure	-	-	-	1,212	1,212
Total capital expenditure	**89,312**	**45,608**	**2,360**	**2,584**	**139,864**
Segmental cash operating cost	163,001	93,521	98,417		354,939
Deduct: co-product revenue	(1,296)	(2,937)	(2,988)		(7,221)
Total cash costs	161,705	90,584	95,429		347,718
Sold ounces	324,455	107,855	160,552		592,861
Cash cost per ounce sold[2]	**498**	**840**	**594**		**587**
Corporate administration charges	26	59	35		45
Share-based payments	(2)	(6)	(2)		(14)
Rehabilitation - accretion and depreciation	11	20	5		11
Corporate social responsibility expenses	11	10	8		14
Capitalised stripping/ UG development	188	367	-		170
Sustaining capital expenditure	71	83	27		62
All-in sustaining cost per ounce sold[2]	**803**	**1,373**	**667**		**875**
Segment carrying value[3]	**249,170**	**600,359**	**194,385**	**82,864**	**1,126,778**

1 The CODM reviews cash operating costs for the three operating mine sites separately from corporate administration costs & exploration costs. Consequently, the Group has reported costs in this manner.

2 These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to 'Non IFRS measures' on page 35 for definitions.

3 Segment carrying values are calculated as shareholders equity after adding back debt and intercompany liabilities, and subtracting cash and intercompany assets and include outside shareholders' interests.

4 Depreciation and amortisation includes the depreciation component of the cost of inventory sold.

6. Impairment Assessment

In accordance with IAS 36 “Impairment of assets” and IAS 38 “Intangible Assets” a review for impairment of goodwill is undertaken annually, or at any time an indicator of impairment is considered to exist, and in accordance with IAS 16 “Property, plant and equipment” a review for impairment of long-lived assets is undertaken at any time an indicator of impairment is considered to exist.

At the end of the reporting period, there remained a number of potential triggers for impairment testing, including the on-going uncertainty surrounding a potential resolution of the Company’s disputes with the Government of Tanzania, the revised Bulyanhulu business model, the updated geological models at North Mara and Bulyanhulu and the fact that the Company’s market capitalisation has been lower than its carrying value during the current reporting period.

As a result, the Group has undertaken a carrying value assessment of its affected cash generating units (“CGUs”) and long life intangible assets. The assessment compared the recoverable amount of CGU to the carrying value of the CGUs. The recoverable amount of an asset is assessed by reference to the higher of value in use (“VIU”), being the net present value (“NPV”) of future cash flows expected to be generated by the asset, and fair value less costs to dispose (“FVLCD”). The FVLCD of a CGU is based on an estimate of the amount that the Group may obtain in a sale transaction on an arm’s length basis. There is no active market for the Group’s CGUs. Consequently, FVLCD is derived using discounted cash flow techniques (NPV of expected future cash flows of a CGU), which incorporate market participant assumptions. Cost to dispose is based on management’s best estimates of future selling costs at the time of calculating FVLCD. Costs attributable to the disposal of a CGU are not considered significant.

For the purpose of carrying value assessments in accordance with applicable accounting standards, Management has based its calculation of future cash flows of the affected CGUs by reference to the key terms of the Framework announcements by Barrick and by the GoT in October 2017. Based on Barrick’s announcements, and absent any changes in its position in discussions and exchanges with Acacia, Acacia understands that it remains Barrick’s belief that it will be able to agree with the GoT a detailed proposal for a comprehensive settlement of the situation, and that this will be in a form that Barrick could recommend to Acacia for review. Key assumptions applied in these calculations include a 50% economic share of future economic benefits for the GoT in the form of taxes, royalties and a 16% free carry interest in the CGUs, as well as a US$300 million payment in relation to historical tax claims paid in instalments as concentrate sales recommence. In addition the Framework announcements provided for Acacia to contribute certain monies to fund specific projects in Tanzania. With no updated information from Barrick, Management has had to make a best estimate of what can reasonably be assumed for timing of conclusion of discussions between Barrick and the GoT and an agreement of a proposal to be put to the Company for review, with consequent timing for the commencement of concentrate sales and potential resumption of underground mining at Bulyanhulu. Management considers that it is reasonable for review purposes to assume a six month prolongation (to the end of H1 2019) to the discussions between Barrick and the GoT, and that in these circumstances there would be a further three to six months delay thereafter for the resumption of concentrate sales and exports, with concentrate revenues commencing in Q1 2020 and the resumption of production from underground mining at Bulyanhulu in late 2020. VAT refunds are assumed to recommence and historic carried forward tax losses are assumed to continue to be available to offset against future taxable profits from 1 January 2020.

Acacia has been providing support to Barrick to seek to ensure that they can have informed discussions with the GoT, but has not received for review a detailed proposal that has been agreed between Barrick and the GoT, and therefore no conclusions can be made by Acacia as to whether any particular terms of settlement would be approved by Acacia. In the meantime, Acacia continues to reserve its rights including under our mine development agreements, the disputes between Acacia and the GoT have not yet been resolved, and PML and BGML remain in international arbitration with the GoT. Acacia continues to prefer a negotiated resolution, but there remain a range of potential outcomes to the current situation.

Acacia considers that, in conducting the review of carrying values in accordance with applicable accounting standards as at 31 December 2018, the discount rate used should: (a) reflect the uncertainty around the final terms of any comprehensive settlement that might be agreed or whether settlement will be reached at all, and (b) best reflect the potential reduction in value as a result of the proposed 16% free carry interest for the GoT which cannot otherwise be included in calculations of value at a CGU level conducted on a 100% basis. Therefore, for the purposes of the carrying value review of the affected CGUs, we have kept a discount rate of 11% compared to Acacia’s calculated weighted average cost of capital of 6.5% (2017: 11%).

Using the latest information received and updated with the latest understanding of the framework agreement between Barrick and the GoT, the carrying values of all our assets are still below the Company’s view of its recoverable values.

The carrying value for the Group is now approximately US$1.1 billion, made up of US$0.6 billion for Bulyanhulu, US$0.3 billion for North Mara and US$0.2 billion for Buzwagi.

	For the year ended 31 December 2018	For the year ended 31 December 2017
Gold price per ounce	US$1,200	US$1,200
Copper price per pound	US$2.75	US$2.75
British Pound (US$:GBP)	0.76	0.76
Tanzanian Shilling (US$:TZS)	2,250	2,250
Long-term oil price per barrel	US$70	US$60
WACC	6.5%	6.5%
Discount rate used in carrying value review	11%	11%
NPV multiples	1	1

During the year, OreCorp, Acacia's JV partner in the Nyanzaga Project in Tanzania, executed its option under the earn-in agreement to increase its stake to 51% in the project through the payment of US$3 million to Acacia. Further to that, Acacia signed a completion agreement to sell its remaining 49% stake to OreCorp for US$7 million and a net smelter royalty capped at US$15 million based on future production. In line with the applicable accounting standard and driven by the uncertainty surrounding the current environment, management did not recognise an asset for the right to the royalty. As a result of the agreement, and Management's commitment to a sale, Acacia expects to recover the value of the asset through sale and not through value in use and as such has valued the asset at fair value less costs to sell of US$10 million and recorded an impairment charge of US$24.2 million and reclassified the associated non-current assets and liabilities to held for sale on the balance sheet.

In addition, as part of the year-end carrying value assessment we have impaired US$3.2 million of property plant and equipment mainly relating to previously capitalised drilling costs in Tanzania and US$1.5 million relating to other historical exploration assets.

The impairment charges recognised in the income statement for the periods ended 31 December 2018 and 31 December 2017 comprise the following:

(in thousands of United States dollars)	For the year ended 31 December 2018	For the year ended 31 December 2017
Bulyanhulu	-	837,921
Nyanzaga exploration property & other exploration assets[1]	28,877	12,261
Gross impairment charge	**28,877**	**850,182**
Comprising:		
Impairment of goodwill	-	121,546
Impairment of property, plant and equipment	3,167	686,375
Impairment of supplies inventory	-	30,000
Impairment of intangible assets	24,234	12,261
Impairment of other exploration assets/liabilities	1,476	-
Gross impairment charge, before tax	**28,877**	**850,182**
Deferred income tax	-	(205,912)
Total impairment charge	**28,877**	**644,270**

1 The Nyanzaga exploration property & other exploration assets are located in Tanzania. Acquired mineral interests /exploration and evaluation assets are classified as intangible assets and have indefinite useful lives.

Management's view is that the recoverable values are most sensitive to changes in the assumptions around gold prices, discount rates and the timing of the resolution of the export ban. As a result, sensitivity calculations were performed for these assumptions. The sensitivity analysis is based on a decrease in the long-term gold price of US$100 per ounce, and an increase in the discount rate of 1%, and a delay of resolution by 12 months.

Under these scenarios, a reasonably possible decrease in the gold price assumption of US$100 per ounce would result in an impairment charge, net of tax, of approximately US$17 million at Buzwagi while North Mara and Bulyanhulu remain unaffected.

A reasonably possible increase in discount rate of 1% would not result in any additional impairment charges.

A further delay of 12 months in the resolution of the export ban will also not result in any additional impairment charges.

Should a negotiated resolution of the current situation not eventuate, the recoverable values of the identified CGUs may be further impacted, and these will be reviewed at such time.

7. Other Charges (net)

	For the year ended 31 December	
	(Unaudited)	**(Audited)**
(US$'000)	**2018**	**2017**
Other expenses		
Restructuring costs	5,337	25,077
Discounting of indirect tax receivables	-	13,276
Bulyanhulu reduced operations costs	28,817	24,804
Foreign exchange losses	5,291	2,710
Disallowed indirect taxes	2,552	-
Unrealised non-hedge derivative losses	2,295	-
Legal costs	28,420	14,421
Once off legal settlements	3,030	5,083
Project development costs	-	1,485
Inventory write-downs	-	1,500
Other	6,935	5,573
Total	**82,677**	**93,929**
Other income		
Unrealised non-hedge derivative gains	-	(200)
Sale of mineral royalty	(45,000)	-
Discounting of indirect tax receivables	(578)	-
Insurance proceeds	(842)	-
Profit on disposal of property, plant and equipment	(163)	-
Other	-	(3,359)
Total	**(46,583)**	**(3,559)**
Total other charges (net)	**36,094**	**90,370**

8. Finance Income and Expenses

a) Finance income

(US$'000)	For the year ended 31 December (Unaudited) 2018	(Audited) 2017
Interest on time deposits	1,407	1,841
Other	14	103
Total	**1,421**	**1,944**

b) Finance expense

(US$'000)	For the year ended 31 December (Unaudited) 2018	(Audited) 2017
Unwinding of discount[1]	3,627	3,364
Revolving credit facility charges[2]	2,302	2,341
Interest on CIL facility	1,878	2,911
Premium on gold put options	3,877	2,113
Interest on finance leases	-	204
Bank charges	440	583
Other	1,076	891
Total	**13,200**	**12,407**

1 The unwinding of discount is calculated on the environmental rehabilitation provision.

2 Included in credit facility charges are the amortisation of the fees related to the revolving credit facility as well as the monthly interest and facility fees.

9. Tax Expense

(US$'000)	For the year ended 31 December (Unaudited) 2018	(Audited) 2017
Current tax:		
Current tax on profits for the year	36,539	35,667
Adjustments in respect of prior years[1]	3,120	172,000
Total current tax	**39,659**	**207,667**
Deferred tax:		
Origination and reversal of temporary differences	(1,754)	(209,939)
Total deferred tax	**(1,754)**	**(209,939)**
Income tax expense	**37,905**	**(2,272)**

1 The prior year charge included in 2018 relates to 2017 final tax adjustments at North Mara. Included in 2017 is a provision for uncertain tax positions of US$68.5 million relating to North Mara and US$103.5 million relating to Bulyanhulu, for uncertain tax positions, based on an estimate of the impact of a comprehensive settlement reflecting the key terms of the framework announcements made by Barrick and the GoT in October 2017.

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year ended 31 December 2018 is 39%, compared to 0.4% for the prior year.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profits of the consolidated entities as follows:

(US$'000)	For the year ended 31 December (Unaudited) 2018	(Audited) 2017
Profit/(loss) before tax	**96,771**	**(709,666)**
Tax calculated at domestic tax rates applicable to profits in the respective countries	30,932	(209,074)
Tax effects of:		
Expenses not deductible for tax purposes[2]	7,270	49,142
Tax losses for which no deferred income tax asset was recognised	3,622	9,611
Utilisation of previously recognised tax losses	(11,414)	(25,594)
Adjustment is respect of prior years – provisions etc.	6,102	172,000
Other permanent differences	1,393	1,643
Tax charge	**37,905**	**(2,272)**

2 Mainly relates to the impairment/accounts written off as part of the other exploration entities' recoverability reviews.

In December 2017, Acacia raised an additional tax provision of US$172 million relating to the estimated uncertain tax positions for its operating companies. Acacia based its calculation on an estimate of the impact of a comprehensive settlement reflecting the key terms of the framework announcements made by Barrick and the GoT in October 2017, including in respect of historical tax claims. This brought total provisions for Acacia's uncertain tax positions to US$300 million. No additional provision has been raised for 2018. Acacia continues to reserve and protect all its legal rights, as noted above and including through the arbitrations commenced by BGML and PML, and no liability has been incurred by Acacia as a result of the framework announcements. The additional provision was required, however, to meet applicable accounting standards requiring assessment of current obligations for accounting purposes based on an assessment of relevant cash outflows from the relevant operating companies in respect of uncertain tax positions.

Tax periods remain open to review by the Tanzanian Revenue Authority (TRA) in respect of income taxes for five years following the date of the filing of the corporate tax return, during which time the authorities have the right to raise additional tax assessments including penalties and interest. Under certain circumstances the reviews may cover longer periods. Because a number of tax periods remain open to review by tax authorities, there is a risk that transactions that have not been challenged in the past by the authorities may be challenged by them in the future, and this may result in the raising of additional tax assessments plus penalties and interest.

10. Earnings/ (loss) Per Share (EPS)

Basic EPS is calculated by dividing the net profit/ (loss) for the period attributable to owners of the Company by the weighted average number of Ordinary Shares in issue during the period.

Diluted earnings/ (loss) per share is calculated by adjusting the weighted average number of Ordinary Shares outstanding to assume conversion of all dilutive potential Ordinary Shares. The Company has dilutive potential Ordinary Shares in the form of stock options. The weighted average number of shares is adjusted for the number of shares granted assuming the exercise of stock options.

At 31 December 2018 and 31 December 2017, earnings/ (loss) per share have been calculated as follows:

	For the year ended 31 December	
(US$'000)	**(Unaudited) 2018**	**(Unaudited) 2017**
Earnings/ (loss)		
Net profit/ (loss) attributable to owners of the parent	58,866	(707,394)
Weighted average number of Ordinary Shares in issue	410,085,499	410,085,499
Adjusted for dilutive effect of stock options	-	-
Weighted average number of Ordinary Shares for diluted earnings per share	410,085,499	410,085,499
Earnings/ (loss) per share		
Basic earnings/ (loss) per share (cents)	14.4	(172.5)
Dilutive earnings/(loss) per share (cents)	14.4	(172.5)

11. Dividends

Acacia has a cash flow based dividend policy where we aim to pay a dividend of between 15-30% of our operational cash flow after sustaining capital and capitalised development but before expansion capital and financing costs. As a result of the continuing inability to export concentrates following the imposition of the concentrate export ban in 2017, the uncertainty around a resolution of the on-going dispute between the Company and the GoT, and current liquidity requirements, the Board of Directors has not recommended a final dividend for 2018.

12. Goodwill and Intangible Assets

For the year ended 31 December 2018 (US$'000)	**Goodwill**	**Acquired exploration and evaluation properties**[1]	**Total**
At 1 January, net of accumulated impairment	6,352	76,031	82,383
Disposals/write-downs	-	(32)	(32)
Impairment[2]	-	(24,234)	(24,234)
Reclassified as non-current asset held for sale[3]	-	(19,017)	(19,017)
At 31 December 2018	**6,352**	**32,748**	**39,100**
At 31 December 2018			
Cost	401,250	93,793	495,043
Accumulated impairment	(394,898)	(61,045)	(455,943)
Net carrying amount	**6,352**	**32,748**	**39,100**

For the year ended 31 December 2017 (US$'000)	**Goodwill**	**Acquired exploration and evaluation properties**	**Total**
At 1 January, net of accumulated impairment	127,898	88,292	216,190
Impairment	(121,546)	(12,261)	(133,807)
At 31 December 2017	**6,352**	**76,031**	**82,383**
At 31 December 2017			
Cost	401,250	112,842	514,092
Accumulated impairment	(394,898)	(36,811)	(431,709)
Net carrying amount	**6,352**	**76,031**	**82,383**

1 Exploration and evaluation assets classified as intangible assets have indefinite useful lives.

2 Impairments recognised in 2018 relate to the Nyanzaga exploration property located in Tanzania (US$24.2 million). Refer to note 6 for further details.

3 Intangible assets related to the Nyanzaga exploration property have been reclassified as non-current asset for sale as a result of Management's intention to sell the property.

13. Property, Plant and Equipment

For the year ended 31 December 2018 (Unaudited) (US$'000)	Plant and equipment	Mineral properties and mine development costs	Assets under construction[1]	Total
At 1 January 2018, net of accumulated depreciation and impairment	245,568	486,059	38,947	770,574
Additions	-	-	92,246	92,246
Non-cash reclamation asset adjustments	(8,485)	-	-	(8,485)
Other non-cash adjustments	820	-	-	820
Disposals/write-downs	196	-	-	196
Impairment[2]	-	(3,167)	-	(3,167)
Depreciation	(42,327)	(47,962)	-	(90,289)
Transfers between categories	39,283	59,258	(98,541)	-
Transfers to held for sale assets	-	(690)	-	(690)
At 31 December 2018	**235,055**	**493,498**	**32,652**	**761,205**
At 1 January 2018				
Cost	1,943,643	1,887,068	38,947	3,869,658
Accumulated depreciation and impairment	(1,698,075)	(1,401,009)	-	(3,099,084)
Net carrying amount	**245,568**	**486,059**	**38,947**	**770,574**
At 31 December 2018				
Cost	1,974,960	1,945,636	32,652	3,953,248
Accumulated depreciation and impairment	(1,739,905)	(1,452,138)	-	(3,192,043)
Net carrying amount	**235,055**	**493,498**	**32,652**	**761,205**

For the year ended 31 December 2017 **(Audited)** (US$'000)	**Plant and equipment**	**Mineral properties and mine development costs**	**Assets under construction[1]**	**Total**
At 1 January 2017, net of accumulated depreciation and impairment	553,993	842,019	47,164	1,443,176
Additions	-	-	147,739	147,739
Non-cash reclamation asset adjustments	(9,087)	-	-	(9,087)
Other non-cash adjustments	1,212	-	-	1,212
Disposals/write-downs	(123)	-	-	(123)
Impairment[2]	(274,608)	(411,767)	-	(686,375)
Depreciation	(71,984)	(53,984)	-	(125,968)
Transfers between categories	46,165	109,791	(155,956)	-
At 31 December 2017	**245,568**	**486,059**	**38,947**	**770,574**
At 1 January 2017				
Cost	1,914,522	1,777,277	47,164	3,738,963
Accumulated depreciation and impairment	(1,360,529)	(935,258)	-	(2,295,787)
Net carrying amount	**553,993**	**842,019**	**47,164**	**1,443,176**
At 31 December 2017				
Cost	1,943,643	1,887,068	38,947	3,869,658
Accumulated depreciation and impairment	(1,698,075)	(1,401,009)	-	(3,099,084)
Net carrying amount	**245,568**	**486,059**	**38,947**	**770,574**

1 Assets under construction represents (a) sustaining capital expenditures incurred constructing property, plant and equipment related to operating mines and advance deposits made towards the purchase of property, plant and equipment; and (b) expansionary expenditure allocated to a project on a business combination or asset acquisition, and the subsequent costs incurred to develop the mine. Once these assets are ready for their intended use, the balance is transferred to plant and equipment and/or mineral properties and mine development costs.

2 The impairment in 2017 relates to property, plant and equipment at Bulyanhulu.

Leases

Property, plant and equipment includes assets relating to the design and construction costs of power transmission lines and related infrastructure. At completion, ownership was transferred to TANESCO in exchange for amortised repayment in the form of reduced electricity supply charges. No future lease payment obligations are payable under these finance leases.

Property, plant and equipment also includes five drill rigs purchased under short-term finance leases.

The following amounts were included in property, plant and equipment where the Group is a lessee under a finance lease:

(US$'000)	**For the year ended 31 December** **(Unaudited)** **2018**	 **(Audited)** **2017**
Cost - capitalised finance leases	51,618	51,618
Accumulated depreciation and impairment	(44,301)	(42,948)
Net carrying amount	**7,317**	**8,670**

Derivative Financial Instruments

The table below analyses financial instruments carried at fair value, by valuation method. The Group has derivative financial instruments in the form of economic and cash flow hedging contracts which are all defined as level two instruments as they are valued using inputs other than quoted prices that are observable for the assets or liabilities. The following tables present the group's assets and liabilities that are measured at fair value at 31 December 2018 and 31 December 2017.

	Assets		Liabilities	
(US$'000)	**Current**	**Non-current**	**Current**	**Non-current**
For the year ended 31 December 2018 (Unaudited)				
Interest contracts: Designated as cash flow hedges	401	420	289	-
Commodity contracts : Not designated as hedges	232	-	173	26
Total	**633**	**420**	**462**	**26**

	Assets		Liabilities	
(US$'000)	**Current**	**Non-current**	**Current**	**Non-current**
For the year ended 31 December 2017 (Audited)				
Interest contracts: Designated as cash flow hedges	531	667	481	-
Commodity contracts: Not designated as hedges	2,088	240	-	-
Total	**2,619**	**907**	**481**	**-**

14. Inventories

	For the year ended 31 December	
	(Unaudited)	**(Audited)**
(US$'000)	**2018**	**2017**
Raw materials		
Ore in stockpiles	34,974	22,253
Mine operating supplies	125,885	117,946
Work in process	3,509	5,103
Finished products		
Gold doré/bullion	8,900	7,078
Gold, copper and silver concentrate[1]	139,641	139,500
Total current portion of inventory	312,909	291,880
Non-current ore in stockpiles	118,198	133,550
Total	**431,107**	**425,430**

1 Gold, copper and silver concentrate on hand relate to finished products at Bulyanhulu (US$88.2 million) and Buzwagi (US$51.4 million) due to the inability to export concentrate since March 2017.

15. Other Assets

a) Other current assets

(US$'000)	For the year ended 31 December (Unaudited) 2018	(Audited) 2017
Current portion of indirect tax receivables	68,102	38,285
Other receivables and advance payments[1]	31,405	31,870
Total	**99,507**	**70,155**

1 Other receivables and advance payments relate to prepayments for insurance and income taxes offset against outstanding refunds for VAT and fuel levies and current amounts receivable from the NSSF of US$7.4 million (2017: US$4.8 million).

b) Other non-current assets

(US$'000)	For the year ended 31 December (Unaudited) 2018	(Audited) 2017
Amounts due from Government[1]	9,275	11,629
Operating lease prepayments – TANESCO powerlines	249	374
Prepayments – Acquisition of rights over leasehold land[2]	30,777	35,948
Non-current portion of indirect tax receivables[3]	110,603	132,405
Other	161	352
Total	**151,065**	**180,708**

1 Included in this amount are amounts receivable from the NSSF of US$4.5 million (2017: US$5.8 million).

2 Prepayments made to the landowners in respect of acquisitions of the rights over the use of the leasehold land.

3 The non-current portion of indirect tax receivables was subject to discounting to its current value using a discount rate of 6.5% (December 2017: 6.5%). There was a reversal of the discounting charge in 2018 in the income statement of US0.6 million (December 2017: US$13.3 million charge).

16. Non-current assets and liabilities classified as held for sale

During the year, OreCorp, Acacia's JV partner in the Nyanzaga Project, executed its option under the earn-in agreement to increase its stake to 51% in the project through the payment of US$3 million to Acacia. Further to that, Acacia signed a completion agreement to sell its remaining 49% stake to OreCorp for US$7 million and a net smelter royalty capped at US$15 million based on future production. In line with the applicable accounting standard and driven by the uncertainty surrounding the current environment, management did not recognise an asset for the right to the royalty. As a result of the agreement, and Management's commitment to a sale, Acacia expects to recover the value of the asset through sale and not through value in use and as such has valued the asset at fair value less costs to sell of US$10 million and recorded an impairment charge of US$24.2 million and reclassified the associated non-current assets and liabilities to held for sale on the balance sheet as shown below.

	For the year ended 31 December	
	(Unaudited)	**(Audited)**
(US$'000)	**2018**	**2017**
Property, plant and equipment	690	-
Intangible assets	19,017	-
Disposal group assets held for sale	**19,707**	-
Long term contingent liabilities	(3,472)	-
Deferred Tax Liability	(6,235)	-
Disposal group liabilities held for sale	**(9,707)**	-
Net assets and liabilities of disposal group held for sale	**10,000**	-

17. Borrowings

During 2013, a US$142 million facility was put in place to fund the bulk of the costs of the construction of one of Acacia's key growth projects, the Bulyanhulu CIL Expansion project ("Project"). The Facility has a term of seven years with a spread over Libor of 250 basis points. In common with borrowing agreements of this nature the facility includes various covenants as well as a material adverse effect clause. The interest rate has been fixed at 3.6% through the use of an interest rate swap. The 7 year Facility is repayable in ten equal US$14.2 million bi-annual instalments over the term of the Facility, after a two year repayment holiday period. The full facility of US$142 million was drawn at the end of 2013. The first principal payment of US$14.2 million was paid in H2 2015 and regular repayments have been made each half year. As at 31 December 2018 the balance owing was US$42.6 million (2017: US$71 million) and all covenants have been complied with. Interest accrued to the value of US$0.4 million (2017: US$0.5 million) was included in accounts payable at the end of the period. Interest incurred on the borrowings as well as hedging losses on the interest rate swap for the period ended 31 December 2018 was US$1.9 million (2017: US$2.9 million).

18. Cash flow – other items

a) Operating cash flows - other items

Movements relating to working capital items

(US$'000)	For the year ended 31 December (Unaudited) 2018	(Audited) 2017
Indirect and corporate taxes[1]	(54,344)	(89,560)
Increase in indirect tax receivable	(11,927)	(51,703)
Income tax paid – Final	(4,187)	(3,257)
Income tax paid - Provisional	(38,230)	(34,600)
Other current assets	464	(10,774)
Trade receivables	6,392	745
Inventories[2]	(5,678)	(172,180)
Other liabilities[3]	(2,867)	(7,301)
Share based payments[3]	(1,303)	(1,780)
Trade and other payables[4]	(22)	(31,170)
Other working capital items[5]	(407)	(1,071)
Total	**(57,765)**	**(313,091)**

1 During the year, we made US$42.4 million (2017: US$37.9 million at December) corporate tax payments. This was funded through an offset against indirect taxes that were due for refund.

2 The inventory adjustment includes the movement in current as well as the non-current portion of inventory.

3 The other liabilities adjustment mainly relates to the revaluation of future share-based payments. During the year, share-based payments of US$1.3 million (2017: US$1.8 million) were made.

4 The trade and other payables adjustment exclude statutory liabilities in the form of income tax payable.

5 Other working capital items include exchange rate losses associated with working capital.

Other non-cash items

(US$'000)	For the year ended 31 December (Unaudited) 2018	(Audited) 2017
Adjustments for non-cash income statement items:		
Foreign exchange losses	4,834	2,900
Discounting of indirect tax receivables	(578)	13,276
Provisions added	-	7,550
Provisions settled	(3,434)	-
Movement in derivatives	2,480	(1,495)
Share option expense	-	27
Provisional tax offsets	-	-
Other non-cash items	183	92
Exchange loss on revaluation of cash balances	457	(190)
Total	**3,942**	**22,160**

b) Investing cash flows - other items

(US$'000)	For the year ended 31 December (Unaudited) 2018	(Unaudited) 2017
Other long-term receivables	499	194
Rehabilitation expenditure	(4,689)	(3,106)
Total	**(4,190)**	**(2,912)**

19. Commitments and Contingencies

The Group is subject to various laws and regulations which, if not observed, could give rise to penalties. As at 31 December 2018, the Group has the following commitments and/ or contingencies.

a) Legal contingencies

As at 31 December 2018, the Group was a defendant in a number of lawsuits. The plaintiffs are claiming damages and interest thereon for the alleged loss caused by the Group due to one or more of the following: unlawful eviction, termination of services and/or, non-payment for services, defamation, negligence by act or omission in failing to provide a safe working environment, unpaid overtime, public holiday compensation and various other commercial/project disputes. At present, Acacia considers the majority of cases to be without merit and therefore the likelihood of any material unfavourable outcome is remote and therefore no contingency is required.

b) Tax-related contingencies

The TRA has issued a number of tax assessments to the Group related to past taxation years from 2002-onwards. The Group believes that the majority of these assessments are incorrect and has filed objections and appeals accordingly in an attempt to resolve these matters by means of discussions with the TRA or through the Tanzanian appeals process. Overall, it is the current assessment that the relevant assessments and claims by the TRA are without merit. The claims include a TRA assessment to the value of US$41.3 million for withholding tax on certain historic offshore dividend payments paid by Acacia Mining plc to its shareholders in 2010 to 2013. Acacia is appealing this assessment on the substantive grounds that, as an English incorporated company, it is not resident in Tanzania for taxation purposes. The appeal is currently pending at the Court of Appeal. In addition, the Company has raised certain tax provisions amounting to US$300 million in aggregate, based on the potential impact of a comprehensive settlement of all outstanding tax disputes, including, according to Barrick, historic tax claims, reflecting the key terms of the Framework announcements by Barrick and the GoT in October 2017. Refer to note 9 for further information.

c) Regulatory contingencies

In 2018, and particularly during the final quarter of the year, the operating environment became increasingly challenging for Acacia with criminal charges brought by the GoT against three current Acacia employees and a former employee, three of whom continue to be held under non-bailable offences.

On 10 October 2018, one of the Group's employees in Tanzania, a South African national, was charged by the Tanzanian Prevention and Combating of Corruption Bureau (PCCB) with an offence under the Tanzanian Prevention and Combating of Corruption Act. The employee pleaded not guilty and was granted bail. The charges related to the historical activities of a Land Task Force (LTF) conceived and agreed between the GoT and North Mara Gold Mine Limited (NMGML) in 2012 to create a transparent, safe, fair and inclusive process for valuing land that might be purchased by agreement around the North Mara mine, and which operated between 2013 and 2015. The allegations made by the PCCB are denied and the charges are being defended.

On 17 October 2018 a current and a former employee of the Company's Tanzanian businesses, together with three individual companies, were charged by the PCCB with a number of different offences, including breaches of the Tanzanian Anti-Money Laundering Act. A total of 39 charges were brought, either against the current and former employee and/or against one or more of the Company's operating subsidiaries in Tanzania, Pangea Minerals Limited ("PML"), Bulyanhulu Gold Mine Limited ("BGML") and North Mara Gold Mine Limited ("NMGML"), as well as a Canadian company, Explorations Minieres du Nord Ltd. On 23 October 2018, a senior manager of one of the Company's Tanzanian businesses, a Tanzanian national, was also arrested and charged by the PCCB. The senior manager was charged as an additional accused to some (but not all) of the 39 criminal charges brought by the PCCB on 17 October. Each of the companies and the two current employees and the former employee pleaded not guilty to all charges. The Company notes with concern that under Tanzanian law, offences under the Anti-Money Laundering Act are not bailable, and, accordingly, the accused have not been released on bail. The majority of the 39 charges and allegations brought by the PCCB appear to relate to the historical structuring and financing of PML, BGML and NMGML dating back as far as 2008, prior to the creation of the Acacia Group. The charges are wide ranging and include: tax evasion; conspiracy; a charge under organised crime legislation; forgery; money laundering and corruption. The great majority of the allegations in the criminal proceedings by the GoT relate to matters already being considered in the arbitrations commenced by BGML and PML in July 2017 regarding their disputes with the GoT under their respective MDAs, which are progressing towards a hearing and in which the GoT are fully participating. These allegations and charges against the group and current and former employees are refuted and are being defended. Acacia considers the allegations to be without merit and that the likelihood of any material unfavourable outcome is remote, and no contingency has been made.

In addition, on 17 December 2018 the Company issued a news release noting media speculation claiming an investigation into the Company by the Serious Fraud Office ("SFO"). The Company confirmed that it was not aware that the SFO was investigating the Company, but that the Company had been in contact with the SFO about the allegations of corrupt activities which are the subject of criminal proceedings in Tanzania. This position remains unchanged. The Company has provided information to the SFO and will continue to do so, but has not been notified that the SFO has commenced a criminal investigation.

20. Related party balances and transactions

The Group has related party relationships with entities owned or controlled by Barrick Gold Corporation, which is the ultimate controlling party of the Group.

The Company and its subsidiaries, in the ordinary course of business, enter into various sales, purchase and service transactions and other professional services arrangements with others in the Barrick Group. These transactions are under terms that are on normal commercial terms and conditions. These transactions are not considered to be significant.

At 31 December 2018 the Group had no loans of a funding nature due to or from related parties (31 December 2017: zero).

Reserves and Resources (Unaudited)

Mineral Reserves and Mineral Resources estimates contained in this Report have been calculated as at 31 December 2018 in accordance with National Instrument 43-101 as required by Canadian securities regulatory authorities, unless otherwise stated. Canadian Institute of Mining, Metallurgy and Petroleum ('CIM') definitions were followed for mineral reserves and resources. Calculations have been reviewed, verified (including estimation methodology, sampling, analytical and test data) and compiled by Acacia personnel under the supervision of Acacia Qualified Persons: John Haywood, Chief Geologist – Operations, and David Blamires, Manager - Long Term Planning. However, the figures stated are estimates and no assurances can be given that the indicated quantities of metal will be produced. In addition, totals stated may not add up due to rounding.

Mineral Reserves have been calculated using an assumed long-term average gold price of US$1,200 per ounce, a silver price of US$17.00 per ounce and a copper price of US$2.75 per pound. Reserve calculations incorporate current and/or expected mine plans and cost levels at each property and reflect contained ounces. Mineral Resources at Acacia mines have been calculated using an assumed long-term average gold price of US$1,400 per ounce, a silver price of US$19.00 per ounce and a copper price of US$3.00 per pound and reflect contained metal.

Mineral Resources at Acacia exploration properties have been calculated using an assumed long-term average gold price of US$1,500.00 per ounce for Tankoro; whilst Nyanzaga is a foreign estimate compiled to JORC Code 2012 and reported above a lower cut-off grade of 1.5g/t. Both the Tankoro and Nyanzaga project interests are currently in the process of sale; but at 31st December 2018 these transactions had not been completed, and thus are maintained in the statement. The Mineral Resource estimate for the Liranda Project in Kenya is reported above varying lower cut-off grades appropriate for the mineralisation. Mineral Resources have been estimated using varying cut-off grades, depending on the type of mine or project, its maturity and ore types at each property.

Mineral Reserve estimates are dynamic and are influenced by changing economic conditions, technical issues, environmental regulations and any other relevant new information and therefore these can vary from year to year. Resource estimates can also change and tend to be influenced mostly by new information pertaining to the understanding of the deposit and secondly the conversion to ore reserves. In addition, estimates of inferred mineral resources may not form the basis of an economic analysis and it cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Therefore, investors are cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be upgraded to mineral reserves.

Mine Gold Reserves & Resources

		2018 YE			2017 YE		
		Tonnes (000's)	Grade Au (g/t)	Ounce (000's)	Tonnes (000's)	Grade Au (g/t)	Ounce (000's)
Bulyanhulu-Underground	Proven and probable	7,634	10.70	2,627	14,500	9.70	4,522
	Mineral Resource	7,952	8.36	2,138	14,409	9.04	4,188
	Inferred	15,004	11.76	5,672	24,208	9.75	7,587
Bulyanhulu- Tailings	Proven and probable	2,702	1.23	107	5,186	1.05	175
	Mineral Resource	-	-	-	-	-	-
	Inferred	-	-	-	-	-	-
Buzwagi	Proven and probable	10,669	0.90	308	14,254	0.92	421
	Mineral Resource	4,504	1.04	150	4,524	1.04	152
	Inferred	49,918	0.77	1,236	49,918	0.77	1,236
North Mara - Surface	Proven and probable	20,068	1.65	1,066	19,836	1.55	991
	Mineral Resource	7,451	1.83	438	6,664	1.95	417
	Inferred	446	1.26	18	447	1.20	17
North Mara - Underground	Proven and probable	6,182	5.62	1,117	6,652	6.26	1,338
	Mineral Resource	5,299	3.54	604	5,563	3.70	662
	Inferred	3,992	5.27	677	5,988	4.36	840
Total	**Proven and probable**	**47,254**	**3.44**	**5,225**	**60,429**	**3.83**	**7,448**
	Mineral Resource	**25,207**	**4.11**	**3,330**	**31,161**	**5.41**	**5,420**
	Inferred	**69,359**	**3.41**	**7,603**	**80,561**	**3.74**	**9,679**

Exploration Property Gold Reserves & Resources [1]

		2018 YE			2017 YE		
		Tonnes (000's)	Grade Au (g/t)	Ounce (000's)	Tonnes (000's)	Grade Au (g/t)	Ounce (000's)
Tankoro (50%)	Proven and probable	-	-	-	-	-	-
	Mineral Resource	-	-	-	-	-	-
	Inferred	21,500	1.52	1,050	21,500	1.52	1,050
Nyanzaga (85%)	Proven and probable	-	-	-	-	-	-
(Tusker+Kilimani)	Mineral Resource	17,680	4.06	2,308	17,680	4.06	2,308
	Inferred	2,465	3.84	304	2,465	3.84	304
Liranda	Proven and probable	-	-	-	-	-	-
	Mineral Resource	-	-	-	-	-	-
	Inferred	2,889	12.61	1,171	2,889	12.61	1,171
Total Expl	**Proven and probable**	**-**	**-**	**-**	**-**	**-**	**-**
	Mineral Resource	**17,680**	**4.06**	**2,308**	**17,680**	**4.06**	**2,308**
	Inferred	**26,854**	**2.92**	**2,525**	**26,854**	**2.92**	**2,525**
Total Acacia	**Proven and probable**	**47,254**	**3.44**	**5,225**	**60,429**	**3.83**	**7,448**
	Mineral Resource	**42,887**	**4.09**	**5,638**	**48,841**	**4.92**	**7,727**
	Inferred	**96,213**	**3.27**	**10,128**	**107,416**	**3.53**	**12,204**

[1]Exploratory Property Gold Resources have been estimated using a gold price of $1,500/oz

Contained Copper Reported within Gold Reserves & Resources

		2018 YE			2017 YE		
		Tonnes (000's)	Grade Cu (%)	Pounds (000's)	Tonnes (000's)	Grade Cu (%)	Pounds (000's)
Bulyanhulu-Underground	Proven and probable	7,634	0.55	92,002	14,500	0.54	172,798
	Mineral Resource	7,952	0.36	62,561	14,409	0.44	138,961
	Inferred	15,004	0.62	204,422	24,208	0.63	337,251
Bulyanhulu- Tailings	Proven and probable	-	-	-	-	-	-
	Mineral Resource	-	-	-	-	-	-
	Inferred	-	-	-	-	-	-
Buzwagi	Proven and probable	-	-	-	-	-	-
	Mineral Resource	4,504	0.11	10,820	4,524	0.11	10,971
	Inferred	49,918	0.08	89,116	49,918	0.08	89,116
Total	**Proven and probable**	**7,634**	**0.55**	**92,002**	**14,500**	**0.54**	**172,798**
	Mineral Resource	**12,456**	**0.27**	**73,381**	**18,934**	**0.36**	**149,932**
	Inferred	**64,922**	**0.21**	**293,538**	**74,126**	**0.26**	**426,367**

Contained Silver Reported within Gold Reserves & Resources

		2018 YE			2017 YE		
		Tonnes (000's)	Grade Ag (g/t)	Ounce (000's)	Tonnes (000's)	Grade Ag (g/t)	Ounce (000's)
Bulyanhulu-Underground	Proven and probable	7,634	7.05	1,731	14,500	7.87	3,668
	Mineral Resource	7,952	5.73	1,466	14,409	6.61	3,062
	Inferred	15,004	9.01	4,347	24,208	6.96	5,416
Bulyanhulu- Tailings	Proven and probable	-	-	-	-	-	-
	Mineral Resource	-	-	-	-	-	-
	Inferred	-	-	-	-	-	-
Total	**Proven and probable**	**7,634**	**7.05**	**1,731**	**14,500**	**7.87**	**3,668**
	Mineral Resource	**7,952**	**5.73**	**1,466**	**14,409**	**6.61**	**3,062**
	Inferred	**15,004**	**9.01**	**4,347**	**24,208**	**6.96**	**5,416**

Mine Gold Reserves

Mine	Classification	Tonnes	Grade Au (g/t)	Contained Au (oz)
Bulyanhulu -Underground	Proven	2,412,000	11.01	854,000
	Probable	5,221,000	10.56	1,773,000
	Total (P+P)	**7,634,000**	**10.70**	**2,627,000**
Bulyanhulu - Tailings	Proven	-	-	-
	Probable	2,702,000	1.23	107,000
	Total (P+P)	**2,702,000**	**1.23**	**107,000**
Buzwagi	Proven	10,669,000	0.90	308,000
	Probable	-	-	-
	Total (P+P)	**10,669,000**	**0.90**	**308,000**
North Mara - Surface and Stockpiles	Proven	901,000	2.43	70,000
	Probable	11,523,000	1.96	727,000
	Total (P+P)	**12,424,000**	**2.00**	**797,000**
North Mara - Underground	Proven	1,385,000	5.86	261,000
	Probable	4,796,000	5.55	856,000
	Total (P+P)	**6,182,000**	**5.62**	**1,117,000**
Total Mine Gold Reserves	Proven	15,368,000	3.02	1,493,000
	Probable	24,243,000	4.44	3,462,000
	Total (P+P)	**39,611,000**	**3.89**	**4,955,000**

Contained Copper Reported within Gold Reserves

	Classification	Tonnes	Grade Cu (%)	Contained Cu(lbs)
Bulyanhulu -Underground	Proven	2,412,000	0.53	28,089,000
	Probable	5,221,000	0.56	63,913,000
	Total	**7,634,000**	**0.55**	**92,002,000**
Bulyanhulu - Tailings	Proven	-	-	-
	Probable	-	-	-
	Total	**-**	**-**	**-**
Buzwagi	Proven	-	-	-
	Probable	-	-	-
	Total	**-**	**-**	**-**
Total Copper Reported within Gold Reserves		-		-
	Proven	2,412,000	**0.53**	28,089,000
	Probable	5,221,000	**0.56**	63,913,000
	Total	**7,634,000**	**0.55**	**92,002,000**

Contained Silver Reported within Gold Reserves

	Classification	Tonnes	Grade Ag (g/t)	Contained Ag (oz)
Bulyanhulu -Underground	Proven	2,412,000	8.91	691,000
	Probable	5,221,000	6.19	1,040,000
	Total	**7,634,000**	**7.05**	**1,731,000**
	Proven	-	-	-
Bulyanhulu - Tailings	Probable	2,702,000	-	-
	Total	**2,702,000**	**-**	**-**
Total Silver Reported within Gold Reserves		-		-
	Proven	2,412,000	8.91	691,000
	Probable	7,923,000	4.08	1,040,000
	Total	**10,336,000**	5.21	**1,731,000**

Mine Gold Resource (Measured & Indicated, exclusive of Reserves)

Mine	Classification	Tonnes	Grade Au (g/t)	Contained Au (oz)
Bulyanhulu -Underground	Measured	566,000	13.49	245,000
	Indicated	7,387,000	7.97	1,893,000
	Total (M+I)	**7,952,000**	**8.36**	**2,138,000**
Bulyanhulu - Tailings	Measured	-	-	-
	Indicated	-	-	-
	Total (M+I)	**-**	**-**	**-**
Buzwagi	Measured	-	-	-
	Indicated	4,504,000	1.04	150,000
	Total (M+I)	**4,504,000**	**1.04**	**150,000**
North Mara - Surface and Stockpiles	Measured	1,831,000	2.22	130,000
	Indicated	5,620,000	1.70	307,000
	Total (M+I)	**7,451,000**	**1.83**	**438,000**
North Mara - Underground	Measured	120,000	3.43	13,000
	Indicated	5,180,000	3.55	591,000
	Total (M+I)	**5,299,000**	**3.54**	**604,000**
Total Mine Resource (M+I)	Measured	2,516,000	4.81	389,000
	Indicated	22,691,000	4.03	2,941,000
	Total (M+I)	**25,207,000**	**4.11**	**3,330,000**

Contained Copper Reported within Gold Resources

	Classification	Tonnes	Grade Cu (%)	Contained Cu(lbs)
Bulyanhulu - Underground	**Measured**	566,000	0.61	7,602,000
	Indicated	7,387,000	0.34	54,959,000
	Total (M+I)	**7,952,000**	**0.36**	**62,561,000**
Bulyanhulu - Tailings	**Measured**	-	-	-
	Indicated	-	-	-
	Total (M+I)	-	**-**	-
Buzwagi	**Measured**	-	0.00	-
	Indicated	4,504,000	0.11	10,820,000
	Total (M+I)	4,504,000	0.11	10,820,000
Total Copper Reported within Gold Resources				
	Measured	566,000	0.61	7,602,000
	Indicated	11,891,000	0.25	65,780,000
	Total (M+I)	**12,456,000**	**0.27**	**73,381,000**

Contained Silver Reported within Gold Resource

	Classification	Tonnes	Grade Ag (g/t)	Contained Ag (oz)
Bulyanhulu - Underground	Measured	566,000	10.43	190,000
	Indicated	7,387,000	5.37	1,276,000
	Total (M+I)	**7,952,000**	**5.73**	**1,466,000**
Bulyanhulu - Tailings	Measured	-	-	-
	Indicated	-	-	-
	Total (M+I)	-	-	-
Total Silver Reported within Gold Resources				
	Measured	566,000	10.44	190,000
	Indicated	7,387,000	5.37	1,276,000
	Total (M+I)	7,952,000	5.73	1,466,000

Exploration property Resource (M+I)

	Classification	Tonnes	Grade Au (g/t)	Contained Au (oz)
Tankoro (50%)	Measured	-	-	-
(South Hounde)	Indicated	-	-	-
	Total (M+I)	**-**	**-**	**-**
Nyanzaga (85%)	Measured	3,936,000	4.96	627,000
(Tusker+Kilimani)	Indicated	13,745,000	3.80	1,680,000
	Total (M+I)	**17,680,000**	**4.06**	**2,308,000**
Liranda	Measured	-	-	-
	Indicated	-	-	-
	Total (M+I)	**-**	**-**	**-**
	Measured	**3,936,000**	**4.96**	**627,000**
Total Expl Resource (M+I)	**Indicated**	**13,745,000**	**3.80**	**1,680,000**
	Total (M+I)	**17,680,000**	**4.06**	**2,308,000**

Exploration property Resource (Inferred)

	Classification	Tonnes	Grade Au (g/t)	Contained Au (oz)
Tankoro (50%)	Inferred	21,500,000	1.52	1,050,000
(South Hounde)	**Total Inferred**	**21,500,000**	**1.52**	**1,050,000**
Nyanzaga (85%)	Inferred	2,465,000	3.84	304,000
(Tusker+Kilimani)	**Total Inferred**	**2,465,000**	**3.84**	**304,000**
Liranda	Inferred	2,889,000	12.61	1,171,000
	Total Inferred	**2,889,000**	**12.61**	**1,171,000**
Total Inferred	**Inferred**			
	Total Inferred	**26,854,000**	**2.92**	**2,525,000**