25 April 2019

Results for the 3 months ended 31 March 2019 (Unaudited) and Board Changes

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

Acacia Mining plc ("Acacia'') reports first quarter results and announces Board changes

"We achieved gold production of 104,899 ounces for the first quarter of the year at an all-in sustaining cost ("AISC") of US$1,023 per ounce sold," said **Peter Geleta, Interim Chief Executive Officer.** "Production at our North Mara mine was lower than expected due to some unanticipated production issues at the Gokona underground and Nyabirama open pit mines. However, we took immediate steps during the quarter to address these, including the introduction of revised mining plans for both mines targeting higher volumes, grades and productivity for the remainder of the year. We, therefore, anticipate a step-up in production volumes for the second quarter with the production rate sustained at similar levels during the second half of the year. As such we still believe we will deliver within our full year guidance of 500,000 to 550,000 gold ounces at an AISC of US$860 to US$920 per ounce. Meanwhile throughout the quarter, we have continued to engage with and provide support to Barrick in its direct negotiations with the GoT and continue to prefer a negotiated resolution that will benefit all stakeholders."

Operational Highlights

- Gold production of 104,899 ounces, 13% below Q1 2018, following a fall of ground in the North Mara Gokona underground mine which prevented access to higher grade stopes, an excavator breakdown in the Nyabirama open pit, and a reduction in production at Buzwagi as expected following the transition to a lower grade stockpile processing operation
- Gold sales of 104,985 ounces, broadly in line with production
- AISC[1] of US$1,023 per ounce sold, 5% higher than Q1 2018, mainly driven by the lower production base
- Despite the production shortfall, we remain on track to achieve our Group production guidance for the year of 500,000 to 550,000 ounces at an AISC of US$860 to US$920 per ounce with cash costs of US$665 to US$710 per ounce
- Continued strong safety record with a Total Recordable Injury Frequency Rate (TRIFR) of 0.20, 49% lower than Q1 2018
- Bulyanhulu optimisation study in final stages, continuing to support provisional outcomes of potential for an average steady state production rate of 300,000 to 350,000 ounces per year at an AISC[1] of US$700-750/oz. over an indicative life of mine of 18 years.
- Encouraging results from updated Kenyan project study

Financial Highlights

- Revenue of US$138 million, 12% lower than Q1 2018, with the lower sales base further impacted by a lower average realised gold price
- EBITDA[1] of US$24 million, 72% lower than Q1 2018 mainly due to the lower revenue and the impact of the US$45 million gain on the sale of a non-core royalty in Q1 2018, with adjusted EBITDA[1] 46% lower than Q1 2018 adjusted EBITDA[1] of US$44 million
- An adjusted net loss of US$7 million (US1.7 cents per share) compared to adjusted net earnings of US$7 million in Q1 2018 (US1.7 cents per share)
- Cash balance as at 31 March 2019 amounted to approximately US$99 million representing a decrease of net cash of approximately US$17 million during the quarter, primarily as a result of the lower production

Board Changes

- Alan Ashworth, Deborah Gudgeon and Adrian Reynolds appointed as independent Non-Executive Directors with immediate effect
- The appointments have been made in furtherance of the Board's previously announced succession planning and board renewal activities
- Mike Kenyon and André Falzon to step down from the Board, effective 31 July 2019

Rachel English, Interim Chair, in welcoming the three new directors to the Acacia Board, said, "I am delighted that Alan, Deborah and Adrian will be joining the Board as independent Non-Executive Directors. Between them, they have broad technical and financial expertise, as well as a wealth of African mining experience. These complement the existing skills of the Board well, and we are looking forward to working with each of them. On behalf of the Board, I would also like to thank André Falzon and Mike Kenyon for their service and commitment to the Company over the past nine years, and additionally to thank them for their support in the handover and succession process with our new Directors."

(Unaudited)	Three months ended 31 March 2019	2018	Year ended 31 December 2018
Gold production (ounces)	104,899	120,981	521,980
Gold sold (ounces)	104,985	116,955	520,380
Cash cost (US$/ounce)[1]	850	715	680
AISC (US$/ounce)[1]	1,023	976	905
Net average realised gold price (US$/ounce)[1]	1,307	1,332	1,272
(in US$'000 unless otherwise stated)			
Revenue	138,138	156,517	663,789
EBITDA [1]	23,750	85,774	225,924
Adjusted EBITDA[1]	23,750	43,804	183,376
Net (loss)/earnings	(6,806)	49,995	58,866
Basic (loss)/earnings per share (EPS) (cents)	(1.7)	12.2	14.4
Adjusted net (loss)/earnings[1]	(6,806)	7,116	44,286
Adjusted net (loss)/earnings per share (AEPS) (cents)[1]	(1.7)	1.7	10.8
Cash (utilised in)/generated from operating activities	(1,022)	23,954	126,133
Capital expenditure[2]	13,373	25,779	92,504
Cash balance	98,730	106,557	130,195
Total borrowings	28,400	56,800	42,600

[1] These are non-IFRS measures. Refer to page 18 for definitions. Note the adoption of revised World Gold Council guidance on the calculation of AISC.
[2] Previously reported capital expenditure on an accrual basis has been changed to reporting on a cash basis from Q1 2019. Cash capital expenditure excludes non-cash capital adjustments (mainly reclamation asset adjustments, finance lease assets and capital expenditure accrued but not yet paid) and includes land purchases recognised as long term prepayments.

Other Developments

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

Through the quarter, Acacia has continued to engage with and provide support to Barrick in its direct negotiations with the GoT. On 20 February 2019 the Company noted further announcements by the GoT and by Barrick regarding their direct discussions. Acacia is looking forward to receiving a detailed proposal for a comprehensive resolution of Acacia's disputes with the GoT, once Barrick's negotiations have been successfully concluded, as Acacia continues to prefer a negotiated resolution that will benefit all stakeholders. Any proposal received by Acacia will be subject to review by the Independent Committee of the Acacia Board of Directors.

Operating Environment

During the first quarter the operating environment continued to be challenging for Acacia. Following the criminal charges brought by the GoT in October 2018 against three group companies as well as three current Acacia employees and a former employee, three of those charged continue to be held under non-bailable offences. All of the allegations made by the GoT are denied and the charges are being defended.

On 10 January 2019, the North Mara mine ("NMGML") received an Environmental Protection Order ("EPO") from the National Environment Management Council ("NEMC") requiring payment of a fine of US$130,000, for alleged breaches of various environmental regulations in Tanzania and reported discharges of a hazardous substance from the North Mara mine. While the mine was not provided with the supporting reports, findings or testing data regarding the alleged breaches of environmental regulations, the reports of discharges related to seepage from the Tailings Storage Facility ("TSF"), an issue which was well known to the Company and the GoT. To dispose of all regulatory or other legal action in respect of the EPO, NMGML decided to pay the fine of US$130,000. The North Mara mine's technical team has continued to work with the GoT within agreed timeframes to address their concerns regarding seepage from the TSF, through the installation of additional pumps and construction of additional containment infrastructure, to capture and return any seepage to the TSF and, therefore, seek to prevent seepage from entering the surrounding environment or posing a risk of contamination to public water source.

At the same time, the GoT issued a directive to the North Mara mine to construct a new TSF. The mine had already recognised the need for additional tailings management and storage capacity to meet its life of mine plans. The mine is working with the GoT on detailed plans and 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.

On 8 March 2019 the GoT directed the North Mara mine to resolve a separate issue that had resulted in the spillage of water into the local environment. The spillage resulted from a security incident in which sections of the pipe used to transport water from the polishing pond to the TSF were either vandalised or stolen. The incident led to the switching off of the pump used to transport water to the TSF, and the water level in the polishing pond subsequently overflowed. Following remedial actions, the temporary overspill from the pond was stopped, and the mine then worked closely with the authorities to implement improvements to the security of the areas around the polishing pond to help prevent any reoccurrence.

Board Changes

Acacia Mining plc today announces the appointment of Alan Ashworth, Deborah Gudgeon and Adrian Reynolds as independent Non-Executive Directors of the Company, with immediate effect. These appointments have been made in furtherance of the Board's succession planning activities which were referred to and explained in some detail in the 2018 Annual Report.

Mr Ashworth's career has spanned more than 40 years with the majority being spent with De Beers, including periods as General Manager of Namdeb (Namibia) and Head of Operations for their South African and Tanzanian Operations (where he also served on the Board of Williamson Diamonds Ltd). After leaving De Beers in 2006, he spent two years with Gold Fields as Managing Director of their Ghanaian Operations, before joining Gem Diamonds as Chief Operating Officer and member of the Board, a role he held until his retirement in 2016. He holds a BSc (Hons) in Mining Engineering from the University of Nottingham and a South African Mine Managers Certificate of Competency. Mr Ashworth will join the EHS&S Committee and, following the conclusion of the Annual General Meeting of the Company, will chair that Committee. He will also join a Technical Committee recently formed as a committee of the Board.

Ms Gudgeon is a chartered accountant with 30 years' experience. She qualified with Coopers & Lybrand and in 1987 became a senior accountant for Salomon Brothers International. From 1987 to 1995, Ms Gudgeon served as a Finance Executive at Lonrho plc and was appointed a member of the Finance Committee in March 1993. From 1995 to 1998, she served as a Director of Halstead Services Limited, and from 1995 to 2003, she served as a Director at Deloitte, specialising in corporate finance. From 2003 to 2009, Ms Gudgeon served as a Founding Director of the Special Situations Advisory team for BDO LLP, providing integrated advice on corporate finance, restructuring, debt and performance improvement. From 2011 to 2017, Ms Gudgeon served as Managing Director of Gazelle Corporate Finance Limited. Ms Gudgeon has been a Non-Executive Director of EVRAZ plc (listed on the main market of the London Stock Exchange) since May 2015, where she is Chair of the Audit Committee and a member of the Remuneration Committee. Ms Gudgeon will join and, following the conclusion of the Annual General Meeting of the Company, will chair the Acacia Audit Committee. She will also join the Compensation and Nomination & Governance Committees.

Mr Reynolds has an MSc in Geology, a Graduate Diploma of Mining Engineering and over 30 years' experience in the natural resources sector, including more than 15 years' experience with Randgold Resources Limited. At Randgold, he was part of the executive team that developed that company's original successful strategy whereby it grew from an exploration company to a very profitable mid-tier mining company. His key responsibilities included technical oversight of the mining operations including feasibility studies, audits, compliance and evaluation of new opportunities. He was also a Director of Morila Ltd and Société des Mines de Loulo S.A. Mr Reynolds initially built his experience in both oil and coal exploration and then moved into deep level gold mining with Gencor Ltd in the Free State Goldfields. Joining Rand Mines Limited in 1985, he held positions in geological management in Rand Mines Limited and its successor Randgold & Exploration Company Limited. Mr Reynolds is currently an independent consultant and a Non-Executive Director of Geodrill Limited (whose shares are listed on the Toronto Stock Exchange), and is a Non-Executive Director of Mkango Resources Ltd (whose shares are traded on the TSX Venture Exchange and AIM). Mr Reynolds was formerly Non-Executive Chairman of Digby Wells Environmental, one of the foremost mining environmental consultancies in Africa, and was formerly a Non-Executive Director of Aureus Mining Inc. (whose shares are traded on AIM and the Toronto Stock Exchange) until his retirement from both boards in 2016. Mr Reynolds will join and lead the new Technical Committee and will also join the EHS&S Committee.

All of the new Directors will also join the Independent Committee of the Board.

These appointments have been made in furtherance of the Board's succession planning activities which were referred to in Acacia's 2018 Annual Report. In particular, following a skills assessment based on the Company's strategic priorities, and taking into account the anticipated retirement from the Board of Michael Kenyon and André Falzon, the Board concluded that additional appointments should be made to enhance the technical mining expertise available to the Board and to appoint an individual with a strong financial background and audit committee experience to succeed André Falzon as Chair of the Audit Committee. Mr Ashworth and Mr Reynolds will bring significant technical mining expertise to the Board. Ms Gudgeon, with her extensive financial experience, has the appropriate skillset to succeed Mr Falzon as Audit Committee Chair.

Mike Kenyon and André Falzon have resigned from the Board, such resignation to take effect from 31 July 2019 thereby allowing an orderly handover and succession process.

Following the new appointments, the Board of the Company shall be comprised of one Non-Executive Interim Chair, one Executive Director, six Independent Non-Executive Directors and one Non-Executive Director appointed by Barrick as a nominee director under their Relationship Agreement with the Company.

Bulyanhulu Optimisation Study Update

The Bulyanhulu optimisation study work continued during the quarter as planned, with the initial, favourable indications from the study's earlier, provisional outcomes continuing to be confirmed. In the event that underground mining can be resumed, which in turn is dependent on Bulyanhulu's ability to export concentrate, the future focus of underground mining would 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 would likely be a significant reduction in development requirements as a result of focusing solely on the Deep West area. We would also expect to see a reduction in the amount of tonnes required to be mined over any new life of mine plan. We announced revised reserves and resources estimates for Bulyanhulu as part of the 2018 preliminary results, which included certain reserves and resources reclassifications. 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 confirmed to be 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 as per initial indications comprising Sustainable Communities initiatives and costs relating to the existing processing plant, recruitment and freight for supplies. These are now expected to be incurred over an 18-month period until first gold production from resumed underground mining operations. We then expect a ramp up period to full production from the underground mine of 18-24 months. The study confirmed the potential for 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.

The study work continues, including detailed operations resumption planning to position Bulyanhulu for an effective resumption of underground mining operations and associated ore processing, if a decision to resume underground mining operations can be taken. Any decision would be dependent on achieving a comprehensive resolution of Bulyanhulu's disputes with the GoT, including the ability to resume concentrate sales.

International Arbitration

A negotiated resolution remains the preferred outcome to the Company's ongoing disputes with the GoT. In 2017, however, BGML, the owner and operator of the Bulyanhulu mine, and 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 Mineral 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 the first quarter of 2019 and the international arbitration claims are progressing. The hearings are scheduled for the beginning of the third quarter of 2019 and we expect the Tribunal's findings to follow in the later stages of the year.

Safety

During the first quarter of the year we continued our good safety record, with a Total Recordable Injury Frequency Rate (TRIFR) in Q1 2019 of 0.20, just slightly over our Group-wide TRIFR for 2018 of 0.19 and 49% lower than the corresponding period in 2018. We also reduced the number of High Potential Incidents (HPIs) by 57% compared to Q1 2018. We continue to target zero injuries and remain committed to every person going home safely every day.

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 the first quarter, Acacia paid/incurred a total of US$32.5 million in taxes and royalties to the GoT. This comprised provisional corporate tax payments for the year of US$12.5 million, royalties of US$10.6 million, payroll taxes of US$6.9 million and other taxes of US$2.5 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 Q1 2019 we continued to focus on our newly-established Sustainable Communities Reference Groups ("SCRG") as platforms for consultation and engagement with communities and local government around our mine sites. The SCRGs comprise representation from regional, district and village authorities, as well as community interest groups and special representatives for women and youth. The groups are responsible for identifying further priorities for development in their regions, tracking progress of ongoing projects and, in tandem with the mine, liaising with and channelling information to the communities.

Meanwhile Acacia continued its support for Tanzania's education sector through the quarter. In January 2019 we signed an agreement with the local district authorities to supply US$300,000 worth of building materials for the construction of key facilities at primary and secondary schools in the Shinyanga region around our Bulyanhulu and Buzwagi mines. School enrolment numbers have risen significantly following the GoT's free education policy that was introduced in 2016 and many schools are in need of additional infrastructure.

During Q1 2019 we also put a heavy emphasis on initiatives aimed at building a thriving local economy in the communities around our mines. As such, small businesses and agriculture remain important economic opportunities and means of diversifying the local economy. At Buzwagi, the development and implementation of a three-year US$1.1 million agricultural improvement project in partnership with Farm Concern International ("FCI") continued during the quarter. Farmers started harvesting paddy rice on demo plots which have increased their yields since the project began. Further support from Acacia is planned in 2019, including the building of an agriculture resource centre and the purchase of a tractor to support mechanised farming. Following the completion of a project at Bulyanhulu in 2018 to develop sustainable small businesses and improved value chains for poultry and high-value horticultural crops, participating youth have been recommended by our project partner for access to loans and training in relation to small-scale enterprise from the local councils' development departments.

Near Bulyanhulu, construction also continued 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) with various Tanzanian districts, councils and Agencies, Bulyanhulu mine is investing around US$2 million in the Government project to help 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.

Indirect Taxation Update

The net indirect tax receivables balance of US$179.1 million as at 31 March 2019 increased by US$ 0.4 million during the quarter. The increase was driven by a further US$13.8 million of VAT outflows, net of adjustments, for which no cash VAT refunds were received, offset by the first provisional corporate tax payment for 2019 relating to North Mara of US$12.5 million and foreign exchange revaluation losses of US$0.9 million. The provisional corporate tax payment has 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$1.3 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$102 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 ongoing disputes with the GoT. In addition, there have been additional recent legislative changes that appear to safeguard VAT relief available to doré. We are seeking clarification on this legislation from the Tanzanian authorities.

Nyanzaga Project Update

We continue to work with the relevant authorities to complete the approval process for OreCorp Tanzania Limited (OreCorp Tanzania) to officially move to a 51% interest in Nyanzaga Mining Company Limited (NMCL). To date approval has been obtained from the Tanzanian Fair Competition Commission. The 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. We also continue to engage with the Tanzanian Revenue Authority in order to obtain the clearance required to support our application for approval by the Tanzanian Mining Commission.

In the event that this approval process is successfully completed such that OreCorp can increase its interest to 51% of NMCL, members of the Acacia Group and members of the OreCorp Group will seek to implement the remaining steps under the completion agreement entered into last year, which would allow for OreCorp Tanzania to move to 100% ownership of NMCL, and thereby 100% ownership of the Nyanzaga Gold Project (Project). The move to 100% ownership of the Project 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; (iii) the making of a future payment of US$7 million; and the grant of a net smelter return production royalty over the Project, capped at US$15 million.

South Houndé Project Update

Acacia signed a binding conditional agreement last year 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 and Sarama are in the final stages of concluding agreements.

Supplemental Liranda Scoping Study

Following the outcome of the scoping study completed in Q3 2018, we had commissioned supplemental scoping study works, which included value engineering the Liranda project by means of performing a mining method options trade off study and review of operating and capital expenditure. These works have now been concluded with encouraging results that we are currently reviewing. A change in the envisaged mining method to a more conducive mechanised long-hole open stoping, with small to medium size equipment allows for reduced mining design dimensions with its associated lower mining costs and a significant reduction in dilution. Acacia is considering strategic options available to advance the project further.

Key Statistics

(Unaudited)		Three months ended 31 March 2019	2018	Year ended 31 December 2018
Tonnes mined	Kt	3,811	4,135	17,413
Ore tonnes mined	Kt	1,246	838	4,048
Ore tonnes processed	Kt	2,324	2,159	9,272
Ore tonnes processed exc. Tailings reclaim	Kt	1,800	1,709	7,373
Process recovery rate exc. Tailings reclaim	%	91.1%	91.0%	91.7%
Head grade exc. tailings reclaim	g/t	1.8	2.2	2.2
Process recovery rate incl. tailings reclaim	%	84.9%	86.5%	86.9%
Head grade incl. tailings reclaim	g/t	1.7	2.0	2.0
Gold production	Oz	104,899	120,981	521,980
Gold sold	Oz	104,985	116,955	520,380
Cash cost per tonne milled exc. tailings reclaim[1]	US$/t	47	47	46
Cash cost per tonne milled incl. tailings reclaim[1]	US$/t	38	39	38
Per ounce data				
Average spot gold price[2]	US$/oz	1,304	1,329	1,269
Net average realised gold price[1]	US$/oz	1,307	1,332	1,272
Total cash cost[1]	US$/oz	850	715	680
All-in sustaining cost[1]	US$/oz	1,023	976	905

Financial results

(Unaudited, in US$'000 unless otherwise stated)	Three months ended 31 March 2019	2018	Year ended 31 December 2018
Revenue	138,138	156,517	663,789
Cost of sales	(115,219)	(108,400)	(444,374)
Gross profit	**22,919**	**48,117**	**219,415**
Corporate administration	(4,298)	(5,458)	(23,813)
Share based payments	(485)	1,527	74
Exploration and evaluation costs	(1,944)	(3,623)	(13,343)
Corporate social responsibility expenses	(1,635)	(1,546)	(8,812)
Impairment charges	-	-	(28,877)
Other (charges)/income (net)	(15,806)	22,767	(36,094)
(Loss)/profit before net finance expense and taxation	**(1,249)**	**61,784**	**108,550**
Finance income	287	132	1,421
Finance expense	(3,190)	(3,836)	(13,200)
(Loss)/profit before taxation	**(4,152)**	**58,080**	**96,771**
Tax expense	(2,654)	(8,085)	(37,905)
Net (loss)/profit for the period	**(6,806)**	**49,995**	**58,866**

[1] These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to "Non IFRS measures" on page 18 for definitions. Note the adoption of revised World Gold Council guidance on the calculation of AISC.
[2] Reflects the London PM fix price.

For further information, please visit our website: www.acaciamining.com or contact:

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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 conference call on our Q1 results will be held for analysts and investors at 09:00 BST today. The access details for the conference call are as follows:

United Kingdom (Local):	020 3059 5751
All other locations:	+44 20 3059 5751
Participant Access Code:	718753

A **replay** of the call will be available for 7 days

United Kingdom:	020 3936 3001
All other locations:	+44 20 3936 3001
Replay code:	679373

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.*

Operating Review

Gold production for the quarter of 104,899 ounces was 13% below the prior year mainly due to lower production at North Mara and Buzwagi. Gold ounces sold for the quarter of 104,985 ounces were in line with production.

North Mara gold production for the quarter of 66,324 ounces was 14% lower than the prior year of 76,769 ounces, mainly driven by the consequences of a fall of ground in the Gokona underground mine at the end of December 2018 as well as a six-week excavator breakdown in the Nyabirama open pit. The fall of ground at Gokona prevented access in the quarter to two higher grade stopes in the East, impacting mine sequencing and ultimately head grade which, at 3g/t, was 19% lower than the first quarter of last year and below expectations for the quarter. Gold ounces sold for the quarter of 67,420 ounces were slightly higher than production due to the sale of gold on hand at the beginning of the year. AISC of US$944 per ounce sold was in line with Q1 2018, with higher cash costs offset by lower capitalised development costs and lower sustaining capital costs.

At **Buzwagi**, Q1 2019 gold production of 28,577 ounces for the quarter was 20% lower than the prior year of 35,685 ounces but in line with expectations as a result of the mine now having fully transitioned to a lower grade stockpile processing operation. Gold sold for the quarter amounted to 27,645 ounces, slightly below production due to the timing of shipments at quarter end. AISC per ounce sold of US$1,228 was 17% higher than Q1 2019, mainly driven by the lower production base, the smaller finished gold build-up compared to Q1 2018 and the drawdown of lower grade stockpiles at a higher average cost valuation, partly offset by lower sustaining capital expenditure as a result of the transition to a lower grade stockpile processing operation.

At **Bulyanhulu,** gold production for the quarter of 9,999 ounces was 17% higher than the prior year of 8,527 ounces and in line with expectations, due to the higher grades recovered from the retreatment of tailings as well as improvements in plant throughput. All production continues to be produced from the retreatment of tailings. Gold sales for the quarter of 9,920 ounces were broadly in line with production. AISC per ounce sold of US$757 was 18% lower than Q1 2018 of US$923 per ounce sold driven by lower cash costs, lower sustaining capital spend and lower corporate administration costs, partly offset by higher shared based payment expenses. AISC excludes reduced operations costs of US$6.1 million (Q1 2018: US$8.2 million).

Total tonnes mined for the quarter of 3.8 million tonnes were 8% lower than Q1 2018, while ore tonnes mined of 1.2 million tonnes were 49% higher than Q1 2018, mainly as a result of mining the main higher-grade ore zone at the Nyabirama open pit at North Mara offset by the lower underground ore tonnes mined at Gokona following the fall of ground incident which prevented access to higher grade stopes.

Ore tonnes processed amounted to 2.3 million tonnes, 8% higher than Q1 2018 driven by the improved throughput of reprocessed tailings at Bulyanhulu and the improved processing plant performance at Buzwagi and North Mara. Head grade for the quarter of 1.7g/t was 15% lower than Q1 2018 of 2.0g/t. This was due to the lower grade stockpile processing at Buzwagi combined with the lower grade ore mined at North Mara underground as a result of the fall of ground mentioned above.

Cash costs of US$850 per ounce sold for the year were 19% higher than Q1 2018 (US$715 per ounce sold), primarily due to:

- The lower production base (US$93/oz); and
- Lower capitalised development due to mining in the main ore zone at the Nyabirama open pit at North Mara compared to waste stripping in Q1 2018 (US$94/oz).

This was offset by:
- Lower sales related costs due to the lower sales volumes (US$21/oz); and
- A build-up in ore stockpiles at North Mara partly offset by a drawdown in ore stockpiles at Buzwagi (US$20/oz).

All-in sustaining cost (AISC) of US$1,023 per ounce sold was 5% higher than Q1 2018 (US$976 per ounce sold), mainly due to higher cash costs (refer to above) (US$135/oz), the impact of lower sales volumes on individual cost items (US$30/oz), and a share-based payment revaluation cost driven by the Acacia share price performance compared to a credit in the prior year (US$19/oz). This was partly offset by lower capitalised development expenditure relating to North Mara (US$107/oz), a lower sustaining capital spend (US$26/oz), and lower corporate administration expenditure due to lower consulting fees (US$11/oz).

The net loss for the quarter of US$6.8 million compared to net earnings in the prior year quarter of US$50.0 million. Included in the prior year quarter was a gain on the sale of a non-core mineral royalty for US$45.0 million. The current quarter earnings was impacted by the lower revenue as a result of the lower production base (US$18.4 million), higher cost of sales mainly driven by the cash costs as discussed above (US$6.8 million) and higher other charges (US$15.8 million compared to income in Q1 2018 of US$22.8 million) which mainly consist of ongoing legal fees related to the concentrate export ban and historical outstanding tax matters (US$7.8 during Q1 2019) and reduced operations costs at Bulyanhulu (US$6.1 during Q1 2019).

Cash utilised in operating activities of US$1.0 million for the quarter was US$25.0 million lower than Q1 2018 (a cash inflow of US$24.0 million). The decrease was as a result of lower adjusted EBITDA (US$20.1 million) driven by lower revenue as a result of the lower production base combined with higher working capital outflows (US$7 million). The working capital outflows were mainly as a result of an increase in metals inventory due to the higher average cost valuations and increased prepayments, partly offset by a decrease in the build-up of indirect taxes.

Capital expenditure for the quarter of US$13.4 million was 48% lower than that in Q1 2018 of US$25.8 million. The decrease was mainly driven by lower capital expenditure at North Mara attributable to lower capitalised development costs (US$10.9 million) and sustaining capital expenditure (US$0.9 million), partly offset by higher expansion capital expenditure at North Mara and Bulyanhulu (US$1.5 million). Capital expenditure primarily comprised capitalised underground development at North Mara (US$4.6 million), investment in mobile equipment and component change-outs (US$2.0 million), capitalised drilling expenditure mainly relating to the Gokona resource and reserve development, and the Nyabirama underground study (US$1.7 million), investment in fixed equipment and infrastructure (US$1.0 million) and the Bulyanhulu optimisation study costs (US$0.6 million).

Mine Site Review

North Mara

Key statistics

(Unaudited)		Three months ended 31 March 2019	Three months ended 31 March 2018	Year ended 31 December 2018
Key operational information:				
Ounces produced	Oz	66,324	76,769	336,055
Ounces sold	Oz	67,420	74,955	332,195
Cash cost per ounce sold[1]	US$/oz	755	607	591
AISC per ounce sold[1]	US$/oz	944	950	866
Open pit:				
Tonnes mined	Kt	3,440	3,840	15,736
Ore tonnes mined	Kt	1,024	651	2,875
Mine grade	g/t	1.8	1.7	2.0
Underground:				
Tonnes mined	Kt	266	295	1,199
Ore tonnes mined	Kt	177	187	782
Mine grade	g/t	5.7	7.8	7.8
Processing information:				
Ore milled	Kt	747	709	2,847
Head grade	g/t	3.0	3.7	4.0
Mill recovery	%	92.0%	92.3%	92.7%
Cash cost per tonne milled[1]	US$/t	68	64	69
Capital Expenditure[2]				
- Sustaining capital	US$('000)	4,775	5,688	25,771
- Capitalised development	US$('000)	4,638	15,568	47,496
- Expansionary capital	US$('000)	2,022	1,525	8,335
		11,435	**22,781**	**81,602**

[1] These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to 'Non-IFRS measures" on page 18 for definitions. Note the adoption of revised World Gold Council guidance on the calculation of AISC.
[2] Capital expenditure, previously reported on an accrual basis has been changed to a cash basis from Q1 2019. Cash capital expenditure excludes non-cash capital adjustments (mainly reclamation asset adjustments, finance lease assets and capital expenditure accrued but not yet paid) and includes land purchases recognised as long term prepayments. Comparatives were not adjusted.

Operating performance

At North Mara, gold production for the quarter of 66,324 ounces was 14% lower than the prior year of 76,769 ounces, mainly driven by the consequences of a fall of ground in the Gokona underground mine at the end of December 2018 as well as a six-week excavator breakdown in the Nyabirama open pit in February and March. The fall of ground at Gokona prevented access in the quarter to two higher grade stopes in the East, impacting mine sequencing and ultimately head grade which, at 3g/t, was 19% lower than the first quarter of last year and below expectations for the quarter.

In order to address these issues, North Mara began working to a revised mining plan from mid-March 2019, with new mine sequencing for both the open pit and underground mines targeting higher grades and increased volumes supported by additional equipment, as well as initiatives to improve both recovery rates in the process plant and asset reliability. In particular, the focus on increased volumes from the open pit should allow faster access to the main higher-grade ore body, while the revised mine sequencing in the underground mine is designed to ensure smoother transitioning between stopes and improved productivity.

Gold sold for the quarter was slightly higher than production due to the sale of gold on hand at the beginning of the year.

Cash costs of US$755 per ounce sold were 24% higher than Q1 2018 (US$607/oz), mainly driven by lower capitalised development costs as mining moved into the main ore zone at Nyabirama pit (US$146/oz) and the impact of the lower production base (US$58/oz), partly offset by the build-up in ore stockpiles (US$48/oz) and lower sales related costs driven by lower sales volumes (US$17/oz).

AISC of US$944 per ounce sold was in line with Q1 2018, with the higher cash cost discussed above (US$148/oz) and the impact of the lower production base on individual cost items (US$38/oz) offset by the lower capitalised costs (US$162/oz), lower sustaining capital expenditure (US$14/oz) and lower corporate office allocations (US$16/oz).

Capital expenditure for the quarter amounted to US$11.4 million, 50% lower than in Q1 2018 (US$22.8 million). Key capital expenditure included capitalised underground development costs (US$4.6 million), capitalised drilling mainly for resource and reserve development at Gokona underground (US$1.0 million) and at the Nyabirama open pit (US$0.8 million), investment in mobile equipment and component change-outs (US$2.0 million) and fixed equipment and infrastructure (US$1.0 million).

Buzwagi

Key statistics

(Unaudited)		Three months ended 31 March 2019	2018	Year ended 31 December 2018
Key operational information:				
Ounces produced	Oz	28,577	35,685	145,440
Ounces sold	Oz	27,645	32,460	146,630
Cash cost per ounce sold[1]	US$/oz	1,164	964	906
AISC per ounce sold[1]	US$/oz	1,228	1,052	977
Mining information:				
Tonnes mined	Kt	105	-	478
Ore tonnes mined	Kt	46	-	391
Processing information:				
Ore milled	Kt	1,053	1,001	4,526
Head grade	g/t	0.9	1.3	1.1
Mill recovery	%	89.2%	88.3%	89.4%
Cash cost per tonne milled[1]	US$/t	31	31	29
Capital Expenditure[2]				
- Sustaining capital	US$('000)	167	1,300	3,503
Total capital expenditure	US$('000)	**167**	**1,300**	**3,503**

[1]These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to "Non-IFRS measures" on page 18 for definitions. Note the adoption of revised World Gold Council guidance on the calculation of AISC.
[2] Capital expenditure, previously reported on an accrual basis has been changed to a cash basis from Q1 2019. Cash capital expenditure excludes non-cash capital adjustments (mainly reclamation asset adjustments, finance lease assets and capital expenditure accrued but not yet paid) and includes land purchases recognised as long term prepayments. Comparatives were not adjusted.

Operating performance

Gold production of 28,577 ounces for the quarter was 20% lower than the prior year quarter of 35,685 ounces but in line with expectations as a result of the mine now having fully transitioned to a lower grade stockpile processing operation. A planned, six-day annual maintenance shutdown of the processing plant was conducted during the quarter to support higher throughput for the rest of the year. Sales ounces for the quarter of 27,645 ounces were slightly lower than production due to the timing of shipments at quarter end.

Cash costs for the period of US$1,164 per ounce sold were 21% higher than the comparative quarter in 2018 (US$964/oz), mainly due to the lower production base (US$168/oz) combined with the smaller finished gold build-up and the higher average cost valuation relating to the drawdown of lower grade stockpiles (US$63/oz). This was partially offset by lower sales related costs due to lower sales volumes (US$30/oz).

AISC per ounce sold of US$1,228 was 17% higher than Q1 2018 (US$1,052/oz). This was mainly driven by higher cash costs as explained above (US$200/oz), the negative impact of the lower sales volumes on individual cost items (US$15/oz) and sustaining lease payments (US$12/oz), partly offset by lower sustaining capital spend (US$41/oz) and lower corporate office allocations (US$22/oz).

Capital expenditure of US$0.2 million was 87% lower than Q1 2018 (US$1.3 million). Capital expenditure for the quarter mainly consisted of the final costs for plant related projects.

Bulyanhulu

Key statistics

(Unaudited)		Three months ended 31 March 2019	2018	Year ended 31 December 2018
Key operational information:				
Ounces produced	Oz	9,999	8,527	40,485
Ounces sold	Oz	9,920	9,540	41,555
Cash cost per ounce sold[1]	US$/oz	622	713	599
AISC per ounce sold[1]	US$/oz	757	923	786
Reduced operations cost	US$('000)	6,145	8,174	28,817
Reprocessed tailings:				
Ore milled	Kt	525	450	1,899
Head grade	g/t	1.2	1.1	1.2
Mill recovery	%	51.2%	52.6%	53.6%
Ounces produced	Oz	9,999	8,527	40,485
Capital Expenditure[2]				
- Sustaining capital	US$('000)	518	1,355	3,164
- Expansionary capital	US$('000)	1,245	274	3,899
		1,763	**1,629**	**7,063**

[1]These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to 'Non-IFRS measures" on page 18 for definitions. Note the adoption of revised World Gold Council guidance on the calculation of AISC.
[2] Capital expenditure, previously reported on an accrual basis has been changed to a cash basis from Q1 2019. Cash capital expenditure excludes non-cash capital adjustments (mainly reclamation asset adjustments, finance lease assets and capital expenditure accrued but not yet paid) and includes land purchases recognised as long term prepayments. Comparatives were not adjusted.

Operating performance

Gold production of 9,999 gold ounces for the quarter was 17% above the prior year of 8,527 ounces and in line with expectations, due to the higher grades recovered from the retreatment of tailings as well as improvements in plant throughput. All production continued to be produced from the retreatment of tailings as a result of the underground mine having been placed on reduced operations in late 2017. Sales ounces of 9,920 for the quarter were in line with the production base.

Cash costs of US$622 per ounce sold were 13% lower than the comparative quarter for 2018 (US$713/oz), mainly due to the smaller finished gold drawdown than Q1 2018 (US$149/oz), the higher production base (US$27/oz) and lower sales related costs driven by lower third party smelting costs (US$24/oz). This was partly offset by higher direct mining costs driven by higher plant related consumables, power and maintenance (US$116/oz).

AISC per ounce sold of US$757 was 18% lower than Q1 2018 (US$923/oz) mainly due to lower cash costs as explained above (US$91/oz), lower sustaining capital expenditure (US$84/oz), lower corporate office allocations (US$17/oz) and the positive impact of higher sales ounces on individual cost items (US$8/oz), partly offset by a higher shared based compensation expense due to the increase in the Company's share price (US$39/oz). AISC excludes reduced operations costs of US$6.1 million compared to US$8.2 million in Q1 2018.

Capital expenditure amounted to US$1.8 million, 8% higher than in Q1 2018 (US$1.6 million), and mainly consisted of the Bulyanhulu optimisation study costs (US$0.6 million), TSF wall raise and cladding works (US$0.4 million), asset integrity work at the processing plant facilities (US$0.4 million) and water management pond upgrades (US$0.2 million).

Exploration Review

Brownfield Projects

Activity on brownfield programmes during the quarter was focused exclusively at North Mara and restricted to underground diamond drilling at Gokona.

North Mara

Gokona Underground

A total of 22 holes for 11,138 metres of extension and infill drilling were completed at Gokona Underground during Q1 2019, with a further 10 holes for 3,172 metres of grade control drilling also undertaken.

Drilling continued with three underground diamond drill rigs. Two rigs continued longer holes testing the Lower Central and Deep East zones with further significant intercepts returned during the quarter including:

- UGKD556 24.0m @ 3.5 g/t Au from 226m; and
  33.0m @ 3.2 g/t Au from 276m
- UGKD559 31.7m @ 11.6 g/t Au from 438.3m
- UGKD574 7.0m @ 8.3 g/t Au from 433m; and
  12.3m @ 7.9 g/t Au from 483.7m
- UGKD581 14.0m @ 9.2 g/t Au from 197m; and
  14.0m @ 3.1 g/t Au from 594m
- UGKD548 17.3m @ 6.7 g/t Au from 415m; and
  30.5m @ 4.3 g/t Au from 454m
- UGKD549 11.0m @ 4.3 g/t Au from 406m
- UKGC_01102 15.0m @ 7.2 g/t Au from 91m
- UGKD576 7.0m @ 22.9 g/t Au from 345m; and
  16.7m @ 3.8 g/t Au from 452m
- UGKD577 8.0m @ 6.7 g/t Au from 247m
- UGKD585 5.0m @ 24.2 g/t Au from 342m

Further drill testing of the third panel of mineralisation in the West zone was undertaken during the quarter with several significant intersections returned:

- UGKD567 15.0m @ 3.7 g/t Au from 242m; and
  26.0m @ 5.4 g/t Au from 383m
- UGKD579 19.0m @ 3.1 g/t Au from 147m
- UGKD580 12.0m @ 5.9 g/t Au from 222m; and
  5.0m @ 15.9 g/t Au from 295m

The development of the East Decline is expected to advance far enough to enable the commencement of the Lower East drilling programme in May 2019. This programme will delineate the extents of the higher grade mineralisation below the Banana Fault where there is evident structural complexity.

Nyabirama Underground Project

As part of the ongoing Prefeasibility Study for potential underground development at Nyabirama, three HQ size surface holes for 1,721 metres of drilling were completed for hydrogeology studies during the quarter. Packer testing was completed in all three holes (two on East side and one on West side). A programme of extensional and infill surface diamond drilling was then commenced on the East side of the open pit in order to better delineate the potentially economic mineralisation. A total of 1,021 metres was completed during the quarter and this drilling is expected to be completed in Q4 2019 with results expected towards the end of 2019 or in early 2020.

Greenfield Exploration

Kenya

Liranda Corridor

Supplemental Liranda scoping study

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 using large mechanised mining equipment and treated through conventional gravity and CIL processing.

Following the outcome of the scoping study completed in Q3 2018, we had commissioned supplemental scoping study works, which included value engineering the project by means of performing a mining method options trade off study and review of operating and capital expenditure. These works have now been concluded with encouraging results that we are currently reviewing. A change in the envisaged mining method to a more conducive mechanised long-hole open stoping, with small to medium size equipment allows for reduced mining design dimensions with its associated lower mining costs and a significant reduction in dilution. Acacia is considering strategic options available to advance the project further.

Burkina Faso

In Burkina Faso we have three active JVs, two of which (Central Houndé and Pinarello) have seen limited drill testing. Following an escalation of incidents at the end of 2018 the security situation in Burkina Faso continued to deteriorate during Q1 2019 with a large number of attacks directed at the national security forces as well as other incidents, including kidnappings and banditry. Since the beginning of the year these incidents have increased in frequency and some have occurred within 30 kilometres of Acacia's tenements. During January 2019, Acacia temporarily suspended most of its activities to conduct a comprehensive review of the security situation however, subsequent to the review, fieldwork has continued to plan.

Drilling on the more promising Central Houndé licenses resulted in a number of encouraging intersections in Q1 2019. These intersections will be followed up during 2019 with more drilling, supported by geophysical work. During Q1 2019 most work on the Houndé Belt focused on the Central Houndé JV ground (Thor Exploration Limited). Activities comprised geological and regolith mapping, geochemistry sampling and multi-element analyses of soils. Drilling was delayed as a result of the January security review but a total of 3,842 air-core/reverse circulation metres were drilled into various targets.

Central Houndé JV (Thor Explorations Limited)

Surface exploration done prior to 2019 identified three main targets, LBC (Légué-Bongui Corridor), PPC (Péké-Pouya Corridor) and Sandana. Limited air-core drilling was carried out on the first two targets in 2017 and 2018 with a number of encouraging intersections.

PPC target

A 4,500 metre air-core drilling programme that began at PPC in late 2018 continued during Q1 2019. The programme is almost complete and best results from Q1 2019 include:

- CHRC00094: 1m @ 23.8 g/t Au from 11m
- CHRC00093: 24m @ 0.6g/t Au from 75m
- CHAC00288: 6m @ 1.7g/t Au from 12m including 2m @ 3.4g/t Au
- CHRC00106: 6m @ 1.5g/t Au from 48m and 11m @ 0.79g/t Au from 76m

The programme for the remainder of 2019 comprises 13,000 metres of air-core/ reverse circulation follow-up drilling and 450 metres of diamond drilling for structural information. An Induced Polarisation (IP) survey is also planned.

LBC target

The programme for 2019 comprises a success-based target delineation drilling programme of 10,000 metres air-core/ reverse circulation and 450 metres of diamond drilling for structural information. The extension of an earlier IP survey and infill soil sampling is in planned for Q2 2019. Drilling started in March with a total 1,322 metres drilled so far. No results are available to date.

Pinarello & Konkolikan JV (Canyon Resources Limited)

Work in Q1 2019 focused on the Niofera licence in the west, where three sizeable soil anomalies, collectively termed the "Teninbo target", were identified. To date only one anomaly has been tested with mixed results. Drilling of the strongest anomalies is planned for Q3 2019.

Frontier JV (Metalor SA)

Previous geochemical and geophysical exploration has identified three targets on the Frontier ground. Two of these are ready for drilling. Infill soil sampling was done on the third target during Q1 2019. The area has little infrastructure and access is currently being created to start a target delineation air-core drilling programme totalling 14,000 metres. Drilling is scheduled to start before the end of April 2019.

Two licence applications have been filed by Acacia (Torohiri and Nabounguira licenses). These licenses are adjacent to the Frontier JV ground.

Mali

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

Reconnaissance drilling conducted in 2017 returned encouraging results, however,follow-up drilling failed to show significant continuity of the mineralisation and potential for a significant deposit. A final decision concerning the future of the JV is expected during Q2 2019.

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

Two significant, extensive soil anomalies have been previously identified; infill sampling was done in Q1 2019 for better anomaly definition. Air-core/ reverse circulation reconnaissance of the anomalies started in April. A total of 5,300 metres air-core/ reverse circulation drilling is planned in Q2 2019.

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:

(US$000)

	Three months ended 31 March		Year ended 31 December
(Unaudited)	2019	2018	2018
Gold revenue	137,181	155,746	660,029
Add: Realised gold hedge gains	-	-	1,784
Net gold revenue	137,181	155,746	661,813
Gold sold (ounces)	104,985	116,955	520,380
Net average realised gold price (US$/ounce)	1,307	1,332	1,272

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.

(US$'000)	Three months ended 31 March		Year ended 31 December
(Unaudited)	2019	2018	2018
Cost of Sales			
Direct mining costs	79,015	70,990	304,614
Third party smelting and refining fees	610	1,269	2,679
Realised losses on economic hedges	(27)	-	(446)
Realised losses on gold hedges	-	-	(1,784)
Royalty expense	10,622	12,151	50,814
Depreciation and amortisation*	24,999	23,990	88,497
Total	**115,219**	**108,400**	**444,374**
Total cost of sales	**115,219**	**108,400**	**444,374**
Deduct: Depreciation and amortisation*	(24,999)	(23,990)	(88,497)
Deduct: Realised losses on gold hedges	-	-	1,784
Deduct: Co-product revenue	(957)	(771)	(3,760)
Total cash cost	**89,263**	**83,639**	**353,901**
Total ounces sold	104,985	116,955	520,380

Total cash cost per ounce sold	**850**	**715**	**680**

** Depreciation and amortisation includes the depreciation component of the cost 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 issued revised guidance at the end of 2018, which mainly address changes to the accounting for leases and was 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". As a result the lease payment amount will now be included in the "all- in the sustaining cost". Also starting in the first quarter of 2019, we have included sustaining capital expenditures and project capital expenditures on a cash basis instead of an accrual basis. We believe that the change in capital expenditures from an accrual basis to a cash basis better reflects the timing of costs associated with our operations. A reconciliation between cash cost per ounce sold and AISC for the key business segments is presented below:

(Unaudited)	Three months ended 31March 2019				Three months ended 31 March 2018			
(US$/oz sold)	Bulyanhulu	North Mara	Buzwagi	Group*	Bulyanhulu[1]	North Mara	Buzwagi	Group*
Cash cost	622	755	1,164	850	713	607	964	715
Corporate administration	32	32	27	41	51	43	42	47
Share based payments	(3)	(1)	(3)	5	(43)	(3)	(7)	(13)
Rehabilitation	30	10	8	11	29	8	6	9
CSR expenses	24	8	14	16	32	11	6	13
Capitalised development	-	69	-	44	27	208	-	135
Sustaining capital	52	71	6	52	114	76	41	70
Sustaining leases**	-	-	12	4	-	-	-	-
Total AISC	757	944	1,228	1,023	923	950	1,052	976

** The group total includes a cost of US$22/oz of unallocated corporate related costs in Q1 2019 (Q1 2018: US$0/oz).*

***The changes in lease accounting referred to above have not had a material impact on AISC as the cost shown in the reconciliation for sustaining leases was previously shown as part of cash cost or corporate administration, depending on the nature of the lease.*

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 or loss for the period and EBITDA is presented below:

(US$000)	Three months ended 31 March		Year ended 31 December
(Unaudited)	2019	2018	2018
Net (loss)/profit for the period	(6,806)	49,995	58,866
Plus income tax expense	2,654	8,085	37,905
Plus depreciation and amortisation[1]	24,999	23,990	88,497
Plus: impairment charges/write-offs	-	-	28,877
Plus finance expense	3,190	3,836	13,200
Less finance income	(287)	(132)	(1,421)
EBITDA	**23,750**	**85,774**	**225,924**
Adjusted for:			
Gain on sale of non-core mineral royalty	-	(45,000)	(45,000)
Once-off legal settlements	-	3,030	3,030
Discounting of indirect taxes	**-**	-	(578)
Adjusted EBITDA	**23,750**	**43,804**	**183,376**

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

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 March		Year ended 31 December
(Unaudited)	2019	2018	2018
Net (loss)/earnings	(6,806)	49,995	58,866
Adjusted for:			
Gain on sale of non-core mineral royalty	-	(45,000)	(45,000)
Discounting of indirect taxes	-	-	(578)
One-off legal settlements	-	3,030	3,030
Impairment charges/write-offs	-	-	28,877
Tax impact of the above	-	(909)	(909)
Adjusted net (loss)/earnings	**(6,806)**	**7,116**	**44,286**

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.

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 include 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.