19 January 2017

Fourth Quarter Production Report for the three months ended 31 December 2016

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

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

“We are pleased to report strong fourth quarter production of 212,954 ounces, which resulted in record full year production of 829,705 ounces, almost 100,000 ounces ahead of 2015 and above already increased guidance”, **said Brad Gordon, Chief Executive Officer of Acacia.** “2016 was the fourth consecutive year of production growth at Acacia, which was driven by a record production year at North Mara and the highest production year at Bulyanhulu since 2006. The strong operational performance during the quarter led to a further build-up in cash of US$16 million, representing an increase of US$114 million in net cash during 2016. We are also pleased to confirm we will extend mining at Buzwagi by six months, and it will now continue until the end of 2017 before at least a further two years of processing stockpiles. As a result we look forward to another strong year and will provide guidance for the year with our preliminary results on 14 February.”

Highlights

- Q4 2016 gold production of 212,954 ounces and gold sales of 209,292 ounces
- Preliminary Q4 2016 AISC[1] of US$952 per ounce sold, after a US$47 per ounce credit in respect of share based payments, 5% lower than Q4 2015
- Full year 2016 gold production of 829,705 ounces, 13% above 2015, and ahead of revised full year guidance of up to 5% above original guidance of 750,000-780,000 ounces
- Full year sales of 816,743 ounces, 13% above 2015
- Preliminary full year 2016 AISC[1] of US$958 per ounce sold, 14% lower than 2015 and towards the bottom of the full year guidance range of US$950-980 per ounce
- Cash balance increased by US$16 million to US$318 million, post negative indirect tax movements of US$19 million and US$15 million for share based incentive costs during the quarter
- Net cash[1] position increased to US$219 million, an increase of US$114 million during 2016
- Six month extension of mining at Buzwagi until the end of 2017, which will lead to an increase in production compared to 2016 at the operation.

Key Statistics	Three months ended 31 December		Year ended 31 December	
(Unaudited)	2016	2015	2016	2015
Tonnes mined (thousands of tonnes)	9,644	10,128	38,491	41,390
Ore tonnes mined (thousands of tonnes)	2,584	2,822	9,419	10,311
Ore tonnes processed (thousands of tonnes)	2,567	2,413	9,818	9,268
Process recovery rate (percent)*	88.9%	87.5%	88.5%	87.4%
Head grade (grams per tonne)*	2.9	3.0	3.0	2.8
Gold production (ounces)	212,954	200,723	829,705	731,912
Gold sold (ounces)	209,292	198,617	816,743	721,203
Copper production (thousands of pounds)	4,255	4,496	16,239	14,981
Cash cost (US$/ounce)[1]	679	728	640	772
AISC (US$/ounce)[1]	952	1,004	958	1,112
Net average realised gold price (US$/ounce)[1]	1,211	1,107	1,240	1,154
Capital expenditure (US$’000) [2]	57,826	42,931	195,898	183,617

[1] These are non-IFRS measures. Refer to page 7 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

Conference call

A conference call will be held for analysts and investors on 19 January 2017 at 09:00 London time. The access details for the conference call are as follows:

Participant dial in: +44 (0) 203 003 2666 / +1 866 966 5335
Password: Acacia

A recording of the conference call will be made available on the Company's website, www.acaciamining.com, after the call. 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 Tanzania's largest gold miner and one of the largest producers of gold in Africa. We have three producing 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.

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 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 report.

Any forward-looking statements in this report only reflect information available at the time of preparation. Subject to the requirements of the Market Abuse Regulation or 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 update for the three months ended 31 December 2016

Gold production for the quarter amounted to 212,954 ounces, a 6% increase on the corresponding quarter of 2015 and a 4% increase on Q3 2016. The increase in production was predominantly driven by higher grades and recoveries at North Mara and increased run-of-mine processing at Bulyanhulu.

Gold ounces sold for the quarter of 209,292 ounces was 5% higher than Q4 2015. Gold ounces sold were 2% lower than gold produced as a result of logistical delays related to Bulyanhulu concentrate shipments.

North Mara gold production of 91,183 ounces was 18% higher than the prior year period as head grade increased by 16% compared to Q4 2015 due to the higher grade contribution from the Gokona underground mine as well as an increase in the open pit mine grade at Nyabirama combined with a resultant 3% higher recovery.

At Bulyanhulu, total production amounted to 79,859 ounces, 2% above Q4 2015. Production from run-of-mine processing of 70,808 ounces was 6% ahead of Q4 2015 as head grade increased by 5% due to an improvement in underground mined grades, in combination with a 3% increase in recovery. The increase in run-of-mine production was partly offset by a 20% (2,298 ounces) decrease in production attributable to reprocessed tailings due to lower head grade and resultant lower recovery, partly offset by higher throughput.

Gold production at Buzwagi of 41,912 ounces was 7% lower than in Q4 2015, driven by a 14% lower head grade as a result of ore tonnes being sourced predominantly from the lower grade splay areas due to a change in mine sequencing, partly offset by higher throughput as a result of improved plant performance.

Total tonnes mined for the quarter were 9.6 million compared to 10.1 million in Q4 2015 primarily due to lower waste tonnes mined at Buzwagi. Ore tonnes mined of 2.6 million were 8% lower than Q4 2015 mainly due to lower ore tonnes from the Nyabirama open pit at North Mara as mining focused on waste stripping of the next stage of the pit, partly offset by higher ore tonnes mined at Buzwagi as mentioned above. Tonnes processed in the fourth quarter of 2.6 million tonnes were 6% higher than the prior year due to improved throughput at Buzwagi as a result of good mill performance and improved throughput for reprocessed tailings at Bulyanhulu.

The average grade processed for the quarter was 2.9 grams per tonne which was 3% lower than the prior year period mainly due to a lower head grade at Buzwagi, partly offset by higher head grades at North Mara and Bulyanhulu.

Copper production for the quarter was 4.3 million pounds, 5% lower than the prior year period, mainly driven by lower copper grades at Bulyanhulu and Buzwagi combined with lower copper recoveries at Bulyanhulu.

The cash balance as at 31 December 2016 amounted to approximately US$318 million, increasing by US$16 million during the quarter. The outstanding balance of the debt facility was US$99 million at year end.

Mine Site Review

Bulyanhulu

Key Statistics

(Unaudited)		Three months ended 31 December 2016	Three months ended 31 December 2015	Year ended 31 December 2016	Year ended 31 December 2015
Key operational information:					
Ounces produced	oz	79,859	78,223	289,432	273,552
Ounces sold	oz	74,803	79,233	279,286	265,341
Cash cost per ounce sold[1]	US$/oz	784	653	722	797
AISC per ounce sold[1]	US$/oz	1,061	999	1,058	1,253
Copper production	Klbs	1,707	1,774	6,391	6,308
Copper sold	Klbs	1,309	1,559	5,570	5,424
Capital expenditure[2]	US$'000	20,017	21,982	84,575	101,292
Run-of-mine:					
Underground ore tonnes hoisted	Kt	244	292	909	993
Ore milled	Kt	263	268	933	983
Head grade	g/t	9.1	8.7	9.3	8.6
Mill recovery	%	91.8%	88.8%	91.4%	88.5%
Ounces produced	oz	70,808	66,874	254,552	240,044
Reprocessed tailings:					
Ore milled	Kt	451	380	1,650	1,368
Head grade	g/t	1.3	1.6	1.4	1.3
Mill recovery	%	47.2%	56.6%	45.8%	56.6%
Ounces produced	oz	9,051	11,349	34,880	33,508

[1] These are non-IFRS measures. Refer to page 7 for definitions
[2] Excludes non-cash capital adjustments (reclamation asset adjustments), includes finance lease purchases and land purchases treated as long term prepayments

Gold production at Bulyanhulu for the quarter was 79,859 ounces, 2% higher than the prior year period. This was driven by a 5% increase in run-of-mine processing head grade and a 3% increase in recoveries. The increase in production attributable to run-of-mine processing was partly offset by a decrease in production attributable to reprocessed tailings of 20% due to a 19% lower head grade and resultant 17% lower recovery rate, partly offset by higher throughput.

Gold sold for the quarter was 74,803 ounces, 6% lower than the prior year quarter and 6% lower than production as a result of logistical delays in relation to year-end concentrate shipments.

For the full year, gold production of 289,432 ounces was 6% above 2015, mainly driven by an 8% increase in run-of-mine head grade as underground mining grades improved, and a 3% increase in recovery, partly offset by 5% lower throughput due to the plant shutdown in Q3 2016. This was in combination with a 4% increase in production from reprocessed tailings as a result of increased throughput combined with an 8% increase in grade recovered.

Copper production for the quarter of 1.7 million pounds was 4% lower than 2015 due to lower copper grades and recovery rates. On a full year basis, total copper production of 6.4 million pounds was in line with the prior year.

Buzwagi

Key statistics

(Unaudited)		Three months ended 31 December 2016	Three months ended 31 December 2015	Year ended 31 December 2016	Year ended 31 December 2015
Key operational information:					
Ounces produced	oz	41,912	45,196	161,830	171,172
Ounces sold	oz	41,514	41,879	161,202	166,957
Cash cost per ounce sold[1]	US$/oz	1,035	1,101	1,031	1,046
AISC per ounce sold[1]	US$/oz	1,056	1,236	1,095	1,187
Copper production	Klbs	2,547	2,721	9,847	8,672
Copper sold	Klbs	2,075	2,160	9,175	7,894
Capital expenditure[2]	US$'000	264	2,741	3,582	12,335
Mining information:					
Tonnes mined	Kt	5,090	5,573	21,585	24,989
Ore tonnes mined	Kt	1,509	1,432	5,317	5,658
Processing information:					
Ore milled	Kt	1,159	1,060	4,404	4,085
Head grade	g/t	1.2	1.4	1.2	1.4
Mill recovery	%	94.5%	94.8%	94.5%	94.1%

[1] These are non-IFRS measures. Refer to page 7 for definitions
[2] Excludes non-cash capital adjustments (reclamation asset adjustments), includes finance lease purchases and land purchases treated as long term prepayments

Gold production for the quarter at Buzwagi of 41,912 ounces was 7% below Q4 2015, driven by a 14% lower head grade as a result of lower mined grades due to a change in pit sequencing in order to enhance operational efficiencies in 2017, partly offset by higher throughput as a result of improved plant performance. Gold sold for the quarter amounted to 41,514 ounces, in line with the prior year and in line with production.

Gold production for the full year of 161,830 ounces was 5% lower than in 2015 due to a 14% decrease in grade as a result of mining the cut back with ore primarily sourced from lower grade splay material. This was partly offset by an 8% increase in throughput due to improved mill availability and improved milling rates.

Copper production of 2.6 million pounds for the quarter was 6% lower than in Q4 2015 driven by the lower copper grades.

As previously disclosed, during 2016 we assessed the potential to extend mining of the open pit at Buzwagi and as a result now expect this to continue until the end of 2017, followed by at least two years of processing stockpiles. We will provide more details with our preliminary results in February as part of our annual guidance update, but as a result of this extension and focus on the higher grade main zone within the pit we expect 2017 production at the mine to be in excess of 2016 levels.

North Mara

Key statistics

(Unaudited)		Three months ended 31 December 2016	Three months ended 31 December 2015	Year ended 31 December 2016	Year ended 31 December 2015
Key operational information:					
Ounces produced	oz	91,183	77,304	378,443	287,188
Ounces sold	oz	92,975	77,505	376,255	288,905
Cash cost per ounce sold[1]	US$/oz	436	604	410	590
AISC per ounce sold[1]	US$/oz	850	932	733	915
Capital expenditure[2]	US$('000)	37,144	17,756	106,326	69,016
Open pit:					
Tonnes mined	Kt	4,182	4,133	15,556	15,110
Ore tonnes mined	Kt	702	967	2,752	3,361
Mine grade	g/t	2.1	1.9	1.9	2.4
Underground:					
Ore tonnes trammed	Kt	127	130	440	298
Mine grade	g/t	11.0	8.7	15.6	7.1
Processing information:					
Ore milled	Kt	693	705	2,830	2,833
Head grade	g/t	4.4	3.8	4.5	3.6
Mill recovery	%	92.1%	89.5%	92.0%	88.2%

[1] These are non-IFRS measures. Refer to page 7 for definitions
[2] Excludes non-cash capital adjustments (reclamation asset adjustments), includes finance lease purchases and land purchases treated as long term prepayments

Gold production for the quarter at North Mara of 91,183 ounces was 18% higher than in Q4 2015, as head grade increased by 16% compared to Q4 2015 due to the contribution from the high grade Gokona underground mine as well as an increase in the open pit mine grade at Nyabirama, combined with a resultant 3% higher recovery. Gold ounces sold for the quarter of 92,975 ounces were 2% above production due to the sale of gold ounces on hand at the end of September.

Gold production for the full year of 378,443 ounces was 32% higher than in 2015, and a record for the mine. This was as a result of 25% higher head grade driven by the higher contribution from the Gokona underground mine and a 4% improvement in recoveries. Gold ounces sold for the full year of 376,255 ounces were 30% higher than the prior year and broadly in line with production.

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 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.