15 January 2018

Fourth Quarter Production Report for the three months ended 31 December 2017

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

Acacia Mining plc (“ACA’’) reports fourth quarter production results

“We are pleased to report fourth quarter production of 148,477 ounces driven by strong operational performance at Buzwagi, whilst we successfully transitioned Bulyanhulu into a reduced operational state.” **said Peter Geleta, Interim CEO of Acacia**. “Disciplined cost management, combined with the operational performance, led to Q4 2017 all-in sustaining costs (“AISC”) of US$779 per ounce, which helped to significantly reduce the cash outflow in the quarter despite the cost of transitioning Bulyanhulu to reduced operations. At the end of the quarter, as previously announced, we also agreed to sell a non-core royalty for US$45 million which will increase the strength of our balance sheet. Our focus remains on delivering optimal performance in the current operating environment and delivering value for all of our stakeholders. We are also continuing to support efforts towards achieving a negotiated resolution with the Tanzanian Government. We look forward to providing guidance for the year in our preliminary results in February.”

Highlights

- Q4 2017 gold production was slightly ahead of expectations at 148,477 ounces, although 30% lower than Q4 2016 which was a direct result of Bulyanhulu transitioning to reduced operations
- Gold sales of 147,636 ounces were in line with production with all gold produced being in doré form
- Preliminary Q4 2017 AISC[1] of US$779 per ounce sold, 18% lower than Q4 2016 and preliminary cash costs[1] of US$581 per ounce sold, 14% lower than Q4 2016
  - Q4 2017 preliminary AISC[1], assuming sales ounces equalled Q4 production, would have been approximately US$764 per ounce
- 2017 gold production of 767,883 ounces, 7% lower than 2016 as a result of lower production mainly from Bulyanhulu, but ahead of revised full year guidance of 750,000 ounces
- Full year sales of 592,861 ounces, 27% lower than 2016, driven by the impact of the concentrate export ban
- Preliminary 2017 AISC[1] of US$875 per ounce sold, 9% lower than 2016 and below full year guidance range
  - 2017 preliminary AISC[1], assuming sales ounces equalled full year production, would have been approximately US$798 per ounce
- Cash balance was US$81 million at 31 December 2017 (net cash position of US$10 million), a decrease of US$15 million during the quarter as a result of the cost of transitioning Bulyanhulu to reduced operations
- Sale of non-core royalty in December for US$45 million with proceeds due to be received in January 2018

Key Statistics	Three months ended 31 December		Year ended 31 December	
(Unaudited)	2017	2016	2017	2016
Tonnes mined (thousands of tonnes)	5,270	9,644	31,917	38,491
Ore tonnes mined (thousands of tonnes)	2,274	2,584	13,707	9,419
Ore tonnes processed (thousands of tonnes)	1,855	2,567	8,719	9,818
Process recovery rate (percent)*	94.0%	88.9%	93.0%	88.5%
Head grade (grams per tonne)*	2.8	2.9	3.1	3.0
Gold production (ounces)	148,477	212,954	767,883	829,705
Gold sold (ounces)	147,636	209,292	592,861	816,743
Copper production (thousands of pounds)	0	4,255	12,897	16,239
Cash cost (US$/ounce)[1]	581	679	587	640
AISC (US$/ounce)[1]	779	952	875	958
Net average realised gold price (US$/ounce)[1]	1,296	1,211	1,260	1,240
Capital expenditure (US$’000)[2]	21,301	57,826	149,376	195,898
Cash balance	80,513	317,791	80,513	317,791
Total borrowings	71,000	99,400	71,000	99,400

[1] These are non-IFRS measures. Refer to page 4 for definitions

[2] Excludes non-cash capital adjustments (reclamation asset adjustments), includes finance lease purchases and land purchases treated as long term prepayments

*Reported process recovery rates and head grade for the Group includes the impact of tailings retreatment at Bulyanhulu

Operating update for the three months ended 31 December 2017

Gold production for the quarter amounted to 148,477 ounces, a 30% decrease on the corresponding quarter of 2016 and a 22% decrease on Q3 2017. The decrease was predominantly driven by the decision taken in September 2017 to reduce operational activity at Bulyanhulu which resulted in no production activities for the quarter, except for the production from reprocessing tailings that resumed in December and which delivered 2,856 ounces.

Gold ounces sold for the quarter of 147,636 ounces were broadly in line with gold produced for the quarter and 29% lower than Q4 2016.

At **Buzwagi**, gold production of 73,603 ounces for Q4 2017 was 76% higher than in Q4 2016, driven by an increase in grade due to ore tonnes solely being mined from the main ore zone as the mine accessed the final stages of the open pit before it moves to becoming a stockpile processing operation in 2018.

At **North Mara**, gold production for the quarter of 72,018 ounces was in line with plan but 21% lower than Q4 2016 mainly due to lower head grade driven by the underground mine grade of 7.7 grams per tonne being 30% lower than the prior year period. This was a result of mining taking place in the lower grade west zone of the Gokona Underground. Lower grades were also received from the Nyabirama pit due to increased mining from the Stage 4 open pit.

At **Bulyanhulu**, gold production for the quarter amounted to 2,856 ounces, 96% below Q4 2016, as a result of the decision taken in September to reduce operational activity at Bulyanhulu. During the quarter there were no production activities from the underground mine and all production came from the retreatment of tailings which re-commenced in December 2017 following sufficient rainfall being received at the mine.

Total tonnes mined for the quarter were 5.3 million, compared to 9.6 million in Q4 2016, primarily due to lower waste tonnes mined at Buzwagi as the mine accessed the final stages of the open pit and saw restricted access in December due to excessive rainfall.

Tonnes processed in the fourth quarter were 1.9 million, 28% lower than Q4 2016, predominantly driven by the reduced operational activity and temporary suspension of tailings retreatment at Bulyanhulu, and lower mill availability at Buzwagi.

The average grade processed for the quarter was 2.8 grams per tonne which was 3% lower than the prior year period, mainly due to no underground material being processed at Bulyanhulu, a lower head grade at North Mara driven by lower mined grades, partly offset by higher head grades at Buzwagi due to higher mined grades.

There was no copper production for the quarter as a result of the reduced operational activity at Bulyanhulu and at Buzwagi as a result of the flotation circuit bypass.

The cash balance as at 31 December 2017 amounted to approximately US$81 million and decreased by US$15 million during the quarter. The sale of a non-core royalty in December 2017 for US$45 million, with proceeds due to be received later in January 2018, will strengthen current cash balances. The outstanding balance of the CIL debt facility amounted to approximately US$71 million at year end.

ENQUIRIES

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About Acacia Mining plc

Acacia Mining plc (LSE:ACA), is Tanzania's largest gold miner and one of the largest producers of gold in Africa. We have three mines, all located in north-west Tanzania: Bulyanhulu, Buzwagi, and North Mara and a portfolio of exploration projects in Tanzania, Kenya, Burkina Faso and Mali.

Our approach is focused on strengthening our core pillars; our business, our people and our relationships, whilst continuing to invest in our future.

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 report.

Disclaimer and forward-looking statements

This announcement is for information purposes only and does not constitute an invitation or offer to underwrite, subscribe for or otherwise acquire or dispose of any securities of Acacia in any jurisdiction.

This announcement includes "forward-looking statements" that express or imply expectations of future events or results as opposed to historical facts. These statements include, 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 herein. 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 and ongoing 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 announcement. Any forward-looking statements in this announcement only reflect information available at the time of preparation. Save as required under the Market Abuse Regulation or otherwise as may be required under applicable law, Acacia explicitly disclaims any obligation or undertaking publicly to update or revise any forward-looking statements in this announcement, whether as a result of new information, future events or otherwise. Nothing in this announcement 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 its historical published profits or earnings per share.

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. 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.

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, reduced operations costs and corporate social responsibility charges. Cash cost is calculated net of co-product revenue.

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 cost per ounce sold is calculated by dividing the aggregate of these costs by gold ounces sold. Cash costs and cash cost per ounce sold are calculated on a consistent basis for the periods presented.

All-in sustaining cost (AISC) 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 per ounce sold and adding corporate administration costs, reclamation and remediation costs for operating mines, corporate social responsibility expenses, mine exploration and study costs, capitalised stripping and underground development costs and sustaining capital expenditure. This is then divided by the total ounces sold. 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, depreciation and selling costs.

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 / trammed – measures in tonnes the total amount of underground ore mined and hoisted / trammed.
- Total tonnes mined includes open pit material plus underground ore tonnes hoisted.
- 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.