23 April 2015

Results for the three months ended 31 March 2015 (Unaudited)

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

Acacia Mining plc (“Acacia’’) reports first quarter results

“We have delivered steady production over the first quarter, with 181,660 ounces of gold produced, in line with the previous quarter and underpinned by continued strong production at North Mara”, **said Brad Gordon, Chief Executive Officer of Acacia Mining.** “We saw a marginal increase in all-in sustaining cost (AISC) to US$1,117 per ounce sold compared to the previous quarter, as well as a reduction in our net cash balance, due to the timing of sales as well as several short term challenges at Bulyanhulu, principally related to the tailings reclaim and equipment availabilities. We have addressed these issues and continued to implement a range of other operational improvements that will deliver progressive improvement at the mine over the rest of the year. We remain on track to achieve our full year production guidance of 750-800koz of gold at AISC of between US$1,050-$1,100 per ounce, with production continuing to be second half weighted.”

Operational Highlights

- Gold production of 181,660 ounces, 8% higher than Q1 2014
- Gold sales of 171,415 ounces, 7% higher than Q1 2014, and 6% below production due to the timing of concentrate sales
- AISC[1] of US$1,117 per ounce sold, 1% lower than Q1 2014
- Cash costs[1] of US$783 per ounce sold, 4% higher than Q1 2014
- Gokona Underground progressing well and on track for first production in Q2 2015
- Further expansion of our footprint in West Africa with the entry into two additional earn-in agreements in Burkina Faso

Financial Highlights

- Revenue of US$215 million, broadly in line with Q1 2014, as increased ounces sold were offset by the 7% lower gold price
- EBITDA[1,2] of US$53 million, 18% lower than 2014, resulting from the lower average realised gold price and higher cash costs
- Net earnings[2] of US$9 million (US2.2 cents per share), compared to US$22.4 million in Q1 2014
- Operational cash flow of US$47 million, 7% down on Q1 2014 due to the lower average realised gold price
- Cash position of US$286 million as at 31 March 2015 compared to US$254 million at 31 March 2014
- Capital expenditure[2] of US$41 million, 26% lower than Q1 2014 due to lower expansionary capital expenditures

	Three months ended 31 March		Year ended 31 December
(Unaudited)	2015	2014	2014
Gold production (ounces)	181,660	168,375	718,651
Gold sold (ounces)	171,415	159,384	703,680
Cash cost (US$/ounce)[1]	783	756	732
AISC (US$/ounce)[1]	1,117	1,131	1,105
Average realised gold price (US$/ounce)[1]	1,207	1,303	1,258
(in US$'000)			
Revenue	214,894	216,287	930,248
EBITDA [1,2]	52,975	64,731	252,716
Net earnings[2]	9,207	22,410	90,402
Basic earnings per share (EPS) (cents)[2]	2.2	5.5	22.1
Cash generated from operating activities[2]	47,129	50,726	289,528
Capital expenditure[2,3]	41,433	55,780	253,802
Cash balance	285,569	254,094	293,850

[1] These are non-IFRS measures. Refer to page 11 for definitions
[2] EBITDA, net earnings, earnings per share, cash generated from operating activities and capital expenditure include continuing and discontinued operations
[3] Excludes non-cash capital adjustments (reclamation asset adjustments) and includes finance lease purchases

Other Developments

Expansion of exploration acreage in Burkina Faso

We continued to expand our footprint in the prospective Houndé Belt in Burkina Faso through the signing of two further earn-in agreements with Canyon Resources and Thor Explorations Ltd.

The Thor Explorations agreement allows Acacia to earn up to an 80% interest in the Central Houndé Project, with an initial earn-in of a 51% interest by the completion of agreed exploration expenditures over a three year period, with an additional 29% interest to be earned by the completion of a pre-feasibility study on a mineral resource on the project area. The Canyon Resources agreement allows Acacia to earn up to a 75% interest in the Pinarello and Konkolikan projects by the completion of an up-front cash payment and agreed exploration expenditure over a two year period.

Gokona Underground

We have made good progress on the construction of the underground operation at the Gokona pit during the quarter, with a further 947 metres of development advanced, making a total of over 1,200 metres since the project commenced. During the quarter we received initial approvals for the revision to the Environmental Impact Assessment (EIA) required for the underground operation to begin commercial production. The EIA has now been passed to the Vice President's Office for final approvals and certification. We continue to expect to commence stoping within Q2 2015 upon receipt of the EIA certificate.

Indirect taxes

During the quarter we received gross VAT refunds of US$25.2 million, however due to delays to the processing of repayments, and higher than normal outflows due to seasonal effects, the total indirect tax receivable not covered by the 2011 Memorandum of Settlement increased by approximately US$6 million to US$52 million. Discussions with the Tanzanian Government are continuing with respect to the establishment of an appropriate mechanism to safeguard the recoverability of VAT payments over the long term, specifically with respect to VAT paid on domestic goods, and we will provide feedback as discussions progress.

Key statistics

(Unaudited)	Three months ended 31 March 2015	Three months ended 31 March 2014	Year ended 31 December 2014
Tonnes mined (thousands of tonnes)	10,153	9,537	41,684
Ore tonnes mined (thousands of tonnes)	2,507	1,793	8,170
Ore tonnes processed (thousands of tonnes)	2,075	1,845	8,413
Process recovery rate (percent)*	88.0%	89.1%	88.0%
Head grade (grams per tonne)*	3.1	3.2	3.0
Gold production (ounces)	181,660	168,375	718,651
Gold sold (ounces)	171,415	159,384	703,680
Copper production (thousands of pounds)	3,499	2,976	14,068
Copper sold (thousands of pounds)	2,827	2,517	13,448
Cash cost per tonne milled (US$/t)[1]	65	65	61
Per ounce data			
Average spot gold price[2]	1,218	1,293	1,266
Average realised gold price[1]	1,207	1,303	1,258
Total cash cost[1]	783	756	732
All-in sustaining cost[1]	1,117	1,131	1,105
Average realised copper price (US$/lb)	2.47	2.96	3.01

Financial results

(Unaudited, in US$'000)	Three months ended 31 March 2015	Three months ended 31 March 2014	Year ended 31 December 2014
Revenue	214,894	216,287	930,248
Cost of sales	(174,941)	(159,141)	(688,278)
Gross profit	39,953	57,145	241,970
Corporate administration	(9,390)	(6,356)	(32,685)
Share based payments	(1,518)	(3,324)	(8,388)
Exploration and evaluation costs	(4,694)	(4,970)	(18,284)
Corporate social responsibility expenses	(2,080)	(2,496)	(10,787)
Other charges	(1,960)	(6,623)	(47,921)
Profit before net finance expense and taxation	20,311	33,376	123,905
Finance income	346	350	1,324
Finance expense	(3,239)	(2,402)	(10,043)
Profit before taxation	17,418	31,324	115,186
Tax expense	(8,211)	(10,669)	(25,977)
Net profit from continuing operations	9,207	20,655	89,209
Discontinued operations:			
Net (loss)/gain from discontinued operations	-	1,288	726
Net profit for the period	9,207	21,943	89,935
Attributed to:			
Owners of the parent (net earnings)	9,207	22,410	90,402
Non-controlling interests	-	(467)	(467)

[1] These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to"Non IFRS measures"' on page 11 for definitions.
[2] Reflect the London PM fix price.
***Reported process recovery rates and head grade include tailings retreatment at Bulyanhulu in Q1 2015. Excluding the impact of the tailings retreatment process recovery would be 89.0% with head grade being 3.3g/t

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About Acacia Mining plc

Acacia Mining plc (LSE:ACA), formerly African Barrick Gold, 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 and Burkina Faso.

Our approach is focused on strengthening our three core pillars; our business, our people and our relationships. Our name change from African Barrick Gold to Acacia Mining reflects a new approach to mining, and an ambition to create a leading African company.

Acacia Mining 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 remains our majority shareholder. Acacia Mining 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 will be held for analysts and investors on 23 April 2015 at 9.00am 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 available on our website www.acaciamining.com after the call.

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 Disclosure and Transparency Rules and the Listing Rules 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.*

First Quarter Review

Production for the quarter of 181,660 ounces is in line with Q4 2014, as guided, and 8% higher than the same period last year. All-in sustaining costs amounted to US$1,117 per ounce sold, a 1% reduction on Q1 2014, although marginally higher than Q4 2014 as a result of the lower sales ounces. Cash costs of US$783 per ounce sold were 4% higher than in Q1 2014, mainly as a result of the impact of increased maintenance and contracted services costs at Bulyanhulu and lower capitalisation of waste movement at Buzwagi. As previously outlined, our definition of gold production changed as of 1 January 2015 to gold poured and no longer includes changes to our gold-in-circuit ounces. We have not restated prior period performance due to the immateriality of the change.

North Mara's production of 75,614 ounces was 10% higher than Q1 2014 due to improved throughput rates and a higher head grade. AISC fell by 16% to US$828 per ounce sold compared to Q1 2014. This was predominantly due to the increased production base and the impact of higher sales ounces on flat capital expenditure. During the quarter we progressed the development of the underground exploration portal and remain on track for first production in Q2 2015.

Bulyanhulu saw a 12% increase in production to 61,718 ounces compared to Q1 2014 primarily as a result of the processing of reclaimed tailings which delivered 3,484 ounces of production and increased run of mine throughput partially offset by lower head grades and recoveries. During the quarter water balance issues on site led to the reclaimed tailings operation being offline for over half of the period, which was the primary reason behind reduced tailings throughput of 173kt for the quarter, being approximately a third of planned levels. These issues have now been resolved. AISC of US$1,453 per ounce sold was 27% higher than Q1 2014 driven by increased cash costs, as a result of additional investment in maintenance to address equipment availabilities and contracted services costs, combined with increased sustaining capital and investment in underground development, primarily related to the Upper East and Lower West projects that started later in 2014.

At **Buzwagi**, gold production for the quarter of 44,328 ounces was in line with Q1 2014, as increased recoveries due to process plant performance enhancements over the course of 2014 were offset by marginally lower grade. AISC reduced by 12% to US$1,118 compared to Q1 2014 mainly as a result of lower capitalised development expenditure.

Total group tonnes mined during the quarter amounted to 10.2 million, an increase of 6% on Q1 2014 as a result of increased mining activity at Buzwagi. Ore tonnes mined were 2.5 million compared to 1.8 million in 2014, as a result of increased ore tonnes mined from both North Mara and Buzwagi.

Ore tonnes processed amounted to 2.1 million, an increase of 12% on Q1 2014 primarily driven by increased throughput at Bulyanhulu and North Mara.

Head grade for the year of 3.1 g/t was 3% lower than in Q1 2014 (3.2 g/t). Excluding the impact of the reclaimed tailings, head grade was marginally higher year on year with an increased grade at North Mara partially offset by reduced grade at Bulyanhulu and Buzwagi.

Our cash costs for the quarter were 4% higher than in Q1 2014, and amounted to US$783 per ounce sold. The increase was primarily due to:

- Lower capitalisation of waste stripping expenses at Buzwagi and North Mara (US$90/oz);
- Increased contracted services and maintenance costs relating to contracted ore development work mainly relating to the Upper East and Lower West projects which started in Q2 2014 at Bulyanhulu (US$77/oz); and
- Increased consumable costs predominantly at Bulyanhulu and Buzwagi driven by increased activity (US$20/oz).

Partly offset by:

- The impact of the increased production base (US$101/oz)
- Lower fuel costs due to a lower diesel price combined with improved Tanesco reliance partially offset by the impact of realised hedge losses, predominantly relating to oil collar contracts, of US$2.1 million (US$25/oz); and
- Lower labour costs specifically driven by a reduction in international employees (US$36/oz).

AISC of US$1,117 per ounce sold for the quarter was 1% lower than Q1 2014. Increased cash costs and higher sustaining capital and capitalised development expenditure were offset by the impact of a 12,000 ounce (8%) increase in sales ounces with a resultant positive impact on unit costs.

Cash generated from operating activities amounted to US$47.1 million, US$3.6 million lower than in Q1 2014, driven by the US$96 per ounce reduction in average realised gold price, partially offset by improved working capital movements.

Capital expenditure for the quarter amounted to US$41.4 million compared to US$55.8 million in Q1 2014. Capital expenditure primarily comprised capitalised development expenditure (US$27.5 million), component and equipment costs (US$8.7 million) and investments in tailings and infrastructure (US$3.9 million).

Cash balance at the end of March 2015 stood at US$286 million, US$31 million higher than in Q1 2014. Free cash generation during the quarter was impacted by gold sales being approximately 10,000 ounces lower than production, the fulfilment of accruals relating to previously incurred capital expenditures of approximately US$10 million and land payments of US$2.5 million. Total borrowings at the end of the quarter amounted to US$142 million, with the first repayment of approximately US$16 million due in H2 2015.

Mine Site Review

Bulyanhulu

Key statistics

(Unaudited)		Three months ended 31 March 2015	2014	Year ended 31 December 2014
Key operational information:				
Ounces produced	oz	61,718	55,179	234,786
Ounces sold	oz	54,486	49,121	215,740
Cash cost per ounce sold[1]	US$/oz	921	811	812
AISC per ounce sold[1]	US$/oz	1,453	1,145	1,266
Copper production	Klbs	1,580	1,296	5,289
Copper sold	Klbs	1,161	1,194	4,925
Run-of-mine processing:				
Underground ore tonnes hoisted	Kt	242	211	909
Ore milled	Kt	250	220	906
Head grade	g/t	8.3	8.5	8.7
Mill recovery	%	87.0%	91.7%	88.0%
Ounces produced	oz	58,234	55,179	222,381
Cash cost per tonne milled[1]	US$/t	201	181	193
Reprocessed tailings:				
Ore milled	Kt	173	-	617
Head grade	g/t	1.1	-	1.1
Mill recovery	%	55.7%	-	56.9%
Ounces produced	oz	3,484	-	12,405
Capital Expenditure				
- Sustaining capital	US$('000)	8,982	2,148	23,388
- Capitalised development	US$('000)	16,120	11,256	60,151
- Expansionary capital	US$('000)	784	14,859	48,010
		25,886	28,263	131,549
- Non-cash reclamation asset adjustments	US$('000)	3,158	5,665	6,141
Total capital expenditure	US$('000)	29,044	33,928	137,690

[1]These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to"Non IFRS measures"' on page 11 for definitions.

Operating performance

Gold production for the quarter of 61,718 ounces was 12% higher than the prior year period, as a result of the processing of reclaimed tailings which delivered 3,484 ounces of production, and a 14% increase in tonnes processed from the underground operation. This was in part offset by a 2% reduction in grade, primarily due to the processing of lower grade development ore from the Upper East zone and a 5% reduction in recoveries due to underperformance of the elution circuit. Following the completion of remediation works, recoveries have now returned to planned levels.

Total development metres during the quarter were 57% higher than Q1 2014, reflecting the improvement in productivity per jumbo achieved over the last year and we expect to see a further increase during Q2 as additional ventilation removes current constraints. Average long-hole stope width during the quarter was 2.9 metres, a 31% reduction over Q1 2014, which reflects improved operational practices and reduced dilution. The reduced stoping width, together with improved development productivities and access to higher grade stopes, is expected to drive an improvement in mined grade.

Run of mine production was in line with Q4 2014, which was below plan principally due to low availabilities of 3 and 7 yard loaders which affected the mucking of higher grade long-hole stopes. The increased investment in maintenance in 2015 is addressing this issue as we undertake component change outs which will bring these units back into line with their planned maintenance schedules and improve availabilities. Water balance issues on site led to the reclaimed tailings operation being offline for over half of the period. These issues have also now been resolved and were the primary reason for the reduced tailings throughput of 173kt for the quarter, being approximately a third of planned levels. We expect to return to normal throughput rates from Q2 2015.

Gold ounces sold of 54,486 ounces were 11% higher than Q1 2014 primarily due to the higher production base, but were lower than production due to the impact of the timing of production on concentrate shipments leaving site. Copper production of 1.6 million pounds for the quarter was 22% higher than in Q1 2014 due to higher copper grades combined with higher run of mine throughput.

Cash costs for the quarter of US$921 per ounce sold were 14% higher than the prior year period of US$811, driven by higher contracted service costs related to the Upper East and Lower West projects, combined with additional investment in maintenance and an activity driven increase in consumable costs. These were in part offset by the higher production base, lower labour costs mainly as a result of a reduction in international employees and increased capitalisation of development costs.

AISC per ounce sold for the year of US$1,453 was 27% higher than in Q1 2014 (US$1,145), driven by higher cash costs and increased sustaining capital, together with the capitalisation of the increased investment in underground development, these were slightly offset by increased sales ounces on a per unit basis.

Capital expenditure for the quarter before reclamation adjustments amounted to US$25.9 million, 8% lower than in Q1 2014 (US$28.3 million). Lower expansion capital was partially offset by increased sustaining capital and capitalised development expenditure. Capital expenditure for the quarter consisted mainly of capitalised underground development costs (US$16.1 million), component and equipment costs (US$6.7 million) and investment in tailings and infrastructure (US$2.3 million).

Buzwagi

Key statistics

		Three months ended 31 March		Year ended 31 December
(Unaudited)		2015	2014	2014
Key operational information:				
Ounces produced	oz	44,328	44,557	210,063
Ounces sold	oz	41,395	42,963	213,399
Cash cost per ounce sold[1]	US$/oz	1,004	927	791
AISC per ounce sold[1]	US$/oz	1,118	1,274	1,055
Copper production	Klbs	1,920	1,681	8,780
Copper sold	Klbs	1,666	1,323	8,523
Mining information:				
Tonnes mined	Kt	6,211	5,543	24,510
Ore tonnes mined	Kt	1,375	1,021	4,692
Processing information:				
Ore milled	Kt	962	970	4,086
Head grade	g/t	1.5	1.6	1.7
Mill recovery	%	94.0%	88.2%	92.4%
Cash cost per tonne milled[1]	US$/t	43	41	41
Capital Expenditure				
- Sustaining capital	US$('000)	2,027	1,861	12,817
- Capitalised development	US$('000)	22	9,632	31,357
		2,049	11,493	44,174
- Non-cash reclamation asset adjustments	US$('000)	620	665	(1,131)
Total capital expenditure	US$('000)	2,669	12,158	43,043

[1]These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to"Non IFRS measures"' on page 11 for definitions.

Operating performance

Gold production for the quarter of 44,328 ounces was in line with Q1 2014. As a result of operational improvements made to the process plant over the course of 2014, recovery rates increased to 94% from 88% in Q1 2014, which was in turn offset by the marginally lower grade. Mill throughput was in line with Q1 2014, but below nameplate capacity primarily due to an unplanned two week shutdown in January as a result of mechanical issues with the primary ore conveyor. Gold sold for the quarter amounted to 41,395 ounces, 7% lower than production due to the impact of the timing of production on concentrate shipments leaving site. Total tonnes mined for the quarter of 6.2 million tonnes were 12% higher than in Q1 2014 due to improved equipment availabilities.

Copper production of 1.9 million pounds for the quarter was 14% higher than in Q1 2014 driven by the improved grades.

Cash costs for the quarter of US$1,004 per ounce sold were 8% higher than in Q1 2014 (US$927). Cash costs were impacted by the lower capitalisation of waste stripping costs and increased maintenance and consumable costs due to increased mining activity. This was partially offset by lower energy and fuel costs driven by lower diesel unit costs and lower reliance on self-generation, and lower labour costs as a result of a reduction in international employees.

AISC per ounce sold for the year of US$1,118 was 12% lower than in Q1 2014 (US$1,274). This was driven by lower capitalised stripping expenditure partially offset by increased cash costs.

Capital expenditure for the quarter before reclamation adjustments of US$2.0 million was 82% lower than in Q1 2014 (US$11.5 million). The reduction is mainly due to lower capitalisation of stripping costs due to a lower strip ratio. Key capital expenditure for the quarter included investment in tailings and infrastructure (US$0.9 million) and component change out costs (US$1.1 million).

North Mara

Key statistics

(Unaudited)		Three months ended 31 March 2015	Three months ended 31 March 2014	Year ended 31 December 2014
Key operational information:				
Ounces produced	oz	75,614	68,639	273,803
Ounces sold	oz	75,535	67,300	274,540
Cash cost per ounce sold[1]	US$/oz	563	607	623
AISC per ounce sold[1]	US$/oz	828	980	947
Mining information:				
Tonnes mined	Kt	3,691	3,783	16,265
Ore tonnes mined	Kt	882	560	2,569
Processing information:				
Ore milled	Kt	691	655	2,804
Head grade	g/t	3.9	3.7	3.5
Mill recovery	%	87.8%	87.8%	87.2%
Cash cost per tonne milled[1]	US$/t	62	62	61
Capital Expenditure				
- Sustaining capital	US$('000)	1,733	3,531	18,049
- Capitalised development	US$('000)	11,321	12,267	40,900
- Expansionary capital	US$('000)	212	-	13,126
		13,266	15,798	72,075
- Non-cash reclamation asset adjustments	US$('000)	2,006	3,976	16,003
Total capital expenditure	US$('000)	15,272	19,774	88,078

[1]These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to"Non IFRS measures"' on page 11 for definitions.

Operating performance

Production for the quarter of 75,614 ounces was 10% higher than the prior year period primarily as a result of higher throughput rates, which exceeded the prior year period by 5%, mainly due to business improvement initiatives in both the mining and milling areas, and a 5% higher head grade driven by the higher grades from both the Gokona and Nyabirama pits. Gold ounces sold for the quarter of 75,535 ounces were in line with production, and 12% higher than the prior year due to the higher production base.

Total tonnes mined for the period of 3.7 million tonnes were 2% lower than in Q1 2014 as a result of reduced working areas in the Gokona pit as it nears completion.

Cash costs for the year of US$563 per ounce sold were 7% lower than in Q1 2014 (US$607). Cash costs were positively impacted by the higher production base, lower labour costs as a result of the reduction in the international workforce, lower fuel costs due to lower unit prices and lower maintenance costs due to improved maintenance practices, partially offset by lower capitalisation of waste stripping costs and increased contracted services mainly relating to drilling contractors.

AISC per ounce sold for the quarter of US$828 was 16% lower than in Q1 2014 (US$980) predominantly due to lower cash costs, and the impact of the higher sales ounces on unit costs for capitalised development and sustaining capital expenditure.

The development of the underground operation at the Gokona pit progressed well during the quarter, with a further 947 metres of development advanced, making a total of over 1,200 metres since the project commenced. During the quarter we received initial approvals for the revision to the Environmental Impact Assessment (EIA) required for the underground operation to begin commercial production. The EIA has now been passed to the Vice President's Office for final approvals and certification. We continue to expect to commence stoping and initial production within Q2 2015 upon receipt of the EIA certificate.

Capital expenditure for the quarter before reclamation adjustments of US$13.3 million was 16% lower than in Q1 2014 (US$15.8 million), due to lower sustaining capital expenditure. Key capital expenditure included underground development costs relating to the Gokona Underground project (US$6.7 million), open pit capitalised stripping (US$4.6 million), investments in component costs (US$0.9 million) and tailings and infrastructure ($0.8 million).

Exploration Review

During Q1 2015, the exploration group focused on greenfield programmes in Kenya and Burkina Faso and undertook soil sampling, geophysical surveys and drilling programmes. Exploration spend was in line with expectations at US$4.6 million for the quarter.

Greenfield Exploration

During the quarter we have significantly progressed our understanding of the West Kenya joint venture properties and have seen encouraging results from diamond core drilling. At our joint venture with Sarama Resources Limited ("Sarama") we have commenced extensive drill programmes, geophysical surveys and soil sampling and have had early success in identifying extensions to near surface gold zones. Furthermore, we have added to our Houndé Belt portfolio with two new earn-in agreements signed with Canyon Resources and Thor Explorations Ltd. We continue to look throughout Africa for opportunities to further enhance and diversify our exploration portfolio through low cost joint ventures or option agreements.

Kenya

West Kenya Joint Venture Projects

The focus of activities during Q1 2015 has been on following up gold zones intersected in aircore drilling completed during 2014 along the Liranda Corridor (Kakamega Dome Camp).

Kakamega Dome Camp – Liranda Corridor

In late 2014, we commenced a diamond core drill programme to investigate the orientation and continuity of gold mineralisation intersected in the aircore drilling within the Liranda Corridor. During Q1 2015, we completed 19 diamond core holes for 6,163 metres bringing the programme total to 36 holes for 9,411 metres. To date we have received results for 27 of 36 holes with 15 holes returning significant assays (>1g/t), including better results of:

- KDLCDD0003: 10m @ 17.4g/t Au from 18m (including 5m @ 33.4g/t Au from 20m)*
- KDLCDD0005: 4m @ 4.85g/t from 71m**
- KDLCDD0008: 6m @ 3.08g/t Au from 159m**
- KDLCDD0012: 0.6m @ 20.0g/t Au from 101.5m**
- LCD0013: 3m @ 8.88g/t Au from 62m
- LCD0019: 16m @ 2.56g/t Au from 91m
- LCD0028: 1m @ 41.9g/t Au from 164m

*Notes: * intersection reported January but updated with final assay analysis, ** intersection reported in January 2015*

Gold mineralised zones encountered to date occur with quartz veining and associated carbonate alteration with pyrite, arsenopyrite, +/- sphalerite within mafic volcanic, porphyry and argillite units. Structural modelling is on-going to fully understand the controls on quartz veining and mineralised zones at the different locations along the extensive strike extent of Liranda Corridor. We expect to complete the Phase I diamond core programme during Q2 2015 and will then target priority areas as part of the Phase II drilling with deeper drill holes (400-500m) in some areas.

Burkina Faso

In April we announced the completion of two new earn-in agreements, with Canyon Resources and Thor Explorations Ltd, within the Houndé Belt of Burkina Faso, adjacent to and nearby the existing South Houndé earn-in agreement with Sarama. Together with the existing South Houndé JV in Burkina Faso (Sarama Resources/Acacia JV), the three joint ventures provide Acacia exposure to approximately 2,400km^2 of the prospective Houndé Belt. This land package has been built over the past five months and represents a large and coherent land holding, providing Acacia with the opportunity to explore a well-endowed greenstone belt. The agreements now cover an area larger than the licence areas Acacia holds in either Tanzania or Kenya.

The Thor Explorations agreement allows Acacia to earn up to an 80% interest in the Central Houndé Project. Initially Acacia can earn a 51% interest by the completion of agreed exploration expenditures over a three year period, following which we have the potential to earn an additional 29% interest in the project by completing a pre-feasibility study on a mineral resource on the project area. The Canyon Resources agreement allows Acacia to earn up to a 75% interest in the Pinarello and Konkolikan Projects by the completion of an up-front cash payment and agreed exploration expenditure over a two year period. Acacia will manage and undertake exploration programmes on both of these new earn-in projects.

The planned exploration expenditures during the remainder of 2015 across the new projects totals approximately US$1 million and forms part of the forecast US$20 million 2015 exploration budget. We expect field exploration programmes to commence on both new earn-in areas during Q2 2015, with soil sampling, auger and aircore drilling and IP geophysical programmes.

South Houndé Joint Venture

In November 2014, Acacia entered into an earn-in agreement with Sarama whereby Acacia can earn an interest of up to 75% at Sarama's highly prospective South Houndé Project in Burkina Faso. Sarama has identified a number of high-quality exploration targets including the 1.5Moz Au Tankoro Resource. The Tankoro Resource (comprising the MM, MC and Phantom Zones) extends over a 7.3 kilometre strike length within a 25 kilometres long mineralised corridor, one of three such mineralised corridors on the property. Exploration programmes during the quarter have started to test for high-grade extensions to the existing Tankoro resource base, both along strike and at depth, as well as near surface extensions to known mineralisation using aircore and reverse circulation drilling. Additionally, aircore and reverse circulation drilling was undertaken on some of the regional targets (Obi, Guy and Dlarakoro).

Results to date from the various drilling programmes, especially the aircore drilling, have been encouraging and the focus for Q2 2015 will be on establishing the controls and geometry of high grade structures on the MM and MC Zone resource areas to enable better targeting of potential underground extensions. In addition to the drilling programmes targeting existing soil anomalies and extensions to known zones, a detailed aeromagnetic survey was completed across the entire South Houndé project area, ground Induced Polarisation (IP) geophysical surveys were extended to the northwest of MM and MC Zones, and soil sampling was undertaken in the "Tiyikoro Gap" to give complete soil sampling coverage across the project.

Brownfield Exploration

Bulyanhulu

During 2015, the Bulyanhulu underground geology team is continuing resource expansion drilling on Reef 2, targeting 5Moz of resource additions over the next 3-5 years. At the same time we plan to undertake near-mine surface drilling, targeting extensions to existing reefs outside the current resource and new deposits. The initial surface reverse circulation and diamond core drill programmes are expected to commence in late Q2 2015 and will test the Safari, Nose Zone and NW Extensions prospects, all within 500 metres to 4 kilometres of the Bulyanhulu operation. Resource extension drilling testing the Reef 2 potential west of the currently defined resources is also expected to commence during Q2 2015 with development drives now completed and ready for access by drill rigs.

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.

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

- Unrealised mark-to-market gains and losses on provisional pricing from copper and gold sales contracts; and
- Export duties.

Cash cost per ounce sold is a non-IFRS financial measure. Cash costs include all costs absorbed into inventory, as well as royalties, production taxes and realised gains/losses on operating hedges, 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. A reconciliation between cash cost per ounce sold and cost of sales is presented below:

(US$'000)	Three months ended 31 March	
(Unaudited)	2015	2014
Cost of Sales		
Direct mining costs	126,421	115,248
Third party smelting and refining fees	4,209	4,134
Realised losses on economic fuel, copper and currency hedges	2,107	-
Royalty expense	9,561	9,763
Depreciation and amortisation	32,642	29,998
Total cost of sales	**174,941**	**159,142**
Total cost of sales	**174,941**	**159,142**
Deduct: depreciation and amortisation	(32,642)	(29,998)
Deduct: Co-product revenue	(8,057)	(8,646)
Total cash cost	**134,242**	**120,499**
Total ounces sold	171,416	159,384
Cash cost per ounce	**783**	**756**

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. A reconciliation between cash cost per ounce sold and AISC for the key business segments is presented below:

(Unaudited)	Three months ended 31 March 2015				Three months ended 31 March 2014			
(US$/oz sold)	Bulyanhulu	North Mara	Buzwagi	ACA Group ongoing operations	Bulyanhulu	North Mara	Buzwagi	ACA Group ongoing operations
Cash cost per ounce sold	921	563	1,004	783	811	607	927	756
Corporate administration	51	41	47	55	43	32	40	40
Share based payments	6	0	-2	9	1	2	13	21
Rehabilitation	6	24	7	14	7	18	9	12
Mine exploration	2	2	0	2	2	1	1	2
CSR expenses	6	10	12	12	7	18	19	16
Capitalised development	296	150	1	160	229	182	224	208
Sustaining capital	165	38	49	82	45	120	44	76
Total continuing operations	1,453	828	1,118	1,117	1,145	980	1,274	1,131

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.

Cash cost per tonne milled is a non-IFRS financial measure. Cash costs include all costs absorbed into inventory, as well as royalties, by-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 costs per tonne milled are 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.

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

Mining statistical information

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

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