14 February 2017

Results for the 12 months ended 31 December 2016 (Unaudited)

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

Acacia Mining plc ("Acacia'') reports full year 2016 results

"2016 was another successful year for Acacia as we delivered record production, reduced our all-in sustaining costs by 14% and more than doubled our net cash position" **said Brad Gordon, Chief Executive Officer of Acacia Mining.** "This excellent operational performance translated into strong financial performance with EBITDA more than doubling to US$415 million and adjusted net earnings increasing to US$161 million. We continued to invest into our exploration portfolio and are poised to announce a maiden resource on the West Kenya project, in which we strategically increased our interest to 100% in 2016. As a result of this strong underlying performance in 2016, the Board of Directors has proposed a full year dividend of 10.4 cents (final dividend of 8.4 cents) which is at the top end of our policy and more than twice the total dividend announced for 2015 (4.2 cents). We expect 2017, driven by the mine life extension at Buzwagi, to see further production growth and cost reductions, with production expected to be between 850,000-900,000 ounces at an AISC of between US$880-920 per ounce.

Financial Highlights

- Revenue of US$1,054 million, 21% higher than 2015, due to a 13% increase in gold sales and a 7% higher gold price
- EBITDA[1] of US$415 million, more than doubled from 2015, mainly due to higher revenues and lower operating costs
- Net earnings of US$95 million (US23.2 cents per share), with adjusted net earnings[1] of US$161 million (US39.2 cents per share), is up from US$7 million in 2015
- Operational cash flow of US$318 million, 103% up on 2015, driven primarily by higher EBITDA
- Proposed final dividend of US8.4 cents per share, total 2016 dividend of US10.4 cents per share, more than double 2015
- Net cash of US$218 million, an increase of 107% during 2016
- Cash on hand of US$318 million as at 31 December 2016, an increase of US$85 million during the year

Operational Highlights

- Gold production of 829,705 ounces, 13% higher than 2015, with gold sales of 816,743 ounces
- Cash costs[1] of US$640 per ounce sold,17% lower than 2015
- AISC[1] of US$958 per ounce sold, 14% below 2015, including a US$37 per ounce share-based payment charge
- North Mara achieved record annual production of 378,443 ounces at AISC of US$733 per ounce sold
- Bulyanhulu overcame significant downtime in Q3 2016 and delivered production of 289,432 ounces, 6% higher than 2015
- Six month extension of mining at Buzwagi, which will lead to a 40% increase in production compared to 2016

	Three months ended 31 December		Year ended 31 December	
(Unaudited)	2016	2015	2016	2015
Gold production (ounces)	212,954	200,723	829,705	731,912
Gold sold (ounces)	209,292	198,617	816,743	721,203
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$/ounce)[1]	1,211	1,107	1,240	1,154
(in US$'000)				
Revenue	263,890	228,668	1,053,532	868,131
EBITDA [1]	105,681	57,630	415,388	174,971
Adjusted EBITDA[1]	103,010	59,166	409,903	180,916
Net earnings/(loss)	48,285	(198,860)	94,944	(197,148)
Basic earnings/(loss) per share (EPS) (cents)	11.8	(48.5)	23.2	(48.1)
Adjusted net earnings[1]	46,415	2,040	161,021	6,838
Adjusted net earnings per share (AEPS) (cents)[1]	11.3	0.5	39.2	1.7
Cash generated from operating activities	60,933	45,110	317,976	156,465
Capital expenditure[2]	57,826	42,931	195,898	183,617
Cash balance	317,791	233,268	317,791	233,268
Long term borrowings	99,400	127,800	99,400	127,800

[1] These are non-IFRS measures. Refer to page 26 for definitions
[2] Excludes non-cash capital adjustments (reclamation asset adjustments) and include finance lease purchases and land purchases recognised as long term prepayments

CEO Statement

2016 was a landmark year for Acacia as we delivered record group production of 829,705 ounces, which was almost 100,000 ounces ahead of 2015. It also exceeded our initial guidance range for the year of 750,000-780,000 ounces and revised guidance given in October 2016, of approximately 820,000 ounces. Performance was driven by North Mara, where the mine had a record year and at Bulyanhulu, which registered its highest production year for ten years, testament to the work we have undertaken to turn the asset around.

We also saw a substantial fall in our all-in sustaining costs (AISC) to US$958 per ounce, which was 14% below 2015 levels and at the bottom of our guidance range of US$950-980 per ounce. This was a result of the changes that were made to the business in late 2015, improved operating efficiencies at the assets and the increased production profile. If we were to focus purely on asset performance, and remove the impact of the increase in the share price on the valuation of share based payments, our AISC would have been US$921 per ounce, 17% below 2015 and well below our guidance range.

I was especially pleased with the return to free cash generation during the year, which is our primary focus. Over the past twelve months we doubled our net cash on the balance sheet to US$218 million which provides significant flexibility for us going forward. At the same time, the success of North Mara meant that a corporate tax charge amounting to US$55 million was incurred, which included a US$20 million cash pre-payment agreed with the Tanzanian Revenue Authority in Q1 2017.

Year in Review

2016 was a very strong operational year as we saw the benefit of the first full year of operations at the Gokona Underground at North Mara. This deposit was previously mined as a high grade open pit and commenced underground mining in mid-2015 after we made the strategic decision to go underground in 2014. The mine delivered ahead of expectations in 2016, partly due to a 61% increase in mined grade compared to the resource model. This drove additional ounces and the overall mine achieved a record production year of 378,443 ounces, a 32% increase over 2015. At Bulyanhulu we overcame an extended process plant shutdown in the third quarter which led to a loss of approximately one month of milling capacity to deliver 289,432 ounces, a 6% increase on 2015. This demonstrates the increased operational resilience as part of our ongoing programme to unlock the geological and operational potential of the asset. At Buzwagi, production was behind expectations at 161,830 ounces, 5% below 2015 as a result of lower mined grades due to a change in pit sequencing in order to enhance operational efficiencies as part of the extension of mining in 2017.

On the cost side, we demonstrated further improvement in AISC as the operational efficiencies and increased production rates took effect. North Mara was again the standout performer, with an AISC of US$733 per ounce, which was 20% lower than 2015 driven by the increased production base. At Bulyanhulu, AISC fell by a further 16% to US$1,058 per ounce as a result of the restructuring that took place in Q4 2015. At Buzwagi we saw AISC above plan at US$1,095 per ounce due to the lower ounce profile, though this was still 8% lower than 2015. Together, this led to a 14% fall in the headline AISC to US$958 per ounce, over US$150 per ounce lower than 2015. On an annual basis this now represents a 43% reduction in AISC from its peak in 2012.

The strong performance meant that we ended the year with US$318 million of cash on our balance sheet, an increase of US$85 million over the previous year. This includes the US$20 million corporate tax cash pre-payment, US$28 million on debt repayments, US$20 million on dividends and US$36 million on share based payments as a result of the vesting of awards during the year. As a result, net cash on the balance sheet more doubled from US$106 million, ending the year at US$218 million.

Total revenue for the year amounted to US$1,054 million which was 21% ahead of 2015 as a result of the increased production profile and the US$96 per ounce higher average realised gold price. EBITDA was similarly strong at US$415 million, up from US$175 million in 2015. We had net earnings of US$95 million, which were primary impacted by a US$72 million provision as a result of historic tax cases, but were still significantly ahead of 2015's loss of US$197 million. Adjusted net earnings amounted to US$161 million, which was US$154 million above 2015.

Reserves and Resources

Notwithstanding the strengthening of the gold price in 2016 we have taken the decision to maintain the 2015 gold price assumptions in our reserve and resource calculations. This not only brings consistency of planning on an annual basis but it also helps underpin the financial robustness of our long-term planning. Our reserve pricing is maintained at US$1,100 per ounce and our resource pricing has been maintained at US$1,400 per ounce.

On a group basis, our overall reserves and resources declined by 4% from 28.6 million ounces to 27.5 million ounces during the year. At our operating mines, total reserves and resources declined by 861,000 ounces, which was primarily a result of depletion. At our exploration properties we had a marginal reduction of 112,000 ounces as a result of the inclusion of our share of the South Houndé resource in Burkina Faso which largely offset the change to the methodology of how we account for the Nyanzaga joint venture resource which has been converted from a large scale low grade resource to a smaller high grade resource from a combined open pit and underground.

Whilst total Reserves and Resources were largely flat, Reserves fell by 1.1 million ounces to 7.6 million ounces. In addition to depletion, this is largely a result of the reclassification of approximately 583,000 ounces of Reef 2 material at Bulyanhulu from Reserves into Inferred Resources as a result of the change in the required drill spacing for underlying resource classifications. Prior to recent drilling programmes, the search radius for Reef 1 and Reef 2 were the same, with a 100 metre search radius around each drill hole used for Indicated Resources (which can then be converted into a Probable Reserve) and a 200 metre search radius used for Inferred material. Following the recent drilling, the variography has shown that due to the different geometries of the Reef 2 series the 100 metre search radius is not appropriate and has been reduced to 50 metres. This has meant that some ounces previously classified as Probable Reserves (based on the underlying indicated resource) have now largely been moved to Inferred Resources. We are undertaking drilling programmes during 2017 to reduce drill spacing in available areas to bring material back into the Indicated categories and will continue this programme over the coming years.

This change to the classification of Resources at Bulyanhulu, together with depletion, has meant that Reserves in the underground mine declined by 1.0 million ounces to 4.9 million ounces. However, the grade of the Reserves has increased from 8.85g/t in 2015 to 9.75g/t as a result of the change to cut-off grade calculations and the reduction in the mill reconciliation factor which had previously been included as a result of mill performance in 2015.

At North Mara, we largely replaced Reserves in the Gokona deposit despite mining approximately 225,000 ounces from the underground in 2016, at a significantly higher grade than included in the prior year Reserves declaration. This Reserves replacement was a result of changes to the underground Grade Control model due to our improved understanding of the ore body which included additional stope designs. We expect to complete the technical work to better estimate the future impact of the positive reconciliations received during 2016 in late Q1 2017. As such the results of this work have not yet been incorporated into the current Reserves statement. In the Nyabirama pit we saw depletion of 170,000 ounces during 2016, of which approximately 111,000 ounces were replaced as a result of Grade Control model updates. Together, this led to reserves at North Mara falling by 83,000 ounces to 1.9 million ounces.

We believe that the current Reserves position at North Mara does not reflect the potential of either of the ore bodies at the mine and in 2017 are commencing extension programmes to identify new resources and upgrade existing resources at both Gokona and Nyabirama. We are targeting significant upgrades to the Reserves and Resources at the mine over the next several years as part of our target to produce more than 300,000 ounces per annum for at least ten years at North Mara.

At Buzwagi, the extension of mining by a further six months led to the inclusion of 152,000 ounces of Resources into Reserves which meant that the mine fully replaced Reserves. Buzwagi now has 6.0 million tonnes of in-pit Reserves at 1.7 grams per tonne which will be mined during 2017, with lower grade material stockpiled for processing in 2018 and beyond.

Discovery

We had a very positive year in exploration and expect to announce the maiden resource on the West Kenya Project in Q1 2017. I am confident that this will confirm that it has the making of a very high quality asset. We will provide more details on this as we go through the year but believe that this resource is the first step in delineating a multi-million ounce high grade resource in the Liranda Corridor in Kenya.

We also made progress in West Africa and continued to expand our land package on the highly prospective Houndé belt in Burkina Faso. We now have a licence area of 2,700 square kilometres through four joint ventures which provides access to 125 strike kilometres on the belt. As part of this programme we have completed the first stage of the earn-in on the South Houndé joint venture with Sarama Resources and as a result now own 50% of the joint venture and have taken over operatorship of the project. Due to this we have consolidated 50% of the 2.1 million ounce resource on the project into our resource statement. In Mali, we took our first steps in exploring the licences we have acquired with promising initial results and will continue to look to expand our land package on the Senegal-Mali shear zone.

The joint venture with OreCorp Limited to progress our Nyanzaga Project in Tanzania continues to move forward. OreCorp took over management of the project for a three year period in late 2015. This structure allows the project to be progressed whilst giving Acacia the optionality to maintain a 75% stake in the project once it reaches a development decision. During the year OreCorp competed a scoping study on the project which outlined a combined open pit and underground project that produces 2.4 million ounces of gold over a 13 year life at an AISC of US$798/oz and requires pre-production capital of US$248 million (inclusive of contingency). OreCorp are now undertaking a pre-feasibility study which is due to be complete in the coming months.

Safety

Safety performance during 2016 was disappointing as regrettably in January 2016, one of our contractors at North Mara passed away as a result of a haul truck accident. We also saw an increase in our total reportable injury frequency rate of 9% to 0.74. This was driven by an increase at Bulyanhulu, although we saw an improvement in safety performance in the fourth quarter at the mine. Despite these disappointing results we did see areas of improvement, with Buzwagi's TRIFR reducing by 44%, as we fully embedded our behavioural safety programme, "Tunajali" or "We Care" into the business and at North Mara we saw safety performance remaining in line with 2015 levels despite the increased level of complexity of operations. We also saw a 46% reduction in the number of High Potential Incidents (incidents that could under slightly different circumstances have led to a fatality or permanent disability). We continue to target zero injuries and having every person going home safely every day.

Operating Environment

As a major contributor to the Tanzanian economy we were pleased to be able to increase our contribution during 2016 through incurring a corporate tax charge amounting to US$55 million. This was a result of the strong performance at North Mara and included our agreement to pre-pay US$20 million of cash corporate taxes. Our increase in tax payments, which when added to royalties of US$47 million, payroll taxes of US$40 million and other taxes of approximately US$20 million provides a significant contribution to the Tanzanian Government's aim of self-funding the national budget.

During 2016 there have continued to be a number of tax cases that are being dealt with in the court system in Tanzania which we are seeking to resolve. As communicated earlier in the year, we recorded a tax provision of US$69.6 million in respect of historic capital deductions at Bulyanhulu, North Mara and Tulawaka as a result of a Court of Appeal ruling. We are also dealing with claims to levy taxes in Tanzania on the UK registered Acacia Mining plc which we believe have no basis in law given this company is tax resident and permanently established in the UK. Given the materiality of the amounts being claimed, we are also addressing a constructive resolution of these issues as part of our ongoing engagement with the Tanzania Revenue Authority ("TRA") as well as at a senior level in the Government.

During the year we also saw a build-up in the total indirect tax receivables from US$110.2 million as at 31 December 2015 to US$136.4 million as at 31 December 2016. The increase was mainly due to a significant delay in VAT refunds in the second half of 2016 as a result of ongoing audits by the Tanzanian Revenue Authority on submitted VAT. We continue to engage with the TRA in order that they approve the payment of outstanding amounts as well as returning to the previously agreed timeline of three months for dealing with ongoing claims for refund.

Final dividend

Our dividend policy is based on cash flow in order to ensure that it is closely aligned with the focus on cash generation within the business. As a result we aim to pay a dividend of between 15-30% of our operational cash flow after sustaining capital and capitalised development but before expansion capital and financing costs.

In line with this policy, in July we declared an interim dividend of 2.0 cents per share, which was a 43% increase on 2015. As a result of strong performance in the second half of the year, we are pleased to recommend a final dividend of 8.4 cents per share. This represents a full year pay-out of 10.4 cents per share, or US$43 million, which is at the top of the pay-out range and more than twice 2015. The decision to recommend a dividend at the top of the range reflect the confidence we have in the business, the significant free cash flow the company generated in 2016 and the fact that we are able to fund out of free cash flow the organic projects currently in our pipeline. We believe the distributing of capital to our shareholders is a key differentiator for Acacia and continues our track record of providing strong total returns to our shareholders across the cycle.

Outlook

The group delivered another year of strong performance in 2016 and we expect that we will further improve on this in 2017 with production increasing to between 850,000-900,000 ounces at a lower all-in sustaining cost of between US$880-920 per ounce. Cash costs per ounce are also expected to decline from US$640 per ounce to between US$580-620 per ounce in 2017. We expect production to increase through the year and as such we expect a production ratio of 45:55 in terms of the first half versus the second half of the year, which will have a commensurate impact on our cost profile and our cash generation.

The further improvement in operating metrics is primarily driven by the revision to the mine plan at Buzwagi, where mining has been extended by approximately six months. This will lead to the mining of approximately 2 million tonnes more of higher grade ore during 2017 than previously planned and will drive a step up of approximately 40% in production over 2016 and a reduction in AISC of up to 30%.

At Bulyanhulu, we expect production to be in line with the previous year and AISC to reduce by up to 5%. We expect to see a reduction in cash costs, but will see an increase in sustaining capital as we invest to enhance the operation of the process plant and undertake a targeted fleet renewal programme to improve operating efficiencies amongst the older equipment within the underground fleet. We also continue to invest in underground development and in support of this will be upgrading ventilation and paste line infrastructure as we focus on creating greater flexibility underground. This investment in core infrastructure is a critical element in optimising the value delivery from this long-life, high grade asset in combination with continuing to drive cost savings and improve mining efficiencies.

North Mara performed ahead of expectations during 2016 and as a result we expect production to reduce by up to 10% during 2017 as an increased proportion of underground ore is sourced from the lower grade West Zone which will offset the impact of the increase in underground tonnes mined. The reduction in production, together with an increase in capital as we invest in the delivery of increased underground mining rates, together with open pit waste stripping will mean that AISC will increase by up to 10%.

As a result of the investments into both Bulyanhulu and North Mara outlined above we expect to see capital expenditure in 2017 of between US$210-230 million. This is comprised of approximately US$75-85 million of sustaining capital, US$120-130 million of capitalised development / stripping and US$15 million of expansion capital, made up predominantly of capitalised drilling at North Mara as we look to delineate additional resources to support a 10 year life of mine producing in excess of 300,000 ounces per annum.

As previously indicated we plan to increase our greenfield exploration spend to approximately US$25 million, as we look to build on the excellent progress made in Kenya during 2016 and we step up our exploration activity in Burkina Faso and Mali on our expanded land packages there.

Finally, I would like to thank all of my colleagues for their commitment, enthusiasm and hard work throughout what has been a year of continued delivery at Acacia. We have made further progress on the journey to making this company a leader in Africa and I am looking forward to an even better year in 2017. I would also like to thank our Board for their support and guidance through the year.

Brad Gordon

Chief Executive Officer

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
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 exc. tailings reclaim (percent)	92.5%	90.9%	92.3%	89.7%
Head grade exc. tailings reclaim (grams per tonne)	3.2	3.2	3.3	3.1
Process recovery rate inc. tailings reclaim (percent)	88.9%	87.5%	88.5%	87.4%
Head grade inc. tailings reclaim (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
Copper sold (thousands of pounds)	3,384	3,720	14,745	13,318
Cash cost per tonne milled exc. tailings reclaim (US$/t)[1,3]	66	69	62	68
Cash cost per tonne milled inc. tailings reclaim (US$/t)[1,3]	55	60	53	60
Per ounce data				
Average spot gold price[2]	1,222	1,106	1,251	1,160
Net average realised gold price[1]	1,211	1,107	1,240	1,154
Total cash cost[1]	679	728	640	772
All-in sustaining cost[1]	952	1,004	958	1,112
Average realised copper price (US$/lb)	2.45	2.03	2.21	2.33

Financial results

(Unaudited, in US$'000 unless otherwise stated)	Three months ended 31 December 2016	Three months ended 31 December 2015	Year ended 31 December 2016	Year ended 31 December 2015
Revenue	263,890	228,668	1,053,532	868,131
Cost of sales	(196,314)	(196,874)	(727,080)	(734,167)
Gross profit	67,576	31,794	326,452	133,964
Corporate administration	(6,218)	(7,308)	(21,895)	(34,455)
Share based payments	9,795	284	(29,929)	(5,537)
Exploration and evaluation costs	(7,330)	(4,984)	(24,020)	(19,737)
Corporate social responsibility expenses	(3,068)	(3,348)	(10,665)	(12,882)
Impairment charges	-	(146,201)	-	(146,201)
Other income (charges)	1,208	(2,172)	11,649	(28,079)
Profit/(loss) before net finance expense and taxation	61,963	(131,935)	251,592	(112,927)
Finance income	365	258	1,512	1,384
Finance expense	(2,644)	(2,888)	(11,047)	(12,617)
Profit/(loss) before taxation	59,684	(134,565)	242,057	(124,160)
Tax credit/(expense)	(11,399)	(64,295)	(147,113)	(72,988)
Net profit/(loss) for the year	48,285	(198,860)	94,944	(197,148)

[1] These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to "Non IFRS measures" on page 26 for definitions.
[2] Reflect the London PM fix price.

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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. Our ambition is to create a leading African Company.

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.

Conference call

A presentation will be held for analysts and investors on 14 February 2017 at Noon London time.

For those unable to attend, an audio webcast of the presentation will be available on our website www.acaciamining.com. For those who wish to ask questions, the access details for the conference call are as follows:

Participant dial in:	+44 (0) 20 3003 2666
Password:	Acacia

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

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Operating Review

Acacia delivered production of 829,705, an increase of 13% year on year, while AISC of US$958 per ounce sold and cash cost of US$640 per ounce sold were 14% and 17% respectively lower than 2015.

North Mara's 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 a 25% higher head grade driven by the higher mining grade achieved from the Gokona underground mine (15.6 g/t) 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. AISC fell by 20% to US$733 per ounce sold predominantly due to the higher production base and lower cash costs.

Bulyanhulu saw a 6% increase in production to 289,432 ounces, the highest production level achieved since 2006, after it overcame significant plant downtime in Q3 2016. Ounces produced from underground mining increased by 6% from 2015, as a result of an 8% increase in grade in combination with a 3% increase in throughput due to improved plant availability and underground delivery. Ounces produced from tailings retreatment increased by 4% due to 21% higher throughput and 8% higher head grade, partly offset by 19% lower recovery rates. AISC decreased by 16% to US$1,058 per ounce sold due to the higher production base, lower direct mining costs and lower sustaining capital expenditure.

At **Buzwagi**, gold production of 161,830 ounces was 5% lower than 2015 due to a 14% decrease in grade as a result of ore being 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. AISC decreased by 8% to US$1,095 per ounce sold from US$1,187 per ounce sold in 2015, mainly due to lower cash costs.

Total tonnes mined during the year amounted to 38.5 million tonnes, 7% lower than 2015 primarily due to lower waste tonnes mined at Buzwagi. Ore tonnes mined of 9.4 million tonnes were 9% lower than 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.

Ore tonnes processed amounted to 9.8 million tonnes, an increase of 6% on 2015, primarily driven by increased throughput at Bulyanhulu as reprocessed tailings increased from 1.4 million tonnes in 2015 to 1.7 million tonnes in 2016.

Head grade for the year (excluding tailings retreatment) of 3.3g/t was 6.5% higher than in 2015 (3.1g/t). This was due to a 25% increase in head grade at North Mara due to the contribution of the higher grade Gokona underground ore and an 8% higher head grade at Bulyanhulu due to an increase in mine grade, which was partially offset by a 14% decrease in head grade at Buzwagi due to the mining of lower grade splay areas.

Our cash costs for the year were 17% lower than in 2015, and amounted to US$640 per ounce sold. The decrease was primarily due to:

- Higher production base (US$76/oz);
- Higher capitalisation of development costs mainly at North Mara due to higher waste stripping at Nyabirama Stage 4 (US$39/oz);
- Lower labour costs due to a reduction in employees, together with a favourable currency impact on Tanzanian shilling based wages when compared to 2015 (US$23/oz); and
- Lower energy and fuel costs due to lower fuel prices and an increased reliance on grid power (US$13/oz).

These were partly offset by higher sales related costs as a result of higher sales volumes (US$17/oz) and increased contracted services, mainly related to increased contracted mining and drilling at North Mara (US$12/oz).

All-in sustaining cost of US$958 per ounce sold for the year was 14% lower than 2015, driven by lower cash costs (US$132/oz) (refer to above) and an increased production base (US$40/oz), lower sustaining capital expenditure (US$25/oz) and lower corporate administration costs (US$15/oz). This was partly offset by higher capitalised development mainly at North Mara (US$36/oz) and the impact of a higher revaluation charge relating to future share-based payments compared to 2015 amounting to US$24.4 million (US$30/oz) following the 108% increase in Acacia's share price over the year.

Cash generated from operating activities of US$318.0 million doubled from 2015. EBITDA of US$415.4 million was in part offset by corporate tax payments of US$40.9 million and outflows associated with working capital items of US$17.6 million, mainly relating to indirect taxes and net finance charges of US$7.2 million

Capital expenditure amounted to US$195.9 million compared to US$183.6 million in 2015. Capital expenditure primarily comprised of capitalised development (US$138.7 million), investment in mobile equipment and component change-outs (US$31.3 million), investments in tailings and infrastructure (US$16.8 million), land purchases at North Mara (US$4.8 million) and investment in the Bulyanhulu winder upgrade (US$2.0 million).

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
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
Cash cost per tonne milled[1]	US$/t	209	176	197	195
Reprocessed tailings:					
Ore milled	Kt	451	380	1,650	1,368
Head grade	g/t	1.3	1.6	1.4	1.3
Mill recovery	%	47.2%	56.6%	45.8%	56.6%
Ounces produced	oz	9,051	11,349	34,880	33,508
Capital Expenditure					
- Sustaining capital	US$('000)	3,833	10,185	20,231	42,419
- Capitalised development	US$('000)	15,996	11,563	63,082	59,830
- Expansionary capital	US$('000)	188	234	1,262	(957)
		20,017	21,982	84,575	101,292
- Non-cash reclamation asset adjustments	US$('000)	3,853	(3,875)	10,728	(5,663)
Total capital expenditure	US$('000)	23,870	18,107	95,303	95,629

[1]These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to 'Non-IFRS measures" on page 26 for definitions.

Operating performance

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.

Gold sold for the year of 279,286 ounces, was 5% lower than production as a result of logistical delays related to concentrate shipments experienced in December 2016.

Copper production of 6.4 million pounds for the current year period was in line with 2015, as lower throughput was offset by improved copper grades

Cash costs of US$722 per ounce sold were 9% lower than 2015 (US$797), mainly due to the higher production base (US$64/oz), lower labour costs mainly driven by a reduction in headcount (US$40/oz), partly offset by higher sales related costs due to higher volumes (US$12/oz) and increased costs associated with self-generation of power given concerns around the impact of grid instability on process plant performance.

AISC per ounce sold for the year of US$1,058 was 16% lower than 2015 (US$1,253) driven by the impact of lower sustaining capital ($79/oz), lower cash costs ($75/oz); lower corporate administration expenditure ($28/oz) and the impact of the higher production base ($23/oz). This was partially offset by higher capitalised development costs ($12/oz).

Capital expenditure for the year before reclamation adjustments amounted to US$84.6 million, 17% lower than 2015 (US$101.3 million), mainly driven by lower sustaining capital expenditure partly offset by higher capitalised development. Capital expenditure mainly consisted of capitalised underground development costs (US$63.1 million), investment in mobile equipment and component change-outs (US$10.6 million), investment in tailings and infrastructure (US$8.3 million) and investments in the winder upgrade (US$2.0 million).

In 2017 we expect to see an increase of US$20 million in the level of sustaining capital incurred at the mine, predominantly driven by investment into enhancing the operation of the process plant and a targeted fleet renewal programme to improve operating efficiencies amongst the older equipment within the underground fleet. We also continue to invest in underground development and in support of this will be upgrading ventilation and paste line infrastructure as we focus on creating greater flexibility underground. This investment in core infrastructure is a critical element in optimising the value delivery from this long-life, high grade asset in combination with continuing to drive cost savings and improve mining efficiencies.

Buzwagi

Key statistics

		Three months ended 31 December		Year ended 31 December	
(Unaudited)		2016	2015	2016	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
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%
Cash cost per tonne milled[1]	US$/t	37	44	38	43
Capital Expenditure					
- Sustaining capital	US$('000)	264	2,741	3,582	10,855
- Capitalised development	US$('000)	-	-	-	1,480
		264	2,741	3,582	12,335
- Non-cash reclamation asset adjustments	US$('000)	3,312	(8,857)	4,524	(7,364)
Total capital expenditure	US$('000)	3,576	(6,116)	8,106	4,971

[1]These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to "Non-IFRS measures" on page 26 for definitions.

Operating performance

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 the focus on waste movement in the first half of the year and the mining of ore from lower grade splay areas. This was partly offset by an 8% increase in throughput due to improved mill availability and improved milling rates.

Total tonnes mined of 21.6 million tonnes were 14% lower than 2015, primarily due to lower waste tonnes mined at Buzwagi as a result of the movement of rill material impacting on equipment productivity, in combination with general lower equipment availability.

Copper production of 9.8 million pounds for the year was 14% higher than the prior year period due to increased throughput and copper recovery rates, partly offset by lower copper grades.

Cash costs for the year of US$1,031 per ounce sold were marginally lower than 2015, primarily driven by lower fuel costs due to lower global fuel prices and lower consumption ($51/oz), lower general and administration costs as a result of the optimisation of warehousing and logistics processes ($49/oz), lower consumables costs primarily as a result of process plant improvements ($39/oz) and lower labour costs as a result of a reduction in headcount ($26/oz). This was partially offset by the impact of the lower production base ($37/oz).

AISC per ounce sold of US$1,095 was 8% lower than the prior year. This was mainly driven by lower capital expenditure (US$54/oz), lower corporate administration expenditure ($26/oz) and lower cash costs ($15/oz).

Capital expenditure before reclamation adjustments of US$3.6 million was 71% lower than 2015 (US$12.3 million). Key capital expenditure for the year consists of investments in the tailings storage facility and infrastructure of US$2.8 million and mobile equipment and component change out costs of US$0.2 million.

In the first half of the year we entered into zero cost collars in relation to the majority of our gold production from Buzwagi in 2016 and Q1 2017. In 2016, the agreements covered 81,000 ounces of production and provided a guaranteed floor price of US$1,150 per ounce and exposure to the gold price up to an average of US$1,290 per ounce. In Q1 2017, the agreements cover 43,000 ounces, with an average floor price of US$1,150 per ounce and a cap of US$1,421 per ounce.

During 2016 we assessed the potential to extend the mining of the open pit at Buzwagi and as a result now expect to continue mining until the end of 2017, followed by at least two years of processing stockpiles. The design changes have led to the deepening of the final pit by 35 metres, which adds 2 million tonnes of ore into the life of mine, amounting to 152,000 ounces of additional production at negligible additional capital cost. The changes to the design of the pit include a narrower ramp with increased gradient in the final benches. The additional ore tonnes have a strip ratio of approximately 2:1 and we therefore expect total tonnes moved in the second half of the year to be substantially lower than H1. The additional mine life will lead to an increase of 35% in production from Buzwagi in 2017, with a 25% reduction in AISC which will drive significant free cash flow.

North Mara

Key statistics

		Three months ended 31 December		Year ended 31 December	
(Unaudited)		2016	2015	2016	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
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%
Cash cost per tonne milled[1]	US$/t	59	66	55	60
Capital Expenditure					
- Sustaining capital[2]	US$('000)	13,739	5,951	28,317	19,678
- Capitalised development	US$('000)	21,929	11,805	75,609	48,376
- Expansionary capital	US$('000)	1,475	-	2,399	962
		37,143	17,756	106,325	69,016
- Non-cash reclamation asset adjustments	US$('000)	3,319	(21,179)	6,703	(18,909)
Total capital expenditure	US$('000)	40,462	(3,423)	113,028	50,107

[1]These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to 'Non-IFRS measures" on page 26 for definitions.
[2] Includes land purchases recognised as long term prepayments

Operating performance

Gold production for the full year of 378,443 ounces was 32% higher than in 2015, and a record for the mine. This was a result of 25% higher head grade driven by the higher contribution from the Gokona underground mine and a resultant 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

The impact of the higher grade underground ounces combined with an increase in the open pit mine grade at Nyabirama resulted in a head grade of 4.5g/t, 25% up from 2015. Gold ounces sold for the year of 376,255 ounces were in line with production, but 30% higher than the prior year due to the higher production base.

Cash costs of US$410 per ounce sold were 31% lower than 2015 (US$590), mainly driven by the higher production base (US$121/oz) and higher capitalisation of development costs at North Mara due to higher waste stripping at Nyabirama Stage 4 (US$87/oz), partly offset by increased sales related costs as a result of higher sales volumes (US$19/oz), higher contracted services (US$14/oz) and higher maintenance costs ($8/oz).

AISC of US$733 per ounce sold was 20% lower than 2015 (US$915) primarily due to lower cash costs (US$180/oz) , the impact of increased sales volumes (US$75/oz) and lower corporate administration expenditure (US$16/oz), partly offset by higher capitalised development costs (US$72/oz) and higher sustaining capital expenditure (US$23/oz).

Capital expenditure for the year before reclamation adjustments of US$106.3 million was 54% higher than in 2015 (US$69.0 million). Key capital expenditure include capitalised stripping costs (US$57.1 million), investment in mobile equipment and component change-outs (US$20.5 million), capitalised underground development costs (US$18.5 million), and investment in tailings and infrastructure (US$5.8 million). In addition, US$4.8 million was spent on land acquisitions primarily around the Nyabirama open pit. Land acquisition costs are included in capital expenditure above as they are included in AISC but are treated as long term prepayments in the balance sheet.

Exploration Review

Overall, 2016 was a very successful year for exploration with the key highlights including our discovery of multiple high-grade mineralised shoots on the Liranda Corridor in Kenya and the delineation of more than 40 multi-kilometre scale gold anomalies in the Houndé Belt in Burkina Faso and on the Senegal-Mali Shear Zone in Mali. Additionally, on our brownfield projects around our mines in Tanzania, we had another successful year identifying potential underground grade gold mineralisation below the planned final Nyabirama open pit at North Mara from surface drilling.

Greenfields Projects

West Kenya Joint Venture Projects

An extensive exploration programme was completed in 2016 which including the drilling of 70 diamond core ("DD") holes (40,600 meters) and 44 reverse circulation holes ("RC") (4,438 metres). All of the drilling occurred on the Liranda Corridor Project within the Kakamega Dome Camp focussing on the Acacia and Bushiangala Prospects.

Kakamega Dome Camp

Diamond core drilling within the Liranda Corridor identified the Bushiangala and Acacia prospects as having the highest short-term potential to host significant gold mineralisation within the 12km "Liranda Corridor" based on high grade results returned from first-pass drilling undertaken in late 2014 within the Kakamega region. The originally budgeted drill programme for 2016 was 50 reverse circulation (RC) and diamond core (DD) holes for approximately 35,000-40,000 metres. Drilling commenced in January but initial drill results were disappointing with best intercepts of 1m @ 3.46 g/t Au and 1.4m @ 1.47 g/t Au from the initial holes. Subsequent structural work suggested that the controls of the high grade may be oblique to the main east-west fabric and may also dip parallel to the direction of drilling.

As a result of our new understandings the drill programme was modified in mid-2015 and closer spaced drilling was undertaken around the original mineralised intersections in LCD0057 (Acacia) and LCD0053 (Bushiangala) in order to confirm the new interpretation of the orientation of mineralisation. This strategy paid off with closer spaced drilling at Acacia confirming steeply dipping east-northeast striking mineralised shears zones with quartz veinlets, sulphides (pyrite + arsenopyrite +/- pyrrhotite +/- sphalerite +/- chalcopyrite, molybdenite) and alteration (carbonate +/- sericite +/- vanadium mica +/-silica). Significant intersections from this drilling included 2.5m @ 25g/t, 4m @ 55g/t, 12.8m @ 15.3g/t and 4.3m @ 6.48g/t and also indicated the potential for multiple mineralised structures on both the Acacia and Bushiangala shoots.

Subsequent to our new interpretation of the controls on gold mineralisation, and confirmation from drilling, we commenced an extensive drilling programme targeting mineralisation from 100 metres to 700 metres vertical depth on the Acacia shoot and from 100 metres to 400 metres on the Bushiangala shoot. A total of 70 diamond holes for 40,600 metres were drilled in 2016 targeting extensions of mineralisation on the Bushiangala and Acacia shoots bringing the drilling on Liranda Corridor targets since 2014 to 44 RC Holes for 4,438 metres and 132 DD holes for 64,700 metres. Better results received during H2 2016 from the Acacia and Bushiangala shoots included 6.8m @ 10.4g/t, 3.5m @ 12.3g/t, 2.2m @ 126g/t, 3m @ 11.2g/t, 5.9m @ 8.01g/t, 7m @ 17.6g/t, 4m @ 9.99g/t and 1.1m @ 35.8g/t.

The diamond core results from the deeper drilling at Acacia are very encouraging and show the potential for significant down dip/plunge extensions to mineralised zones. There are potential extensions at the Bushiangala prospect which remains open both laterally and vertically.

In Q1 2017, we plan to be able to declare an initial Inferred Resource on the Liranda Corridor of up to 1 million ounces at a grade of around 10 grams per tonne. We are also continuing to drill step-out holes in order to fully understand the size of the existing mineralised zones (lateral and depth extensions) and targeting the expansion of the resource to in excess of 2 million ounces by early 2018. The drilling will also seek to identify further high-grade structures, improve our understanding of high-grade controls and to infill gaps between holes in order to increase the confidence of the resource as we move through the year. We also plan to test further potential shoots within the Liranda Corridor along strike to the east.

In Q3 2016, Acacia acquired the remaining 49% of the main two tenements from AfriOre (Lonmin) that form the majority of the West Kenya project for a consideration of US$5 million.

Lake Zone Camp

No drilling was undertaken however a review of all targets within the Camp was completed with a focus on identifying the next series of high priority targets for drill testing. Desktop reviews of existing geological, geochemical and geophysical data sets were completed and targets ranked. As a result, three multi-kilometre target corridors have been selected drilling in 2017.

Burkina Faso Projects

South Houndé Joint Venture – 50%

In November 2014, Acacia entered into an earn-in agreement with Sarama Resources Ltd ("Sarama") whereby Acacia can earn an interest of up to 70% with the expenditure of US$14 million within four years, on the South Houndé Project ("Project") in Burkina Faso. Acacia may increase its interest in the Project to 75% on satisfaction of certain conditions relating to resource delineation. During 2016, we continued to explore the Project taking our total spend since the inception of the JV to in excess of US$7 million and thereby earned a 50% stake in the Project. We are now progressing to Phase 2 of the Agreement and have elected to exercise our right to act as Manager of the Project from the start of 2017.

In February 2016, Sarama declared an increase to the Inferred Resource on the Tankoro deposit of 600koz, taking the new Inferred Resource to 2.1Moz at 1.5g/t Au. This was largely based on results from the entire 2015 and early 2016 drill programmes.

During the year, we completed exploration both within the existing Tankoro resource area and also on regional targets. A total of 17,229 metres of aircore, 8,262 metres of RC and 6,838 metres of diamond core drilling were completed during the year across a number of targets. In addition to this, we carried out regional auger geochemical drilling, infill soil geochemical sampling, and pole-dipole gradient array induced polarisation geophysical surveys to better define regional targets and gold anomalies. Results from drilling completed during 2016 continue to encourage with better results from the Tankoro resource area and prospects along the 15km trend including 8m @ 3.31g/t, 8m @ 3.97g/t, 5m @ 5.25g/t, 9m @ 3.39g/t,16m @ 3.04g/t, 14m @ 4.12g/t, 15m @ 7.44g/t, 14m @ 2.13g/t, 13.7m @ 5.67g/t,17.4m @ 5.88g/t, 2m @ 9.53g/t, 12m @ 5.78g/t and 10m @ 7.15g/t.

A detailed structural study was undertaken by the JV during the year to assess the controls on higher grade mineralisation within the resource, and resulted in the identification of interpreted oblique cross structures associated with discrete zones containing grades in excess of 5g/t. Diamond core drilling to test one of these oblique structures returned high grade results from DDH086 (17m @ 5.67g/t Au from 428m), although lower grade intersections were returned from two further holes drilled at the end of 2016. Drilling is ongoing in order to evaluate at least four interpreted high grade gold shoots on the MM and MC Zones at Tankoro in order to initially scope out the upside potential of these higher grade shoots.

In 2017, the exploration budget for the South Houndé Project is US$4 million, comprising a programme of 12,000 metres of diamond core drilling, 10,000 metres of reverse circulation drilling, and 28,000 metres of aircore drilling. Additionally mapping, pole-dipole gradient array induced polarisation geophysical surveys and trenching will look to upgrade regional targets into drill targets. The aim of the Tankoro drilling programme is to add additional high grade resources on MM and MC Trend resource areas in order to identify underground economic ounces to significantly impact the Tankoro Resource, whilst the regional drilling programmes are designed to discover a new large-scale gold deposit, or at a minimum several satellite ore bodies, capable of positively impacting the quality, size and economics of the global resources on the Project.

Pinarello and Konkolikan Projects

In March 2015 Acacia increased its exploration footprint in the Houndé Belt doing a deal with Canyon Resources on six exploration licences which are contiguous with other Acacia joint venture properties and comprise the Pinarello and Konkolikan Projects. Acacia recently earned a 75% interest in both projects through exploration expenditure of US$1.5 million over the past two years and is advancing these projects to drill ready status.

During 2016, we continued to undertake infill soil geochemical sampling programmes designed to better delineate regional gold-in-soil anomalies defined by wide spaced (1km) sampling programmes. We also acquired and completed interpretation of ASTER data and a high-resolution radiometric - magnetic survey. This data is currently being interpreted and integrated with mapping and soil geochemistry to assist with target generation, ranking and prioritisation.

Three targets, namely Tankoro Corridor South West Extension, Dopala and Dafala prospects, were tested with wide-spaced reconnaissance aircore drill traverses (24,844 metres) during the year. Drill results from the few traverses drilled at Dopala and Dafala were largely disappointing and initial indications are that gold-in-soil anomalism is at least partly associated with a plethora of thin quartz veins within meta-sediments. Drilling results from the Tankoro Corridor Southern Extension prospect were much more encouraging and will require follow-up, with highlight results including 2m @ 1.58g/t, 8m @ 0.51g/t, 8m @ 0.59g/t, 4m @ 1.19g/t, 1m @ 4.85g/t, 9m @ 0.85g/t, 12m @ 0.80g/t, 19m @ 0.52g/t, 25m @ 0.44g/t, 13m @ 0.89g/t, 8m @ 1.66g/t.

Work programmes during 2017 will consist of further regional aircore drilling across already delineated litho-structural corridors associated with gold-in-soil / multi-element geochemical anomalies and several geophysical targets. The 2017 budget includes in excess of 40,000 metres of AC and 5,000 metres of RC drilling.

Central Houndé JV Project

The Central Houndé JV Project is a joint venture with Thor Explorations Ltd, and is a grassroots exploration project covering three exploration licences over an area of 474 square kilometres. Acacia has earned 51% in the property and can earn up to 80% in the Project through exploration spend of US$2 million in the next two years and the delivery of a pre-feasibility study.

The Central Houndé and the Konkolikan properties are contiguous with each other and cover part of a large north-south trending shear zone, the Ouango-Fitiri Shear Zone (OFSZ), that extends from Ivory Coast in the south to the Houndé township in the north, more than 200km. Extensive surface gold anomalies up to 5g/t have been identified across the projects from soil sampling, including the 10km long, northeast-trending, Legue-Bongui "corridor" in the southeast of the Central Houndé JV project.

During the year we completed infill soil sampling and followed this up with a gradient array induced polarization survey and completed 7,506 metres of RC and 3,156 metres of diamond core. Soil geochemical sampling surveys defined a very large gold anomaly (Legue-Bongui Corridor) extending over 10km north-south and 3km east-west, with assay results up to 5,000ppb Au. Initial RC and diamond core drilling has only focused on a small portion of the central Legue-Bongui Corridor with encouraging results including 5m @ 3.94g/t, 2m @ 84.8g/t, 6m @ 3.74g/t, 12m @ 1.40g/t,19m @ 1.02g/t, 11m @ 1.49g/t, , 7m @ 1.87g/t, 2m @ 28.2g/t, t, 5m @ 1.51g/t, 18m @ 0.60g/t, 25m @ 1.03g/t, and 11m @ 0.40g/t. These results can be considered very encouraging as we are seeing both broad lower grade gold mineralised zones associated with extensive zones of alteration as well as vein-controlled high-grade zones up to 84g/t. Gold anomalism has now been intersected in each fence of RC drilling (multiple holes per fence – 200 metres apart) striking in a north-north-west direction over a distance of 1.4km.

Work programmes during 2017 will continue testing the plethora of existing surface geochemical targets, and the extensions of already identified mineralisation, and will include at least 10,000 metres of RC and diamond core drilling.

Frontier JV Project

In June 2016, Acacia entered into an agreement with a local Burkinabe company, Metalor SA, the "Frontier Joint Venture", which includes two licences immediately south of, and contiguous to, the Pinarello JV Project where soil sampling has identified multiple kilometre scale gold-in-soil anomalies. This JV added a further 500 square kilometres to Acacia's land package on the Houndé Belt, increasing the overall project area to approximately ~2,700 square kilometres. The JV allows Acacia to earn 100% of the project through certain staged option payments totalling US$300,000 over 30 months. Metalor will hold a 1% NSR on production from the project should Acacia identify and exploit an economic gold deposit, and Acacia has the right to acquire the NSR from Metalor for US$1 million at any future point in time.

Historic reconnaissance soil sampling has already identified gold anomalism on the Frontier JV properties associated with interpreted regional shear zones along the contacts between granite intrusions and volcano-sedimentary lithologies. During 2016 we have completed acquisition and interpretation of ASTER and high-resolution airborne radiometric and magnetic data. We have also commenced geological and regolith mapping and have embarked on a reconnaissance surface geochemical sampling program. A total of 1,765 surface samples were collected during the period post wet season to end of year.

Work during 2017 will consist of mapping, regional and infill geochemical sampling surveys, auger drilling, pitting and trenching, as well as approximately 10,000 metres of aircore drilling.

Mali

Tintinba Project

In June 2015, Acacia began exploring in Mali when it acquired interests in the Tintinba project by entering into an earn-in agreement with a local partner. The project comprises three exploration licences covering over 150 square kilometres within the Keneiba-Kedougou Window and along the world class Senegal-Mali Shear Zone.

Initial soil sampling programmes defined eight large multi-kilometre scale gold anomalies across the three permits. These gold anomalies are interpreted to be associated with second-order, northwest and northeast oriented, splay structures within the highly prospective Senegal-Mali Shear Zone (a several kilometre wide structural domain).

We have completed infill soil sampling and mapping prospective geology, structure, alteration and veining, and a number of the targets have associated artisanal workings. During the year we have completed a total of 6,994 meters of RC drilling. Drilling comprised wide spaced fences on four of the anomalies – namely Tribala, Zadi, Bounbou and Baga. Results as expected for this type of broad reconnaissance work are mixed, however we are encouraged by results from in particular the Tribala and Zadi prospects. A gradient array induced polarisation survey commenced late 2016 and is expected to be complete by early February 2017. Better results from the initial RC drilling include 19m @ 0.55g/t, 17m @ 0.71g/t, 13m @ 0.50g/t, 25m @ 0.45g/t, 7m @ 1.01g/t, 23m @ 0.30g/t, 10m @ 0.35g/t, 28m @ 0.31g/t , and 13m @ 1.11g/t.

Work during 2017 will comprise additional gradient array induced polarization surveys, mapping and at least 10,000 metres of RC drilling to test existing and new targets.

Tanzania
Nyanzaga Project

In September 2015, Acacia entered into an earn-in joint venture with OreCorp Limited (ASX: ORR) to progress the Nyanzaga Project, whereby OreCorp took over management of the project for a three year period. This structure allows the project to be progressed whilst giving Acacia the optionality to maintain a 75% stake in the project once it gets to a development decision. OreCorp have continued to progress the project and during the quarter released the positive results of a scoping study which outlined a combined open pit and underground project that produces 2.4 million ounces of gold over a 13 year life at an AISC of US$798/oz and requires pre-production capital of US$248 million (inclusive of contingency). The full study can be found on OreCorp's website, www.orecorp.com.au. Due to the positive results in the scoping study, OreCorp are undertaking a pre-feasibility study into the project which is expected to be complete in H1 2017.

Brownfield Projects

In 2016, brownfield exploration was focused on the Nyabirama ore body at North Mara where surface diamond core drilling targeted extensions to the high grade mineralised system below the planned final pit. The surface drilling demonstrated the potential for further resource potential up to 700 metres below the final Stage 4 pit. Underground drilling also continued on the Reef 2 series at Bulyanhulu with mixed results to date.

North Mara
Nyabirama

During late 2016 we completed a drilling programme of 14 holes for 9,940 metres of surface diamond core drilling adjacent to the Nyabirama pit primarily designed to test the underground potential beneath the final Stage 4 pit. The drilling was designed to test the interpreted down-dip and plunge extensions of high grade quartz-vein lode structures, and the use of core drilling was designed to help with an enhanced structural understanding of the geological model and controls on high grade.

Seven of the first ten holes returned one or more high-grade intersections confirming the opportunity for underground mineable resources to at least 400m beneath the open pit. The better results from the first 10 holes included:

- NBD01437 — 2.2m @ 19.8 g/t Au from 645.8m
- NBD0141 — 6m @ 14.7 g/t Au from 265.5m,
  6m @ 7.39 g/t Au from 387m
  7m @ 197 g/t Au from 361m incl. 1.3m @ 870g/t Au,
- NBD0142 — 4m @ 19.1 g/t Au from 345m,
  9m @ 15.3 g/t Au from 370m
  1m @ 150 g/t Au from 396m,
  3m @ 9.21 g/t Au from 462m
- NBD0143 — 5.5m @ 11.8 g/t Au from 223m,
  2m @ 11.8 g/t Au from 283m
- NBD0144 — 15m @ 15.9 g/t Au from 347m incl. 1m @ 200 g/t from 347m
- NBD0145 — 1m @ 17 g/t Au from 522m
- NBD0146 — 7m @ 50.2 g/t Au from 533m incl. 1m @ 320 g/t Au from 536m

The results of the drilling are considered very encouraging and have led to the design of a further 10 hole programme to further extend the identified mineralisation to a depth of 700m; this programme has already commenced and consists of approximately 8,000 metres of diamond core drilling. It will cost approximately US$2 million to drill and should be completed in Q1 2017.

We have also budgeted a further 25,000 metres of resource definition drilling for 2017-2018 for approximately US$5 million, of which we expect to drill approximately 15,000 metres in 2017. If the results of these programmes are successful, they will be incorporated into a desktop study designed to assess the best option of providing underground drill access points in 2018 to further test the system with the goal of commencing underground mining operations before the completion of the open pit in 2021.

Gokona Underground

Exploration activity during 2016 at Gokona Underground was limited to desktop work whilst the mine updated the current geological model and installed drilling platforms to support the 2017 and 2018 planned programmes. These programmes have been designed to test the lateral extensions of the ore body and to infill the known mineralisation at depth. The programme will comprise of approximately 75,000 metres of drilling over the next two years, with approximately 45,000 metres to be drilled in 2017. The aim of these programmes is to be able to increase underground life of mine to at least 10 years.

Bulyanhulu

We undertook three drill programmes in Reef 2 at Bulyanhulu in 2016 for 37,375 metres, primarily focused on enhancing our understanding of the existing Reef 2 system. The first two programmes were designed to infill existing resources in the Upper East Zone and the Central Zone on Reef 2 to test whether the current drill spacing across the Reef 2 series is appropriate. The Reef 2 Upper East Zone was an area removed from the mine plan late in 2015 following poor results from infill drilling, and negative results from an economic re-evaluation during the reserves process. The Reef 2 Central Zone is an area that is near existing infrastructure and had the potential to be brought into the mine plan earlier than previously planned. The 2016 preliminary results from Central Zone have increased confidence and early indications are showing potential for a modest increase in resource ounces, counter balancing the previous losses from Reef 2 Upper East area. As a result, Reef 2 Central has now been brought forward in the new mine plan.

As a result of the closer spaced drilling, variography has shown that the continuity of thickness and grade is less than previously thought for the Reef 2 series. The previous 100 metre search radius is no longer considered appropriate and has been reduced to 50 metres for indicated resource classification. This has meant that some ounces previously classified as Probable Reserve (based on the underlying indicated resource) have now largely been moved to inferred resource. We are undertaking drilling programmes during 2017, primarily in the Central Zone on Reef 2, to reduce the drill spacing in order to upgrade the current resource there and will continue a programme of infilling the Reef 2 series in available areas over the coming years.

The third programme of drilling in the Western step out area continued to intersect high grade mineralisation on Reefs 2M and 2I however generally widths have been narrower than the Eastern part of the system. The current resource extension drill programme will be completed in early 2017 and results, together with future access requirements which are currently constraining drilling, will be incorporated into future planned resource extension programmes.

Financial Review

Continued cost discipline in combination with an increased gold price in 2016 is reflected in the strong cash generation, with net cash increasing by US$112.9 million to US$218.5 million as at 31 December 2016. At the same time, reported earnings increased significantly, but were impacted by an increase in tax provisions of US$69.9 million recorded in Q1 2016 relating to court rulings regarding prior year tax assessments. This is reflected in the Acacia Group's financial results for the year ended 31 December 2016:

- Revenue of US$1,053.5 million was US$185.4 million higher than 2015 driven by the 13% higher sales volumes.
- Cash costs decreased to US$640 per ounce sold from US$772 per ounce sold in 2015, driven by the higher production base, higher capitalisation of development costs, lower labour costs and lower energy and fuel costs, partly offset by higher sales related costs and increased contracted services costs.
- AISC at US$958 per ounce sold was 14% lower than in 2015 (US$1,112 per ounce sold), mainly due to lower cash costs and the higher production base.
- EBITDA increased by 137% to US$415.4 million, mainly driven by the higher sales volumes, a higher gold price and lower corporate administration costs.
- Higher tax expense of US$147.1 million compared to the prior year expense of US$73.0 million, driven by an increase in current corporate tax as a result of North Mara's increased profitability (US$54.5 million), adjustments in respect of provisions for uncertain tax positions relating to prior years for North Mara and Tulawaka (US$36.7 million) and deferred tax of US$55.9 million driven by provisions for uncertain tax positions for Bulyanhulu (US$35.0 million) and movements in temporary differences (US$20.9 million).
- As a result of the above, we achieved a profit of US$94.9 million, compared to a loss of US$197.1 million in 2015.
- Adjusted net earnings of US$161.0 million were US$167.3 million higher than 2015. Adjusted earnings per share amounted to US39.2 cents, up from US1.7 cents in 2015.
- Operational cash flow of US$318.0 million doubled from 2015, primarily as a result of higher gold sales volumes and prices driving higher revenue, partly offset by unfavourable working capital outflows due to share based payments, an increase in accounts receivable, and payments of US$40.9 million relating to prepaid and provisional corporate tax relating to North Mara.

The following review provides a detailed analysis of our consolidated results for 12 months ended 31 December 2016 and the main factors affecting financial performance. It should be read in conjunction with the unaudited consolidated financial information and accompanying notes on pages 31 to 56, which have been prepared in accordance with International Financial Reporting Standards as adopted for use in the European Union ("IFRS").

Revenue

Revenue for 2016 of US$1,053.5 million was US$185.4 million higher than 2015 due to a 13% increase in gold sales volumes (95,540 ounces) combined with a 7% increase in the average net realised gold price from US$1,154 per ounce sold in 2015 to US$1,240 in 2016.

The net realised gold price for the year of $1,240/oz was $11/oz lower than the average market price of $1,251/oz due to the timing of sales. Realised losses on Buzwagi related gold hedges was US$1.8 million for the year, an impact of US$2 per ounce sold.

Included in total revenue is co-product revenue of US$39.1 million for 2016, 10% higher than the prior year period (US$35.7 million). The 2016 average realised copper price of US$2.21 per pound compared unfavourably to that of 2015 (US$2.33 per pound), and was driven by the lower market price for copper. This was offset by an 11% increase in copper sales volumes mainly from Buzwagi.

Cost of sales

Cost of sales was US$727.1 million for 2016, representing a decrease of 1% on the prior year period (US$734.1 million). The key aspects impacting the cost of sales for the year include an 8% reduction in direct mining costs, partly offset by higher depreciation and amortisation costs as a result of the higher production base and higher sales related costs as a result of higher sales volumes.

The table below provides a breakdown of cost of sales:

(US$'000)	Three months ended 31 December		Year ended 31 December	
(Unaudited)	2016	2015	2016	2015
Cost of Sales				
Direct mining costs	132,937	132,385	479,022	520,943
Third party smelting and refining fees	6,360	6,716	25,588	21,110
Realised losses on economic hedges	1,004	4,340	9,619	12,358
Realised losses on gold hedges	487	-	1,818	-
Royalty expense	11,808	10,069	47,237	38,058
Depreciation and amortisation*	43,718	43,364	163,796	141,697
Total	**196,314**	**196,874**	**727,080**	**734,167**

*Depreciation and amortisation includes the depreciation component of the cost of inventory sold of US$2.6 million (2015 US$3.5 million).

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

(US$'000)	Three months ended 31 December		Year ended 31 December	
(Unaudited)	2016	2015	2016	2015
Direct mining costs				
Labour	24,006	26,200	90,013	108,786
Energy and fuel	24,082	23,463	89,757	100,453
Consumables	26,248	27,536	105,152	108,324
Maintenance	30,807	23,679	111,451	106,963
Contracted services	37,226	32,240	133,734	124,088
General administration costs	23,540	24,873	86,761	90,290
Gross direct mining costs	**165,909**	**157,991**	**616,868**	**638,904**
Capitalised mining costs	(32,973)	(25,606)	(137,846)	(117,961)
Total direct mining costs	**132,936**	**132,385**	**479,022**	**520,943**

Gross direct mining costs of US$616.9 million for 2016 were 3% lower than 2015 (US$638.9 million). The overall reduction was driven by the following:

- A 17% reduction in labour costs, mainly as a result of a 28% reduction in international employees and a 21% reduction in national employees across sites, driven by localisation efforts and restructuring, combined with savings associated with local labour costs given the devaluation of the Tanzanian shilling to the dollar.
- An 11% reduction in energy and fuel expenses across all sites due to lower global fuel prices, lower consumption and the impact of a favourable exchange rate on locally purchased power as well as increased reliance on the national electricity grid resulting in lower self-generation.
- A 3% decrease in consumables costs mainly at Buzwagi due to lower reagents and chemicals costs as a result of lower cyanide usage, lower grinding media costs driven by the optimised usage of grinding balls, lower explosives costs driven by improved blasting practice and the overall impact of lower negotiated prices on key consumables.
- A 4% decrease in general administration costs mainly at Buzwagi as a result of lower warehousing and logistics expenditure.

This was offset by:

- An 8% increase in contracted services mainly as a result of increased underground mining activity at North Mara as a result of the ramp up in underground production, combined with increased maintenance contractor charges at Buzwagi.
- A 4% increase in maintenance costs mainly at Buzwagi and North Mara driven by higher maintenance supplies as a result of major component change outs and increased equipment breakdowns.

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

(US$'000)	Three months ended 31 December		Year ended 31 December	
(Unaudited)	2016	2015	2016	2015
Capitalised direct mining costs				
Capitalised development costs	(33,704)	(20,766)	(119,905)	(88,218)
Drawdown of/ (investment in) inventory	731	(4,840)	(17,941)	(29,743)
Total capitalised direct mining costs	**(32,973)**	**(25,606)**	**(137,846)**	**(117,961)**

Capitalised development costs were 36% higher than 2015, mainly driven by increased capitalised waste stripping costs related to the Nyabirama pit at North Mara. The investment in inventory was US$17.9 million, 40% lower than in 2015 due to an increased proportion of costs allocated to cost of sales due to an overall lower average cost valuation given lower operating costs, partially offset by an increased build-up of ore stockpiles at Buzwagi.

Central costs

Total central costs amounted to US$51.8 million for 2016, a 30% increase on 2015 (US$40.0 million) mainly driven by an increased share-based payment expense as a result of the stronger share price performance compared to 2015, specifically when compared to our peers and the global mining index, impacting on the valuation of future share-based payment liabilities to employees. Acacia's share price increased by 108% compared to 2015. This was partly offset by 36% lower corporate administration costs as a result of the corporate office restructuring and cost saving initiatives mainly around personnel cost, consulting fees and professional services and overall lower general administration costs.

(US$'000)	Three months ended 31 December		Year ended 31 December	
(Unaudited)	2016	2015	2016	2015
Corporate administration	6,219	7,308	21,895	34,455
Share-based payments	(9,795)	(284)	29,929	5,537
Total central costs	**(3,576)**	**7,024**	**51,824**	**39,992**

Exploration and evaluation costs

Exploration and evaluation costs of US$24.0 million were incurred in 2016, 22% higher than the US$19.8 million spent in 2015. The key focus areas for the period were greenfield exploration programmes in West Kenya amounting to US$10.6 million, greenfield exploration programmes in West Africa amounting to US$7.5 million and brownfield exploration at Bulyanhulu of US$3.5 million.

Corporate social responsibility expenses

Corporate social responsibility costs incurred for 2016 amounted to US$10.7 million compared to the prior year of US$12.9 million. Corporate social responsibility overheads and central initiatives in 2016 amounted to US$4.5 million and was lower compared to US$5.3 million in 2015. General community projects funded from the Acacia Maendeleo Fund amounted to US$6.1 million, which was US$1.4 million lower than in 2015.

Other income

Other income in 2016 amounted to US$11.6 million, compared to an expense of US$28.1 million in 2015. The main contributors include Acacia's ongoing programme of zero cost collar contracts to mitigate the negative impact of copper, rand and fuel market volatility, in combination with zero cost collars relating to Buzwagi gold production, which resulted in a combined mark-to-market revaluation gain of US$13.0 million (as these arrangements do not qualify for hedge accounting these unrealised gains are recorded through profit and loss) and a reversal of indirect tax discounting provisions of US$9.7 million as a result of increased profitability which positively impacted the recoverability of the MOS indirect tax receivable. The income was partly offset by (i) retrenchment costs of US$6.9 million, (ii) legal costs of US$2.6 million and (iii) disallowed indirect taxes of US$1.5 million and (iv) other costs of US$ 4.8 million.

Finance expense and income

Finance expense of US$11.0 million for 2016 was 12% lower than in 2015 (US$12.6 million). The key components were borrowing costs relating to the Bulyanhulu CIL facility (US$4.6 million) which were lower than the prior year due to a lower outstanding facility following the repayments, lower accretion expenses of US$2.3 million relating to the discounting of the environmental reclamation liability and US$2.1 million relating to the servicing of the US$150 million undrawn revolving credit facility. Other costs include bank charges and interest on finance leases.

Finance income relates predominantly to interest charged on non-current receivables and interest received on money market funds. Refer to note 9 of the condensed financial information for details.

Taxation matters

The total income tax charge was of US$147.1 million compared to the prior year expense of US$73.0 million. The current tax charge of US$91.2 million (2015: zero) was made up of current year income tax for North Mara, driven by year to date profitability, of US$54.5 million and provisions for uncertain tax positions in respect of prior years raised for North Mara (US$30.4 million) and Tulawaka (US$4.4 million) as a result of adverse tax rulings in Q1 2016. The deferred tax charges of US$55.9 million (2015: US$73.0 million) reflects provisions for uncertain tax positions raised in Q1 2016 for Bulyanhulu (US$35.0 million) and movements in temporary differences of US$20.9 million. The effective tax rate in 2016 amounted to 61% compared to 59% in 2015.

Net earnings and earnings per share

As a result of the factors discussed above, net earnings for 2016 were US$94.9 million, against the prior year loss of US$197.1 million.

Earnings per share for 2016 amounted to US23.2 cents, an increase of US71.3 cents from the prior year loss per share of US48.1 cents. The increase was driven by the higher earnings, with no change in the underlying issued shares.

Adjusted net earnings and adjusted earnings per share

Adjusted net earnings of for the year was US$161.0 million compared to US$6.8 million in 2015. Net earnings in the year as described above have been adjusted for the impact of items such as prior year tax provisions, discounting of indirect tax receivables, restructuring costs, insurance proceeds as well as legal settlements. Refer to page 28 for reconciliation between net profit and adjusted net earnings.

Adjusted earnings per share for 2016 amounted to US39.2 cents, an increase of US37.5 cents from the prior year adjusted earnings per share of US1.7 cents.

Financial position

Acacia had cash and cash equivalents on hand of US$317.8 million as at 31 December 2016 (US$233.3 million as at 31 December 2015). The Group's cash and cash equivalents are with counterparties whom the Group considers to have an appropriate credit rating. Location of credit risk is determined by physical location of the bank branch or counterparty. Investments are held mainly in United States dollars, with cash and cash equivalents in other foreign currencies maintained for operational requirements.

During 2013, a US$142 million facility ("Facility") was put in place to fund the bulk of the costs of the construction of the Bulyanhulu tailings retreatment project ("Project"). The Facility is collateralised by the Project, and has a term of seven years with a spread over Libor of 250 basis points. The seven year Facility is repayable in equal instalments (bi-annual) over the term of the Facility, after a two year repayment holiday period. The interest rate has been fixed at 3.6% through the use of an interest rate swap. The full facility of US$142 million was drawn in 2013. During 2016, the 2nd and 3rd repayments amounting to US$28.4 million in total were made. At 31 December 2016, the outstanding capital balance is US$99.4 million (31 December 2015: US$127.8 million).

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

The net book value of property, plant and equipment increased from US$1.39 billion as at 31 December 2015 to US$1.44 billion as at 31 December 2016. The main capital expenditure drivers have been explained above, and have been offset by depreciation charges of US$163.8 million. Refer to note 13 to the condensed financial information for further details.

Total indirect tax receivables increased from US$110.2 million as at 31 December 2015 to US$136.4 million as at 31 December 2016. The increase was mainly due to a significant delay in VAT refunds in 2016 as a result of ongoing audits by the Tanzanian Revenue Authority on submitted VAT returns and a reduction in the discounting provision for MOS indirect tax receivables of US$9.7 million. Our gross increase in receivables, before the corporate tax prepayment offset, amounted to US$64.8 million. This was partly offset by corporate tax prepayments of US$20.0 million and provisional tax payments of US$20.9 million with the net increase in receivables being US$26.2 million.

The net deferred tax position increased from a liability of US$84.0 million as at 31 December 2015 to a liability of US$140.0 million as at 31 December 2016. This was mainly as a result of the tax provisions raised in Q1 2016 as discussed above which utilised some of the carry forward losses and movements in temporary differences.

Net assets increased from US$1.79 billion as at 31 December 2015 to US$1.85 billion as at 31 December 2016. The increase reflects the current year income of US$95.0 million, the payment of the final 2015 dividend of US$11.5 million and the payment of the 2016 interim dividend of US$8.1 million.

Cash flow generation and capital management

Cash flow

(US$000)	Three months ended 31 December		Year ended 31 December	
(Unaudited)	2016	2015	2016	2015
Cash generated from operating activities	60,933	45,110	317,976	156,465
Cash used in investing activities	(45,107)	(37,964)	(185,163)	(181,436)
Cash (used in)/ provided by financing activities	-	-	(48,032)	(32,270)
Increase(decrease) in cash	15,826	7,146	84,781	(57,241)
Foreign exchange difference on cash	(96)	(251)	(258)	(3,341)
Opening cash balance	302,061	226,373	233,268	293,850
Closing cash balance	317,791	233,268	317,791	233,268

Cash flow from operating activities was US$318.0 million for 2016, an increase of US$161.5 million from 2015 (US$156.5 million). The increase relates to a higher operating profit due to higher gold sales volumes and lower operating costs, partly offset by unfavourable working capital outflows of US$17.6 million compared to outflows of US$4.8 million in 2015 and the impact of higher non-cash expenses of US$23.9 which include unrealised gains on derivatives of US$13.0 million and discounting of indirect taxes of US$9.7 million. This was further offset by provisional income tax paid of US$20.9 million, and a US$20.0 million prepayment of corporate tax as agreed with the Tanzanian Government.

The working capital outflow relates to cash share based payments of US$36.0 million offset by non-cash revaluation charges of future share based payments of US$29.9 million, a net increase in indirect tax receivables on a cash basis of US$17.5 million, a net increase in inventories on hand of US$8.3 million due to the higher production base and timing of sales, which was offset by an increase in payables of US$15.9 million due to the timing of payments.

Cash flow used in investing activities was US$185.2 million for 2016, an increase of 2% when compared to 2015 (US$181.4 million), driven by higher capitalised development mainly at North Mara, partly offset by lower sustaining capital expenditure at Bulyanhulu and Buzwagi.

A breakdown of total capital and other investing capital activities for 2016 is provided below:

(US$'000) (Unaudited)	Year ended 31 December 2016	2015
Sustaining capital	(51,291)	(83,331)
Capitalised development	(138,691)	(109,686)
Expansionary capital	(3,660)	(5)
Total cash capital	**(193,643)**	**(193,022)**
Non-current asset movement[1]	8,480	11,586
Cash used in investing activities	**(185,163)**	**(181,436)**
Capital expenditure reconciliation:		
Total cash capital	193,643	193,022
Land purchases	4,759	6,449
Movement in capital accruals	(2,504)	(15,854)
Capital expenditure	195,898	183,617
Land purchases classified as long term prepayments	(4,759)	(6,449)
Non-cash rehabilitation asset adjustment	21,955	(31,936)
Total capital expenditure per segment note	**213,094**	**145,232**

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

Sustaining capital

Sustaining capital expenditure includes investments in tailings and infrastructure (US$16.8 million), investment in mobile equipment and component change-outs (US$31.3 million), investment in the Bulyanhulu winder upgrade (US$2.0 million) and other sustaining capital expenditure across sites of US$5.4 million. During the year, capital accruals from December 2015 of US$2.5 million were paid.

Capitalised development

Capitalised development includes North Mara capitalised stripping costs (US$57.1 million) and capitalised underground development (US$18.5 million) and Bulyanhulu capitalised underground development costs (US$63.1 million)

Expansionary capital

Expansionary capital expenditure consisted mainly of capitalised expansion drilling at North Mara (US$2.4 million) and Bulyanhulu (US$1.3 million).

Non-cash capital

Non-cash capital was US$19.5 million and consisted mainly of reclamation asset adjustments (US$22.0 million) and a decrease in capital accruals (US$2.5 million). The reclamation adjustments were driven by changes in US risk free rates driving lower discount rates and increased closure costs assumptions.

Other investing capital

During 2016 North Mara incurred land purchases totalling US$4.8 million (2015: US$6.4 million).

Cash flow used in financing activities for 2016 of US$48.0 million, an increase of US$15.7 million from US$32.3 million in 2015. The outflow relates to payment of the final 2015 dividend of US$11.5 million, the 2016 interim dividend of US$8.1 and the payment of the 2nd and 3rd instalments of the borrowings related to the Bulyanhulu CIL facility totalling US$28.4 million.

Dividend

The final 2015 dividend of US2.8 cents per share was paid to shareholders on 27 May 2016 and the interim dividend of US2.0 cents per share was paid to shareholders on 25 September 2015. The Board of Directors have recommended a final dividend for 2016 of US8.4 cents per share, payable to shareholders in May 2016.

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

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

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

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

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 have been calculated as follow:

(US$000)	Three months ended 31 December		Year ended 31 December	
(Unaudited)	2016	2015	2016	2015
Gold revenue	253,957	219,839	1,014,468	832,462
Less: Realised gold hedge losses	(487)	-	(1,818)	-
Net gold revenue	253,470	219,839	1,012,651	832,462
Gold sold (ounces)	209,292	198,617	816,743	721,203
Net average realised gold price (US$/ounce)	1,211	1,107	1,240	1,154

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 December		Year ended 31 December	
(Unaudited)	2016	2015	2016	2015
Total cost of sales	**196,314**	**196,874**	**727,080**	**734,167**
Deduct: depreciation and amortisation*	(43,718)	(43,364)	(163,796)	(141,697)
Deduct: realised losses on gold hedges	(487)	-	(1,818)	-
Deduct: Co-product revenue	(9,932)	(8,829)	(39,063)	(35,669)
Total cash cost	**142,177**	**144,681**	**522,403**	**556,801**
Total ounces sold	209,292	198,617	816,743	721,203
Total cash cost per ounce sold	679	728	640	772

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

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

(Unaudited)	Three months ended 31 December 2016				Three months ended 31 December 2015			
(US$/oz sold)	Bulyanhulu	North Mara	Buzwagi	Group*	Bulyanhulu	North Mara	Buzwagi	Group*
Cash cost per ounce sold	784	436	1,035	679	653	604	1,101	728
Corporate administration	17	17	25	30	58	58	63	37
Share based payments	(21)	(14)	(20)	(47)	0	(1)	(1)	(1)
Rehabilitation	8	9	2	7	4	16	3	9
CSR expenses	7	19	7	15	9	26	4	17
Capitalised development	214	236	-	181	146	152	-	118
Sustaining capital	52	147	7	87	129	77	66	96
Total AISC	1,061	850	1,056	952	999	932	1,236	1,004

** The group total includes a credit of US$14/oz of unallocated corporate related costs in Q4 2016, and a cost of US$18/oz in Q4 2015.*

(Unaudited)	Year ended 31 December 2016				Year ended 31 December 2015			
(US$/oz sold)	Bulyanhulu	North Mara	Buzwagi	Group*	Bulyanhulu	North Mara	Buzwagi	Group*
Cash cost per ounce sold	722	410	1,031	640	797	590	1,046	772
Corporate administration	21	21	26	27	52	48	50	48
Share based payments	2	2	3	37	2	0	(0)	8
Rehabilitation	7	9	3	7	6	22	6	12
CSR expenses	6	15	10	13	11	19	11	18
Capitalised development	226	201	0	170	225	167	9	152
Sustaining capital	74	75	22	64	160	69	65	102
Total AISC	1,058	733	1,095	958	1,253	915	1,187	1,112

** The group total includes US$43/oz of unallocated corporate related costs in 2016, and a cost of US$10/oz in 2015.*

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

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

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

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

EBITDA is intended to provide additional information to investors and analysts. It does not have any standardised meaning prescribed by IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore is not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate EBITDA differently.

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

(US$000)	Three months ended 31 December		Year ended 31 December	
(Unaudited)	2016	2015	2016	2015
Net profit/ (loss) for the period	48,285	(198,860)	94,944	(197,148)
Plus income tax expense/(credit)	11,399	64,295	147,113	72,988
Plus depreciation and amortisation	43,718	43,364	163,796	141,697
Plus: impairment charges/write-offs	-	146,201	-	146,201
Plus finance expense	2,644	2,888	11,047	12,617
Less finance income	(365)	(258)	(1,512)	(1,384)
EBITDA	**105,681**	**57,630**	**415,388**	**174,971**

*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. EBITDA is adjusted for items (a) to (e) as contained in the reconciliation to adjusted net earnings below.

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

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

(US$000)	Three months ended 31 December		Year ended 31 December	
(Unaudited)	2016	2015	2016	2015
Net earnings/(loss)	48,285	(198,860)	94,944	(197,148)
Adjusted for:				
Impairment charges (a)	-	146,201	-	146,201
Restructuring cost (b)	3,995	8,384	7,689	9,864
One off legal settlements/recoveries (c)	(3,455)	4,371	(3,455)	7,300
Discounting of indirect taxes (d)	(3,211)	(5,906)	(9,719)	(5,906)
Reversal of contingent liability (e)	-	(5,313)	-	(5,313)
Prior year tax positions recognised [1]	-	12,740	69,916	12,740
Tax impact of the above	801	40,423	1,646	39,100
Adjusted net earnings	**46,415**	**2,040**	**161,021**	**6,838**

[1] For the year ended 31 December 2016, US$69.9 million represents a provision raised for the implied impact of an adverse tax ruling made by the Tanzanian Court of Appeal with respect to historical tax assessments of Bulyanhulu. As reported in Q1 2016, the impact of the ruling was calculated for Bulyanhulu and extrapolated to North Mara and Tulawaka as well and covers results up to the end of 2015. On a site basis, US$35.1 million was raised for Bulyanhulu, US$30.4 million for North Mara and US$4.4 million for Tulawaka.

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

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

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

Mining statistical information

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

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

Risk Review

For 2016 our principal risks have continued to fall within four broad categories: strategic risks, financial risks, external risks and operational risks. Generally, the makeup of our principal risks has not significantly changed throughout the year. However, there have been changes in certain risk profiles as a result of developments in our operating environment and developments or trends affecting the wider global economy and/or the mining industry.

As a result of the review, at the end of 2016 we viewed our principal risks as relating to the following:

- Security, trespass and vandalism
- Political, legal and regulatory developments
- Safety risks relating to mining operations
- Equipment effectiveness
- Environmental hazards and rehabilitation
- Implementation of enhanced operational systems
- Continuity of power supply
- Significant changes to commodity prices
- Single country risk

Further details as regards our Principal Risks and Uncertainties and risk assessments conducted in respect thereof will be provided as part of the 2016 Annual Report and Accounts.

Condensed Financial Information

Consolidated income statement

(in thousands of United States dollars)	Notes	For the year ended 31 December (Unaudited) 2016	For the year ended 31 December (Audited) 2015
Revenue	5	1,053,532	868,131
Cost of sales		(727,080)	(734,167)
Gross profit		**326,452**	**133,964**
Corporate administration		(21,895)	(34,455)
Share-based payments		(29,929)	(5,537)
Exploration and evaluation costs	6	(24,020)	(19,737)
Corporate social responsibility expenses		(10,665)	(12,882)
Impairment charges	7	-	(146,201)
Other income/(charges)	8	11,649	(28,079)
Profit/(Loss) before net finance expense and taxation		**251,592**	**(112,927)**
Finance income	9	1,512	1,384
Finance expense	9	(11,047)	(12,617)
Profit/(Loss) before taxation		**242,057**	**(124,160)**
Tax expense	10	(147,113)	(72,988)
Net profit /(loss) for the year		**94,944**	**(197,148)**
Earnings per share:			
Basic earnings/(loss) per share (cents)	11	23.2	(48.1)
Diluted earnings/(loss) per share (cents)	11	23.1	(48.1)

The notes on pages 36 to 56 are an integral part of this financial information.

Consolidated statement of comprehensive income

(in thousands of United States dollars)	For the year ended 31 December (Unaudited) 2016	For the year ended 31 December (Audited) 2015
Net profit/(loss) for the year	94,944	(197,148)
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss:		
Changes in fair value of cash flow hedges	7	(459)
Total comprehensive income/(expense) for the year	**94,951**	**(197,607)**

The notes on pages 36 to 56 are an integral part of this financial information.

Consolidated balance sheet

(in thousands of United States dollars)	Notes	As at 31 December (Unaudited) 2016	As at 31 December (Audited) 2015
ASSETS			
Non-current assets			
Goodwill and intangible assets		216,190	211,190
Property, plant and equipment	13	1,443,176	1,390,713
Deferred tax assets	14	8,431	11,628
Non-current portion of inventory		98,936	72,616
Derivative financial instruments	15	821	849
Other assets	16	63,297	114,964
		1,830,851	1,801,960
Current assets			
Inventories		184,313	202,321
Trade and other receivables	17	18,830	14,363
Derivative financial instruments	15	1,343	-
Other current assets	17	149,518	78,563
Cash and cash equivalents		317,791	233,268
		671,795	528,515
Total assets		**2,502,646**	**2,330,475**
EQUITY AND LIABILITIES			
Share capital and share premium		929,199	929,199
Other reserves		933,696	858,300
		1,862,895	1,787,499
Total equity		**1,862,895**	**1,787,499**
Non-current liabilities			
Borrowings	18	71,000	99,400
Deferred tax liabilities	14	148,390	95,668
Derivative financial instruments	15	30	1,560
Provisions	19	145,722	127,354
Other non-current liabilities		15,699	4,122
		380,841	328,104
Current liabilities			
Trade and other payables		222,543	159,866
Borrowings	18	28,400	28,400
Derivative financial instruments	15	584	10,920
Provisions	19	7,235	1,577
Other current liabilities		148	14,109
		258,910	214,872
Total liabilities		**639,751**	**542,976**
Total equity and liabilities		**2,502,646**	**2,330,475**

The notes on pages 36 to 56 are an integral part of this financial information.

Consolidated statement of changes in equity

(Unaudited) (in thousands of United States dollars)	Share capital	Share premium	Contributed surplus/Other reserve	Cash flow hedging reserve	Stock option reserve	Accumulated losses	Total owners' equity	Total non-controlling interests	Total equity
Balance at 1 January 2015 (Audited)	**62,097**	**867,102**	**1,368,713**	**1,011**	**3,694**	**(305,250)**	**1,997,367**	**4,781**	**2,002,148**
Total comprehensive expense for the period	-	-	-	(459)	-	(197,148)	(197,607)	-	(197,607)
Share option grants	-	-	-	-	182	-	182	-	182
Transactions with non-controlling interest holders	-	-	-	-	-	4,781	4,781	(4,781)	-
Dividends to equity holders of the Company	-	-	-	-	-	(17,224)	(17,224)	-	(17,224)
Balance at 31 December 2015 (Audited)	**62,097**	**867,102**	**1,368,713**	**552**	**3,876**	**(514,841)**	**1,787,499**	**-**	**1,787,499**
Total comprehensive income for the period	-	-	-	7	-	94,944	94,951	-	94,951
Share option grants	-	-	-	-	77	-	77	-	77
Transactions with non-controlling interest holders	-	-	-	-	-	-	-	-	-
Dividends to equity holders of the Company	-	-	-	-	-	(19,632)	(19,632)	-	(19,632)
Balance at 31 December 2016 (Unaudited)	**62,097**	**867,102**	**1,368,713**	**559**	**3,953**	**(439,529)**	**1,862,895**	**-**	**1,862,895**

The notes on pages 36 to 56 are an integral part of this financial information.

Consolidated statement of cash flows

(in thousands of United States dollars)	Notes	For the year ended 31 December (Unaudited) 2016	For the year ended 31 December (Audited) 2015
Cash flows from operating activities			
Net profit/(loss) for the period		94,944	(197,148)
Adjustments for:			
Tax expense		147,113	72,988
Depreciation and amortisation		156,301	133,365
Finance items		9,535	11,233
Impairment charges		-	146,201
Profit on disposal of property, plant and equipment		(289)	(1,315)
Working capital movements	12	(58,497)	(4,774)
Other non-cash items	12	(23,850)	3,497
Cash generated from operations before interest and tax		**325,257**	**164,047**
Finance income		1,512	1,384
Finance expenses		(8,793)	(8,966)
Cash generated by operating activities		**317,976**	**156,465**
Cash flows from investing activities			
Purchase of property, plant and equipment		(193,643)	(193,022)
Movement in other assets		6,952	8,330
Acquired mineral interest		(5,000)	-
Other investing activities	12	6,528	3,256
Cash used in investing activities		**(185,163)**	**(181,436)**
Cash flows from financing activities			
Loans paid		(28,400)	(14,200)
Dividends paid		(19,632)	(17,224)
Finance lease instalments		-	(846)
Net cash generated used in financing activities		**(48,032)**	**(32,270)**
Net decrease in cash and cash equivalents		84,781	(57,241)
Net foreign exchange difference		(258)	(3,341)
Cash and cash equivalents at 1 January		233,268	293,850
Cash and cash equivalents at period end		**317,791**	**233,268**

The notes on pages 36 to 56 are an integral part of this financial information.

Notes to the condensed financial information

1. General Information

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

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

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

The condensed consolidated financial information for the year ended 31 December 2016 was approved for issue by the Board of Directors of the Company on 13 February 2017. The condensed consolidated financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The condensed consolidated financial information is unaudited.

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

2. Basis of Preparation of the condensed financial information

The financial information set out above does not constitute the Group’s statutory accounts for the year ended 31 December 2016, but is derived from the Group’s full financial accounts, which are in the process of being audited. The Group’s full financial accounts will be prepared under International Financial Reporting Standards as adopted by the European Union.

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

Where a change in the presentational format between the prior year and current year condensed consolidated financial information has been made during the period, comparative figures have been restated accordingly. No presentational changes were made in the current year.

The group’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group’s annual financial statements as at 31 December 2015. There have been no changes in the risk management department or in any risk management policies since the year end.

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

After making the appropriate enquiries, the Directors confirm that they have a reasonable expectation that the Acacia Group will continue to operate and meet its liabilities, as they fall due, for the next three years. The Directors’ assessment has been made with reference to the Acacia Group’s current position and prospects, its strategy and the Acacia Group’s principal risks and how these are managed, with particular regard to those which are viewed as having the most relevance to Acacia continuing in operation, when assessed in terms of financial and operational planning and impact over a three-year period, being: environmental hazards and rehabilitation; implementation of enhanced operational systems; significant change to commodity prices; political, legal and regulatory developments; safety risks relating to mining operations and equipment effectiveness. On this basis this condensed consolidated financial information is presented on a going concern basis.

3. Accounting Policies

Accounting policies have remained consistent with the prior year except for the adoption of new standards and amendments to standards.

a) New and amended standards adopted by the Group

The following amendments to standards are applicable and were adopted by the Group for the first time for the financial year beginning 1 January 2016:

- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28,'Investments in associates and joint ventures' on applying the consolidation exemption. The amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. The amendment did not have a significant impact on the Group financial statements.
- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendment did not have a significant impact on the Group financial statements.
- Amendments to IAS 1,'Presentation of financial statements' disclosure initiative. In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendment did not have a significant impact on the Group financial statements.
- Amendment to IAS 16,'Property, plant and equipment' and IAS 38,'Intangible assets', on depreciation and amortisation. In this amendment the IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The amendment did not have a significant impact on the Group financial statements.
- Amendments to IAS 27, 'Separate financial statements' on equity accounting. In this amendment the IASB has restored the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The amendment did not have a significant impact on the Group financial statements.
- IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. This is an amendment to the changes in methods of disposal – Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification. The amendment did not have a significant impact on the Group financial statements.
- IFRS 7 – 'Financial Instruments: Disclosures'. Applicability of the offsetting disclosures to condensed interim financial statements. The amendment removes the phrase 'and interim periods within those annual periods' from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. However, the Board noted that IAS 34 requires an entity to disclose an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period'. Therefore, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, the Board would expect the disclosures to be included in the entity's condensed interim financial report. The amendment did not have a significant impact on the Group financial statements.
- IAS 19 – 'Employee Benefits'. Discount rate: regional market issue - The amendment to IAS 19 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. The amendment did not have a significant impact on the Group financial statements.

b) New and amended standards, and interpretations not yet adopted

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2016:

- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28,'Investments in associates and joint ventures' on sale or contribution of assets. The IASB has issued this amendment to eliminate the inconsistency between IFRS 10 and IAS 28. The IASB decided to defer the application date of this amendment, until such time this is not applicable. The amendment is however not expected to have a significant impact on the Group.
- Amendments to IAS 12, 'Recognition of Deferred Tax Assets for Unrealised Losses'. Amendments made to IAS 12 will aim to clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Effective 1 January 2017. The amendment is however not expected to have a significant impact on the Group.
- Amendments to IAS 7, 'Disclosure Initiative'. Going forward, entities will be required to explain changes in their liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences. Changes in financial assets must be included in this disclosure if the cash flows were, or will be, included in cash flows from financing activities. Effective 1 January 2017. The amendment is however not expected to have a significant impact on the Group.
- IFRS 15 – Revenue from contracts with customers. This standard is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer. Effective 1 January 2018. The standard is not expected to have a significant impact on the Group.
- IFRS 9 – Financial Instruments (2009 &2010). The IASB has updated IFRS 9, 'Financial instruments' to include guidance on financial liabilities and de-recognition of financial instruments. The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, 'Financial instruments: Recognition and measurement', without change, except for financial liabilities that are designated at fair value through profit or loss. . Effective 1 January 2018. The standard is not expected to have a significant impact on the Group.
- Amendment to IFRS 9 -'Financial instruments', on general hedge accounting. The IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The transitional provisions described above are likely to change once the IASB completes all phases of IFRS 9. Effective 1 January 2018. The amendment is not expected to have a significant impact on the Group.
- IFRS 16 – 'Leases'. IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases – Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. Effective 1 January 2019. The standard is not expected to have a significant impact on the Group.

4. Segment Reporting

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

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

Segment information for the reportable operating segments of the Group for the periods ended 31 December 2016 and 31 December 2015 is set out below.

(Unaudited) (in thousands of United States dollars)	For the year ended 31 December 2016 North Mara	Bulyanhulu	Buzwagi	Other	Total
Gold revenue	468,340	345,481	200,648	-	**1,014,469**
Co-product revenue	953	15,447	22,663	-	**39,063**
Total segment revenue	**469,293**	**360,928**	**223,311**	**-**	**1,053,532**
Segment cash operating cost[1]	(155,344)	(217,226)	(188,896)	-	**(561,466)**
Realised losses on gold hedges	-	-	(1,818)	-	**(1,818)**
Corporate administration	(7,954)	(5,975)	(4,176)	(3,790)	**(21,895)**
Share-based payments	(623)	(518)	(470)	(28,318)	**(29,929)**
Exploration and evaluation costs	(297)	(3,532)	-	(20,191)	**(24,020)**
Other charges and corporate social responsibility expenses	(2,295)	(3,442)	(723)	7,444	**984**
EBITDA[2]	**302,780**	**130,235**	**27,228**	**(44,855)**	**415,388**
Impairment charges	-	-	-	-	**-**
Depreciation and amortisation[4]	(67,472)	(82,022)	(12,668)	(1,634)	**(163,796)**
EBIT[2]	**235,308**	**48,213**	**14,560**	**(46,489)**	**251,592**
Finance income					**1,512**
Finance expense					**(11,047)**
Profit before taxation					**242,057**
Tax expense					**(147,113)**
Net profit for the period					**94,944**
Capital expenditure:					
Sustaining	23,558	20,231	3,582	1,416	**48,787**
Expansionary	2,399	1,262	-	-	**3,661**
Capitalised development	75,609	63,082	-	-	**138,691**
	101,566	**84,575**	**3,582**	**1,416**	**191,139**
Non-cash capital expenditure adjustments					
Reclamation asset addition	6,703	10,728	4,524	-	**21,955**
Total capital expenditure	**108,269**	**95,303**	**8,106**	**1,416**	**213,094**

Segmental cash operating cost	155,344	217,226	188,896		**561,466**
Deduct: co-product revenue	(953)	(15,447)	(22,663)		**(39,063)**
Total cash costs	**154,391**	**201,779**	**166,233**		**522,403**
Sold ounces	376,255	279,286	161,202		**816,743**
Cash cost per ounce sold[2]	**410**	**722**	**1,031**		**640**
Corporate administration charges	21	21	26		**27**
Share based payments	2	2	3		**37**
Rehabilitation - accretion and depreciation	9	7	3		**7**
Corporate social responsibility expenses	15	6	10		**13**
Capitalised stripping/ UG development	201	226	-		**170**
Sustaining capital expenditure	75	74	22		**64**
All-in sustaining cost per ounce sold[2]	**733**	**1,058**	**1,095**		**958**
Segment carrying value[3]	246,175	1,231,793	97,243	82,710	1,657,921

(Audited) (US$'000,except per ounce amounts)	For the year ended 31 December 2015 North Mara	Bulyanhulu	Buzwagi	Other	Total
Gold revenue	335,144	304,559	192,759	-	**832,462**
Co-product revenue	563	14,556	20,550	-	**35,669**
Total segment revenue	**335,707**	**319,115**	**213,309**	**-**	**868,131**
Segment cash operating cost[1]	(171,133)	(226,129)	(195,208)	-	**(592,470)**
Corporate administration	(13,897)	(11,107)	(8,424)	(1,027)	**(34,455)**
Share-based payments	(31)	(597)	54	(4,963)	**(5,537)**
Exploration and evaluation costs	(389)	(4,354)	(64)	(14,930)	**19,737)**
Other charges and corporate social responsibility expenses	(15,629)	(17,796)	(8,193)	657	**(40,961)**
EBITDA[2]	**134,628**	**59,132**	**1,474**	**(20,263)**	**174,971**
Impairment charges	-	-	(146,201)	-	**(146,201)**
Depreciation and amortisation[4]	(67,459)	(52,589)	(19,246)	(2,403)	**(141,697)**
EBIT[2]	**67,169**	**6,543**	**(163,973)**	**(22,666)**	**(112,927)**
Finance income					**1,384**
Finance expense					**(12,617)**
Loss before taxation					**(124,160)**
Tax expense					**(72,988)**
Net loss for the year					**(197,148)**
Capital expenditure:					
Sustaining	13,229	42,419	10,855	974	**67,477**
Expansionary	962	(957)	-	-	**5**
Capitalised development	48,376	59,830	1,480	-	**109,686**
	62,567	**101,292**	**12,335**	**974**	**177,168**
Non-cash capital expenditure adjustments					
Reclamation asset reduction	(18,909)	(5,664)	(7,363)	-	**(31,936)**
Total capital expenditure	**43,658**	**95,628**	**4,972**	**974**	**145,232**
Segmental cash operating cost	171,133	226,129	195,208		**592,470**
Deduct: co-product revenue	(563)	(14,556)	(20,550)		**(35,669)**
Total cash costs	**170,570**	**211,573**	**174,658**		**556,801**
Sold ounces	288,905	265,341	166,957		**721,203**
Cash cost per ounce sold[2]	**590**	**797**	**1,046**		**772**
Corporate administration charges	48	52	50		**48**
Share-based payments	-	2	-		**8**
Rehabilitation - accretion and depreciation	22	6	6		**12**
Corporate social responsibility expenses	19	11	11		**18**
Capitalised stripping/ UG development	167	225	9		**152**
Sustaining capital expenditure	69	160	65		**102**
All-in sustaining cost per ounce sold[2]	**915**	**1,253**	**1,187**		**1,112**
Segment carrying value[3]	284,876	1,257,299	80,654	72,851	**1,695,680**

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

2 These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to 'Non IFRS measures' on page 26 for definitions.

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

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

5. Revenue

(in thousands of United States dollars)	For the year ended 31 December (Unaudited) 2016	For the year ended 31 December (Audited) 2015
Gold doré sales	739,317	567,478
Gold concentrate sales[1]	275,152	264,984
Copper concentrate sales[1]	32,658	31,028
Silver sales	6,405	4,641
Total	**1,053,532**	**868,131**

1 Concentrate sales includes negative provisional price adjustments to the accounts receivable balance due to changes in market gold, silver and copper prices prior to final settlement as follows: US$7.0 million for the year ended 31 December 2016 (US$4.0 million for the year ended 31 December 2015).

(in thousands of United States dollars)	For the year ended 31 December (Unaudited)	For the year ended 31 December (Audited)
Revenue by Location of Customer[2]	**2016**	**2015**
Europe		
Switzerland	488,383	30,676
Germany	58,747	78,553
Belgium	-	486
Asia		
India	253,881	538,543
China	176,143	136,439
Japan	76,378	83,434
Total revenue	**1,053,532**	**868,131**

2 Revenue by location of customer is determined based on the country to which the gold is delivered.

Included in revenues for the year ended 31 December 2016 are sales to six major customers. Revenues of approximately US$913 million (2015: US$604 million) arose from sales to four of the Group's largest customers.

6. Exploration and Evaluation costs

The following represents a summary of exploration and evaluation expenditures incurred at each mine site and significant exploration targets (if applicable).

(in thousands of United States dollars)	For the year ended 31 December (Unaudited) 2016	For the year ended 31 December (Audited) 2015
Expensed during the year:		
North Mara	297	389
Buzwagi	-	64
Bulyanhulu	3,532	4,354
Kenya	10,582	8,248
West Africa	7,544	4,780
Other[1]	2,065	1,902
Total expensed	24,020	19,737
Capitalised during the year:		
North Mara	2,399	962
Total	**26,419**	**20,699**

1 - Included in "other" are the exploration activities conducted through ABG Exploration Limited. All primary greenfield exploration and evaluation activities are conducted in this company.

7. Impairment

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

During 2015, the prevailing gold price fell significantly which forced a review of the gold price outlook used for long-term planning and reserve estimation. As reported in the consolidated financial statements for the year ended 31 December 2015, on a gross basis, and before taking into account the impact of deferred tax, the total impairment charge booked in 2015 amounted to US$146.2 million at Buzwagi. At Bulyanhulu and North Mara, the impairment review did not indicate a need for impairment because the recoverable amount was calculated as higher than the carrying values.

During 2016, the annual review for impairment of goodwill and indefinite life assets was performed. The review compared the recoverable amount of assets for the cash generating units (“CGU”) to the carrying value of the CGU’s including goodwill. The recoverable amount of an asset is assessed by reference to the higher of value in use (“VIU”), being the net present value (“NPV”) of future cash flows expected to be generated by the asset, and fair value less costs to dispose (“FVLCD”). The FVLCD of a CGU is based on an estimate of the amount that the Group may obtain in a sale transaction on an arm’s length basis. There is no active market for the Group’s CGU’s. Consequently, FVLCD is derived using discounted cash flow techniques (NPV of expected future cash flows of a CGU), which incorporate market participant assumptions. Cost to dispose is based on management’s best estimates of future selling costs at the time of calculating FVLCD. Costs attributable to the disposal of a CGU are not considered significant. The expected future cash flows utilised in the NPV model are derived from estimates of projected future revenues, future cash costs of production and capital expenditures contained in the life-of-mine (“LOM”) plan for each CGU. The Group’s LOM plans reflect proven and probable reserves, assume limited resource conversion, and are based on detailed research, analysis and modelling to optimise the internal rate of return for each CGU.

The discount rate applied to calculate the present value is based upon the real weighted average cost of capital applicable to the CGU. The discount rate reflects equity risk premiums over the risk-free rate, the impact of the remaining economic life of the CGU and the risks associated with the relevant cash flows based on the country in which the CGU is located. These risk adjustments are based on observed equity risk premiums, historical country risk premiums and average credit default swap spreads for the period.

The key economic assumptions used in the reviews during 2016 and 2015 were:

	For the year ended 31 December 2016	**For the year ended 31 December 2015**
Gold price per ounce (2016)	-	US$1,100
Gold price per ounce (2017)	US$1,200	US$1,150; US$1,100 (Buzwagi)
Gold price per ounce(Long term)	US$1,200	US$1,200; US$1,100 (Buzwagi)
Copper price per pound	US$2.25	US$2.00 (2016); US$2.25 (2017); US$2.50 (2018+)
South African Rand (US$:ZAR)	14	12.5
Tanzanian Shilling (US$:TZS)	2,150	2,100
Long-term oil price per barrel	US$60	US$50 (2016); US$65 (2017); US$75 (2018+)
Discount rate	5%	5%
NPV multiples	1	1

For purposes of testing for impairment of long-lived assets, we have assessed whether a reasonably possible change in any of the key assumptions used to estimate the recoverable value for CGUs would result in an impairment charge.

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

Neither of the reasonably possible changes set out above would result in an impairment. This sensitivity analysis also does not take into account any of management's mitigation factors should these changes occur.

8. Other (Income)/ Charges

	For the year ended 31 December (Unaudited)	For the year ended 31 December (Audited)
(in thousands of United States dollars)	**2016**	**2015**
Other expenses		
Restructuring costs	7,689	9,864
Foreign exchange losses	-	23,130
Disallowed indirect taxes	1,447	1,846
Legal costs	2,641	2,502
One off legal settlement	-	7,300
Government levies and charges	-	256
Project development costs	1,123	233
Other	3,136	3,299
Total	**16,036**	**48,430**
Other income		
Bad debts recovered	(54)	(465)
Discounting of indirect tax receivables	(9,719)	(5,906)
Profit on disposal of property, plant and equipment	(289)	(1,315)
Unrealised non-hedge derivative gains	(13,031)	(2,293)
Foreign exchange gains	(1,137)	-
Insurance proceeds	(3,455)	-
De-recognition of finance lease liabilities	-	(3,918)
De-recognition of deferred consideration	-	(5,313)
Proceeds from earn-in agreement	-	(1,000)
Other	-	(141)
Total	**(27,685)**	**(20,351)**
Total other (income)/charges	**(11,649)**	**28,079**

9. Finance Income and Expenses

a) Finance income

(in thousands of United States dollars)	For the year ended 31 December (Unaudited) 2016	For the year ended 31 December (Audited) 2015
Interest on time deposits	1,236	910
Other	276	474
Total	**1,512**	**1,384**

b) Finance expense

(in thousands of United States dollars)	For the year ended 31 December (Unaudited) 2016	For the year ended 31 December (Audited) 2015
Unwinding of discount[1]	2,254	3,651
Revolving credit facility charges[2]	2,279	2,192
Interest on CIL facility	3,956	5,106
Interest on finance leases	-	408
Bank charges	701	516
Other	1,857	744
Total	**11,047**	**12,617**

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

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

10. Tax Expense

(in thousands of United States dollars)	For the year ended 31 December (Unaudited) 2016	For the year ended 31 December (Audited) 2015
Current tax:		
Current tax on profits for the year	54,508	-
Adjustments in respect of prior years[1]	36,697	-
Total current tax	**91,205**	**-**
Deferred tax:		
Origination and reversal of temporary differences[2]	55,908	72,988
Total deferred tax	**55,908**	**72,988**
Income tax expense	**147,113**	**72,988**

1 Included in this amount is a provision for uncertain tax positions of US$32.3 million relating to North Mara, and US$4.4 million relating to Tulawaka, following an adverse tax ruling as reported in Q1 2016.

2 Included in this amount is a provision for uncertain tax positions of US$35.0 million relating to Bulyanhulu following an adverse tax ruling, as reported in Q1 2016.

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

(in thousands of United States dollars)	For the year ended 31 December (Unaudited) 2016	For the year ended 31 December (Audited) 2015
(Loss)/ profit before tax	**242,057**	**(124,160)**
Tax calculated at domestic tax rates applicable to profits in the respective countries	73,373	(35,932)
Tax effects of:		
Expenses not deductible for tax purposes	247	676
Tax losses for which no deferred income tax asset was recognised[3]	76,592	88,702
Adjustments to unrecognised tax benefits carried forward[4]	-	12,740
Prior year adjustments	(3,099)	6,802
Tax charge	**147,113**	**72,988**

3 Included in 2015 is the tax impact of US$42.5 million of deferred tax assets derecognised at Buzwagi following the impairment review.

4 The 2015 reconciliation includes an amount of US$12.7 million relating to an increase in the amount of unrecognised tax benefits carried forward. The adjustment reflects uncertainty regarding recoverability of certain tax losses, and gives rise to an increased deferred tax charge.

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

11. Earnings /(Loss) Per Share (EPS)

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

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

At 31 December 2016 and 31 December 2015, earnings per share have been calculated as follows:

(in thousands of United States dollars)	For the year ended 31 December (Unaudited) 2016	For the year ended 31 December (Audited) 2015
Earnings/(Loss)		
Net profit/(loss) from continuing operations attributable to owners of the parent	94,944	(197,148)
Weighted average number of Ordinary Shares in issue	410,085,499	410,085,499
Adjusted for dilutive effect of stock options	355,514	258,139
Weighted average number of Ordinary Shares for diluted earnings per share	410,441,013	410,343,638
Earnings/(Loss) per share		
Basic earnings/(loss) per share (cents)	23.2	(48.1)
Dilutive earnings/(loss) per share (cents)	23.1	(48.1)

12. Cash flow – other items

a) Operating cash flows - other items

Movements relating to working capital items

(in thousands of United States dollars)	For the year ended 31 December (Unaudited) 2016	For the year ended 31 December (Audited) 2015
Indirect and corporate taxes[1]	(59,100)	(24,177)
Increase in current indirect tax receivable	(18,224)	(24,177)
Prepaid corporate tax	(20,000)	-
Income tax paid	(20,876)	-
Other current assets	695	8,152
Trade receivables	(4,472)	20,626
Inventories[2]	(8,312)	(28,106)
Other liabilities[3]	33,582	6,102
Share based payments[3]	(35,966)	(1,803)
Trade and other payables[4]	15,931	8,448
Other working capital items[5]	(855)	5,984
Total	**(58,497)**	**(4,774)**

1 During the year, we have made US$20.0 million corporate tax prepayments in line with the MoU entered into with the Tanzanian Government in Q1 2016. This has been funded through an offset against current indirect taxes that was due for refund. In addition, we have paid provisional corporate taxes in relation to North Mara of US$20.9 million, which was paid through offset against indirect tax receivables agreed under the MOS entered into in 2012. VAT refunds received in 2016 amounted to US$63 million (2015: US$86 million).

2 The inventory adjustment includes the movement in current as well as the non-current portion of inventory and has been adjusted for the non-cash impairment impact of 2015.

3 The other liabilities adjustment mainly relate to the revaluation of future shared based payments. During the year, share based payments of US$36.0 million was made.

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

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

Other non-cash items

(in thousands of United States dollars)	For the year ended 31 December (Unaudited) 2016	For the year ended 31 December (Audited) 2015
Adjustments for non-cash income statement items:		
Foreign exchange (gains)/losses	(1,463)	19,789
Discounting of indirect tax receivables	(9,719)	(5,906)
Provisions settled	(8)	(2,445)
Unrealised gain on derivatives	(13,031)	(2,293)
Stock option expense	77	182
De-recognition of deferred consideration	-	(5,313)
Other non-cash items	36	(3,858)
Exchange loss on revaluation of cash balances	258	3,341
Total	**(23,850)**	**3,497**

b) Investing cash flows - other items

(in thousands of United States dollars)	For the year ended 31 December (Unaudited) 2016	For the year ended 31 December (Audited) 2015
Proceeds on sale of property, plant and equipment	6,713	3,662
Other long-term receivables	(10)	151
Rehabilitation expenditure	(175)	(557)

Total	**6,528**	**3,256**

13. Property, Plant and Equipment

For the year ended 31 December 2016 (Unaudited) (in thousands of United States dollars)	**Plant and equipment**	**Mineral properties and mine development costs**	**Assets under construction[1]**	**Total**
At 1 January 2016, net of accumulated depreciation	572,877	761,592	56,244	1,390,713
Additions	-	-	191,139	191,139
Non-cash reclamation asset adjustment	-	-	21,955	21,955
Foreign currency translation adjustments	2,203	-	-	2,203
Disposals/write-downs	(6,533)	-	-	(6,533)
Depreciation	(95,864)	(60,437)	-	(156,301)
Transfers between categories	81,310	140,864	(222,174)	-
At 31 December 2016	**553,993**	**842,019**	**47,164**	**1,443,176**
At 1 January 2016				
Cost	1,845,234	1,636,413	56,244	3,537,891
Accumulated depreciation	(1,272,357)	(874,821)	-	(2,147,178)
Net carrying amount	**572,877**	**761,592**	**56,244**	**1,390,713**
At 31 December 2016				
Cost	1,914,522	1,777,277	47,164	3,738,963
Accumulated depreciation and impairment	(1,360,529)	(935,258)	-	(2,295,787)
Net carrying amount	**553,993**	**842,019**	**47,164**	**1,443,176**

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

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For the year ended 31 December 2015 **(Audited)** (in thousands of United States dollars)	**Plant and equipment**	**Mineral properties and mine development costs**	**Assets under construction[1]**	**Total**
At 1 January 2015, net of accumulated depreciation	570,569	710,812	143,934	1,425,315
Additions	-	-	177,168	177,168
Non-cash reclamation asset adjustment	-	-	(31,936)	(31,936)
Foreign currency translation adjustments	(4,149)	-	-	(4,149)
Disposals/write-downs	(4,820)	-	-	(4,820)
Impairments[2]	(18,571)	(18,929)	-	(37,500)
Depreciation	(78,105)	(55,260)	-	(133,365)
Transfers between categories	107,953	124,969	(232,922)	-
At 31 December 2015	**572,877**	**761,592**	**56,244**	**1,390,713**
At 1 January 2015				
Cost	1,750,743	1,511,444	143,934	3,406,121
Accumulated depreciation	(1,180,174)	(800,632)	-	(1,980,806)
Net carrying amount	**570,569**	**710,812**	**143,934**	**1,425,315**
At 31 December 2015				
Cost	1,845,234	1,636,413	56,244	3,537,891
Accumulated depreciation and impairment	(1,272,357)	(874,821)	-	(2,147,178)
Net carrying amount	**572,877**	**761,592**	**56,244**	**1,390,713**

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

2 The impairment in 2015 relates to property, plant and equipment at Buzwagi. Refer to note 7 for further details.

Leases

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

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

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

(in thousands of United States dollars)	**As at 31 December 2016 (Unaudited)**	**As at 31 December 2015 (Audited)**
Cost - capitalised finance leases	51,617	51,617
Accumulated depreciation and impairment	(40,925)	(37,952)
Net carrying amount	**10,692**	**13,665**

14. Deferred Tax Assets and Liabilities

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

(in thousands of United States dollars)	As at 31 December (Unaudited) 2016	As at 31 December (Audited) 2015
Tax losses	648,984	520,591
Total	**648,984**	**520,591**

The above tax losses, which translate into deferred tax assets of approximately US$184 million (2015: US$149 million), have not been recognised in respect of these items due to uncertainties regarding availability of tax losses, or there being uncertainty regarding future taxable income against which these assets can be utilised.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Balance sheet classifications

Balance sheet classification	**Assets**		**Liabilities**		**Net**	
(in thousands of United States dollars)	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Property, plant and equipment1	-	-	390,050	380,264	390,050	380,264
Provisions	(4,456)	(5,144)	-	-	(4,456)	(5,144)
Interest deferrals	(479)	(63)	-	522	(479)	459
Tusker acquisition	-	-	6,354	6,478	6,354	6,478
Tax loss carry-forwards	(251,510)	(298,017)	-	-	(251,510)	(298,017)
Net deferred tax (assets)/liabilities	**(256,445)**	**(303,224)**	**396,404**	**387,264**	**139,959**	**84,040**

Legal entities

Legal entities	**Assets**		**Liabilities**		**Net**	
(in thousands of United States dollars)	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
North Mara Gold Mine Ltd1	-	-	77,529	69,662	77,529	69,662
Bulyanhulu Gold Mine Ltd	-	-	64,539	19,528	64,539	19,528
Pangea Minerals Ltd1	(7,504)	(11,447)	-	-	(7,504)	(11,447)
Other	(927)	(181)	6,322	6,478	5,395	6,297
Net deferred tax (assets)/liabilities	**(8,431)**	**(11,628)**	**148,390**	**95,668**	**139,959**	**84,040**

Uncertainties regarding availability of tax losses in respect of enquiries raised and additional tax assessments issued by the TRA, have been measured using the single best estimate of likely outcome approach resulting in the recognition of substantially all the related deferred tax assets and liabilities. Alternative acceptable measurement policies (e.g. on a weighted average expected outcome basis) could result in a change to deferred tax assets and liabilities being recognised, and the deferred tax charge in the income statement.

No deferred tax has been recognised in respect of temporary differences associated with investments in subsidiaries where the Group is in a position to control the timing of the reversal of the temporary differences, and it is probable that such differences will not reverse in the foreseeable future. The aggregate amount of temporary differences associated with such investments in subsidiaries is represented by the contribution of those investments to the Group's retained earnings and amounted to US$411 million (2015: US$391 million).

15. Derivative Financial Instruments

The table below analyses financial instruments carried at fair value, by valuation method. The Group has derivative financial instruments in the form of economic and cash flow hedging contracts which are all defined as level two instruments as they are valued using inputs other than quoted prices that are observable for the assets or liabilities. The following tables present the group's assets and liabilities that are measured at fair value at 31 December 2016 and 31 December 2015.

	Assets		Liabilities		
For the year ended 31 December 2016 (in thousands of United States dollars)	**Current**	**Non-current**	**Current**	**Non-current**	**Net fair value**
Interest contracts: Designated as cash flow hedges	33	255	73	-	215
Commodity contracts: Not designated as hedges	1,310	566	511	30	1,335
Total	**1,343**	**821**	**584**	**30**	**1,550**

	Assets		Liabilities		
For the year ended 31 December 2015 (in thousands of United States dollars)	**Current**	**Non-current**	**Current**	**Non-current**	**Net fair value**
Interest contracts: Designated as cash flow hedges	-	849	490	-	359
Commodity contracts: Not designated as hedges	-	-	10,430	1,560	(11,990)
Total	**-**	**849**	**10,920**	**1,560**	**(11,631)**

16. Other Assets

(in thousands of United States dollars)	**As at 31 December (Unaudited) 2016**	**As at 31 December (Audited) 2015**
Amounts due from government[1]	11,748	12,078
Operating lease prepayments - TANESCO powerlines	809	1,261
Prepayments - Acquisition of rights over leasehold land[2]	42,250	48,419
Non-current portion of indirect tax receivable[3]	7,945	52,671
Village housing	254	253
Deferred finance charges	291	282
Total	**63,297**	**114,964**

1 Included in this amount are amounts receivable from the Tanzanian Social Security Fund of US$5.4 million (2015: US$5.3 million) as well as amounts due from TANESCO of US$3.1 million (2015: US$2.7 million).

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

3 The non-current portion of indirect tax receivables was subject to discounting to its current value using a discount rate of 5% (2015: 5%). This resulted in a discounting credit of US$9.7 million (2015: US$5.9 million) to the income statement (refer note 8).

17. Trade Receivables and Other Current Assets

(in thousands of United States dollars)	As at 31 December (Unaudited) 2016	As at 31 December (Audited) 2015
Trade and other receivables:		
Amounts due from doré and concentrate sales	7,841	5,435
Other receivables[1]	12,023	9,940
Due from related parties	40	116
Less: Provision for doubtful debt on other receivables	(1,074)	(1,128)
Total	**18,830**	**14,363**

1 Other receivables relates to employee and supplier back charge-related receivables and refundable deposits.

Trade receivables other than concentrate receivables are non-interest bearing and are generally on 30-90 day terms. Concentrate receivables are generally on 60-120 day terms depending on the terms per contract. Trade receivables are amounts due from customers in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets; if not, they are presented as non-current assets. The carrying value of trade receivables recorded in the financial statements represents the maximum exposure to credit risk. The Group does not hold any collateral as security.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provisions for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

(in thousands of United States dollars)	As at 31 December (Unaudited) 2016	As at 31 December (Audited) 2015
Other current assets:		
Current portion of indirect tax receivables[2]	128,423	57,557
Other receivables and advance payments[3]	21,095	21,006
Total	**149,518**	**78,563**

2 The current portion of indirect tax receivables includes an amount of US$32.9 million which was transferred from non-current indirect tax receivables as it is expected that the current portion will be recovered within the next year.

3 Other receivables and advance payments relate to prepayments for insurance and income taxes offset against outstanding refunds for VAT and fuel levies and current amounts receivable from the NSSF of US$5.0 million (2015: US$5.1 million).

18. Borrowings

During 2013, a US$142 million facility was put in place to fund the bulk of the costs of the construction of one of Acacia's key growth projects, the Bulyanhulu CIL Expansion project ("Project"). The Facility is collateralised by the Project, has a term of seven years with a spread over Libor of 250 basis points. The interest rate has been fixed at 3.6% through the use of an interest rate swap. The seven year Facility is repayable in equal bi-annual instalments over the term of the Facility, after a two year repayment holiday period. The full facility of US$142 million was drawn at the end of 2013. The first principal payment of US$14.2 million was paid in H2 2015 and during 2016 two payments of US$14.2 million were paid. As at 31 December 2016 the balance owing was US$99.4 million (2015: US$127.8 million). Interest accrued to the value of US$0.6 million (2015: US$0.7 million) was included in accounts payable at year end. Interest incurred on the borrowings as well as hedging losses on the interest rate swap for the year ended 31 December 2016 was US$4.0 million (2015: US$5.1 million).

19. Provisions

(in thousands of United States dollars)	Rehabilitation[1] 2016	2015	Other[2] 2016	2015	Total 2016	2015
At 1 January	128,170	157,012	761	3,206	128,931	160,218
Change in estimate[3]	21,956	(31,936)	-	-	21,956	(31,936)
Utilised during the year	(175)	(557)	(9)	(2,445)	(184)	(3,002)
Unwinding of discount	2,254	3,651	-	-	2,254	3,651
At 31 December	**152,205**	**128,170**	**752**	**761**	**152,957**	**128,931**
Current portion	(6,483)	(816)	(752)	(761)	(7,235)	(1,577)
Non-current portion	**145,722**	**127,354**	**-**	**-**	**145,722**	**127,354**

1 Rehabilitation provisions relate to the decommissioning costs expected to be incurred for the operating mines. This expenditure arises at different times over the LOM for the different mine sites and is expected to be utilised in terms of cash outflows between years 2017 and 2054 and beyond, varying from mine site to mine site. The change in estimate in the current year relates mainly to an update in estimate around closure related retrenchment costs, and a reduction in the US risk free rates driven a change in discount rate.

2 Other provisions relate to provisions for legal and tax-related liabilities where the outcome is not yet certain but it is expected that it will lead to a probable outflow of economic benefits in future.

3 Toward the end of 2015 reclamation guarantees for the mine sites were discussed with the Ministry of Energy and Minerals including the required rehabilitation activity. These discussions, in conjunction with the annual review of closure estimates and closure planning have resulted in a re-estimation of the basis and assumptions for cost estimates and periods of closure needed.

Rehabilitation obligations arise from the acquisition, development, construction and normal operation of mining property, plant and equipment, due to government controls and regulations that protect the environment on the closure and reclamation of mining properties. The major parts of the carrying amount of the obligation relate to tailings and waste rock dumps closure/rehabilitation and surface contouring; demolition of buildings/mine facilities; ongoing water treatment; and ongoing care and maintenance of closed mines. The fair values of rehabilitation provisions are measured by discounting the expected cash flows using a discount factor that reflects the credit-adjusted risk-free rate of interest. Acacia prepares estimates of the timing and amount of expected cash flows when an obligation is incurred and updates expected cash flows to reflect changes in facts and circumstances. The principal factors that can cause expected cash flows to change are: the construction of new processing facilities; changes in the quantities of material in reserves and a corresponding change in the LOM plan; changing ore characteristics that impact required environmental protection measures and related costs; changes in water quality that impact the extent of water treatment required; and changes in laws and regulations governing the protection of the environment.

Each year Acacia assesses cost estimates and other assumptions used in the valuation of the rehabilitation provision at each mineral property to reflect events, changes in circumstances and new information available. Changes in these cost estimates and assumptions are recorded as an adjustment to the carrying amount of the corresponding asset. Rehabilitation provisions are adjusted to reflect the passage of time (accretion) calculated by applying the discount factor implicit in the initial fair-value measurement to the beginning-of-period carrying amount of the provision. Settlement gains/losses will be recorded in other (income)/expense.

Other environmental remediation costs that are not rehabilitation provisions are expensed as incurred.

20. Commitments and Contingencies

The Group is subject to various laws and regulations which, if not observed, could give rise to penalties. As at 31 December 2016, the Group has the following commitments and/or contingencies.

a) Legal contingencies

As at 31 December 2016, the Group was a defendant in approximately 185 lawsuits. The plaintiffs are claiming damages and interest thereon from various members of the Group in connection with one or more of the following: land compensation and resettlement, alleged breaches of contract for various goods and services, employment and labour related matters, historical exploration agreements with third parties.

The Group's Legal Counsel is defending the Group's current position, and the outcome of the lawsuits cannot presently be determined. Included in the total amounts claimed are the following:

An adjudication claim for US$115 million by Bismark Hotel Limited relating to an alleged breach of contract under an Optional Agreement signed in 1995. The claim relates to an application for a prospecting licence with no attributable reserves, resources or value. We are waiting for the adjudicators to fix a hearing date. Management are of the opinion that the claim is without merit and that it will be successfully defended.

An arbitration award of US$ 4 million, relating to a historical arbitration between North Mara Gold Mine Limited (NMGML) and Diamond Motors Limited (DML) in respect of an alleged breach of contract claim in relation to the interpretation of periodic rate review requirements and other provisions of drilling services contracts. NMGML counterclaimed against the amount and raised a provision of US$6.2 million reflecting the view of NMGML as to the proper interpretation and application of the rate review clauses of the contracts. An arbitral tribunal decided in favour of NMGML on the material grounds of the claim on 10 August 2015, with an award of US$4 million for unpaid rates to DML for the period up to September 2013. The Tribunal found that the subsequent period fell to be determined by negotiation of the parties pursuant to the contractual terms and should be calculated based on the tribunal's judgment. After the Award was issued, DML: (i) sought to challenge the Award in the Commercial Court; and (ii) filed a winding up application against NMGML based on unpaid rates for 2014 and 2015. NMGML petitioned the High Court to stay the winding up petition, given that the underlying debt and alleged indebtedness for 2014/2015 must be determined by arbitration. The stay was rejected on the basis that winding up procedures cannot be determined by arbitration. This decision is on appeal. DML recently applied to strike out the appeal on the basis that the record on appeal was not timely filed. We will be opposing this application, which may not be heard by the Court of Appeal for some months. We are currently assessing options available to determine the amount payable to DML for 2014/2015 in order to reach an agreement on this and to have all Court proceedings set aside. The hearing for the application to wind up North Mara has yet to be scheduled. Payment has been made for the Arbitration award (US$4 million) and we continue to carry a provision of US$2.2 million as provisioned for the first arbitration.

Contractor claims relating to alleged compensation events under the Bulyanhulu CIL plant construction contract, purporting to relate to matters which provide grounds for additional amounts payable for scope of work variations and/or extensions of time to the agreed project execution timetable. The alleged contractor claims relate to a wide range of subject matters including logistics delays, procurement delays, additional works, rainfall delays, price escalation, certain matters relating to taxation, entitlement to contingency amounts and other retained monies. The aggregate value of MDM claims is US$50,438,630.25 and ZAR 33,066,481.49. Bulyanhulu is of the opinion that the majority of MDM's claims are defendable. In turn, Bulyanhulu has counterclaimed for payment of delay damages due to continuing delays in execution of the project amounting to US$20,016,000 in aggregate, multiple defects claims (as remedied and as to be remedied) relating to the design and build of the CIL plant, amounting to US$14,565,228 in aggregate, an overall fit for purpose claim as a result of various grounds of negligence in the design and construction of the CIL plant amounting to US$31,393,877.10 in aggregate and additional transportation costs of US$1,539,795. No provision has been made however; we carry an accrual of unpaid project amounts of approximately US$6,000,000.

A contractual dispute between various Acacia operating companies and Petrolube/ISA to the value of US$35.1 million. The Acacia entities terminated contractual supply relationships for: (i) the provision of hoses, fittings and assembly services to operating entities by ISA on Notice of 5 July 2016; and (ii) the provision of lubricants and associated services by Petrolube to operating entities on 5 July 2016, in each case pursuant to the termination without cause provisions in the agreement, and following retendering of relevant services and as a result of various breaches of contract relating to the provisions of Petrolube/ISA services (including issues relating to reliability of prior supplies and quality of products) and various other breaches of contract by Petrolube/ISA. Subsequent to the commencement of contractual dispute proceedings Petrolube/ISA commenced court proceedings to have the termination of the agreements set aside and to recover various damages limbs, including loss of profits, and other general damages *(US$ 56,080,878.46 – Petrolube Claim and US$ 24,868,942.64 ISA Claim).* We have challenged all elements of the Court proceedings and have also challenged jurisdiction of the Court, given that the contracts require all disputes to be referred to arbitration following principal to principal dispute discussions. We have commenced arbitration proceedings in connection will all elements of the disputes, as required by the applicable contractual dispute processes.

A claim for compensation against NMGML in relation to the destruction of an office building and stone crusher machine. The damage to the property was caused by the Tanzanian Police Force. The claim has been refilled in the High Court and awaits scheduling. Management expects to be able to defend the claim successfully as the damage of the property was caused by the Tanzanian Police Force; therefore no provision has been made.

A claim for breach of contract against Bulyanhulu Gold Mine Limited in relation to a new office building which Bulyanhulu had contracted to rent. However, Bulyanhulu had withdrawn from the contract as the owner was unable to honour the terms; and the construction of the building in question was not completed. Management expects to be able to defend the claim successfully as the construction of the office building was never completed; therefore no provision has been made.

b) Tax-related contingencies

The TRA has issued a number of tax assessments to the Group related to past taxation years from 2002-onwards. The Group believes that the majority of these assessments are incorrect and has filed objections and appeals accordingly in an attempt to resolve these matters by means of discussions with the TRA or through the Tanzanian appeals process. These include the following:

A TRA assessment of US$21.3 million in respect of Tusker Gold Limited. The tax assessment is based on the sales price of the Nyanzaga property of US$71 million multiplied by the tax rate of 30%. Management is of the view that the assessment is invalid due to the fact that the acquisition is for Tusker Gold Limited, a company incorporated in Australia. The shareholding of the Tanzanian related entities did not change and the Tusker Gold Limited group structure remains the same as prior to the acquisition. The case was decided in favour of Acacia however the TRA appealed that decision. The tax tribunal upheld the decision in favour of Acacia however the TRA has appealed to the Court of Appeal. We are awaiting a hearing date to be set.

A TRA assessment to the value of US$41.3 million for withholding tax on certain historic offshore dividend payments paid by Acacia Mining plc to its shareholders. Acacia is appealing this assessment on the substantive grounds that, as an English incorporated company, it is not resident in Tanzania for taxation purposes. The appeal is currently pending at the Court of Appeal and the substantive grounds of appeal will be filed on receipt of the record of appeal required from the lower tribunals.

Further TRA assessments issued to Acacia Mining plc to the value of US$500.7 million, based on an allegation that Acacia is resident in Tanzania for corporate and dividend withholding tax purposes. The corporate tax assessments have been levied on certain Group net profits before tax. We are in the process of appealing these assessments at the TRA Board level. Acacia's substantive grounds of appeal are, again, based on the correct interpretation of Tanzanian permanent establishment principles and law, relevant to a non-resident English incorporated company.

In addition, in Q1 2016 we received a judgement from the Court of Appeal regarding a long standing dispute over tax calculations at Bulyanhulu from 2000-2006. The Court of Appeal was reviewing seven issues initially raised by the TRA in 2012 regarding certain historic tax loss carry forwards and ruled in favour of Bulyanhulu by the Tax Appeals Board in 2013. The TRA appealed against this ruling and in 2014 the Tax Tribunal reversed the decision for all seven issues. Acacia appealed against this judgement and in March 2016 the Court of Appeal found in favour of the TRA in five of the seven issues. The legal route in Tanzania has now been exhausted; however we are considering our options for the next steps. The Court of Appeal ruling does not have a short term cash flow impact but means that Bulyanhulu will be in a tax payable situation approximately one year earlier than previously expected. Acacia is yet to receive a revised tax assessment following the judgement, but has raised further tax provisions of US$69.9 million in order to address the direct impact of the ruling on Bulyanhulu's tax loss carry forwards and the potential impact this may have on the applicability of certain capital deductions for other years and our other mines. The additional tax provisions raised are US$35.1 million relating to Bulyanhulu, US$30.4 million relating to North Mara and US$4.4 million relating to Tulawaka. Total provisions for uncertain tax positions now amount to US$128 million.

c) Exploration and development agreements – Mining Licences

Pursuant to agreements with the Government of the United Republic of Tanzania, the Group was issued special mining licences for Bulyanhulu, Buzwagi, and North Mara mines and mining licences for building materials at Bulyanhulu and Buzwagi Mines. The agreement requires the Group to pay to the government of Tanzania annual rents of US$5,000 per annum per square kilometre for as long as the Group holds the special mining licences and US$2,000 per annum per square kilometre for so long as the Group holds the mining licences for building materials. The total commitment for 2017 for the remaining special mining licences and mining licences for building materials amount to US$0.62 million.

d) Purchase commitments

At 31 December 2016, the Group had purchase obligations for supplies and consumables of approximately US$47 million (2015: US$43 million).

e) Capital commitments

In addition to entering into various operational commitments in the normal course of business, the Group entered into contracts for capital expenditure of approximately US$13 million in 2016 (2015: US$7 million).

20. Related party balances and transactions

The Group has related party relationships with entities owned or controlled by Barrick Gold Corporation, which is the ultimate controlling party of the Group. The Company and its subsidiaries, in the ordinary course of business, enter into various sales, purchase and service transactions and other professional services arrangements with others in the Barrick Group. These transactions are under terms that are on normal commercial terms and conditions. These transactions are not considered to be significant.

At 31 December 2016 the Group had no loans of a funding nature due to or from related parties (31 December 2015: zero).

21. Post Balance Sheet Events

A final dividend of US8.4 cents per share has been proposed, which will result in a total dividend of US10.4 cents per share for 2016. The final dividend is to be proposed at the Annual General Meeting on 20 April 2017 and paid on 31 May 2017 to shareholders on the register on 5 May 2016. The ex-dividend date is 4 May 2016. These financial statements do not reflect this dividend payable.

Reserves and Resources

Mineral reserves and mineral resources estimates contained in this report have been calculated as at 31 December 2016 in accordance with National Instrument 43-101 as required by Canadian securities regulatory authorities, unless otherwise stated. Canadian Institute of Mining, Metallurgy and Petroleum (CIM) definitions were followed for mineral reserves and resources. Calculations have been reviewed, verified (including estimation methodology, sampling, analytical and test data) and compiled by ACACIA personnel under the supervision of ACACIA Qualified Persons: John Haywood, Chief Geologist – Operations, and Samuel Pobee, Chief Advisor Planning and Mine Optimisation. However, the figures stated are estimates and no assurances can be given that the indicated quantities of metal will be produced. In addition, totals stated may not add up due to rounding.

Mineral reserves have been calculated using an assumed long-term average gold price of US$1,100.00 per ounce, a silver price of US$15.00 per ounce and a copper price of US$2.50 per pound. Reserve calculations incorporate current and/or expected mine plans and cost levels at each property.

Mineral resources at ACACIA mines have been calculated using an assumed long-term average gold price of US$1,400.00 per ounce, a silver price of US$15.00 per ounce and a copper price of US$2.50 per pound. Mineral resources at Acacia exploration properties have been calculated using an assumed long-term average gold price of US$1,500.00 per ounce for Tankoro (50% JV holding with Sarama Resources) and Golden Ridge; whilst Nyanzaga (90% JV holding with OreCorp) is a foreign estimate compiled to JORC Code 2012 and reported above a lower cut-off grade of 1.5g/t.

Resources have been estimated using varying cut-off grades, depending on the type of mine or project, its maturity and ore types at each property. Reserve estimates are dynamic and are influenced by changing economic conditions, technical issues, environmental regulations and any other relevant new information and therefore these can vary from year to year. Resource estimates can also change and tend to be influenced mostly by new information pertaining to the understanding of the deposit and secondly the conversion to ore reserves. In addition, estimates of inferred mineral resources may not form the basis of an economic analysis and it cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Therefore, investors are cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be upgraded to mineral reserves.

Mine Gold Reserves & Resources

		2016 YE			2015 YE		
		Tonnes (000's)	Grade Au (g/t)	Ounce (000's)	Tonnes (000's)	Grade Au (g/t)	Ounce (000's)
Bulyanhulu - Underground	Proven and probable	15,662	9.75	4,910	20,820	8.85	5,925
	Mineral Resource	13,904	8.91	3,982	22,158	7.03	5,010
	Inferred	24,208	9.75	7,587	19,900	9.23	5,903
Bulyanhulu- Tailings	Proven and probable	6,181	1.05	209	6,548	1.07	226
	Mineral Resource	-	-	-	-	-	-
	Inferred	-	-	-	-	-	-
Buzwagi - Open Pit	Proven and probable	5,993	1.74	336	6,514	1.76	369
	Mineral Resource	25,873	1.23	1,024	44,152	1.35	1,911
	Inferred	2,058	1.37	91	3,656	1.34	158
Buzwagi - Stockpile	Proven and probable	9,067	0.96	279	8,168	0.97	255
	Mineral Resource	-	-	-	-	-	-
	Inferred	-	-	-	-	-	-
North Mara - Open Pit	Proven and probable	16,946	2.04	1,110	16,591	2.19	1,167
	Mineral Resource	15,261	2.07	1,018	10,330	2.05	681
	Inferred	3,600	0.84	97	193	2.01	12
North Mara - Stockpiles	Proven and probable	3,452	1.13	125	2,935	1.35	127
	Mineral Resource	-	-	-	-	-	-
	Inferred	-	-	-	-	-	-
North Mara - Gokona Underground	Proven and probable	3,393	6.01	656	3,455	6.12	680
	Mineral Resource	2,270	3.35	244	1,160	5.61	209
	Inferred	6,356	3.39	693	4,756	4.71	720
North Mara - Nyabigena Underground	Proven and probable	-	-	-	-	-	-
	Mineral Resource	1,237	3.19	127	197	6.05	38
	Inferred	50	4.20	7	-	-	-
North Mara - Nyabirama Underground	Proven and probable	-	-	-	-	-	-
	Mineral Resource	1,401	3.19	144	987	4.85	154
	Inferred	483	3.16	49	-	-	-
Total	**Proven and probable**	**60,694**	**3.91**	**7,625**	**65,030**	**4.18**	**8,750**
	Mineral Resource	**59,945**	**3.39**	**6,539**	**78,984**	**3.15**	**8,004**
	Inferred	**36,755**	**7.21**	**8,523**	**28,504**	**7.41**	**6,794**

Exploration Property Gold Reserves & Resources [1]

		2016 YE			2015 YE		
		Tonnes (000's)	Grade Au (g/t)	Ounce (000's)	Tonnes (000's)	Grade Au (g/t)	Ounce (000's)
Tankoro (50%)	Proven and probable	-	-	-	-	-	-
	Mineral Resource	-	-	-	-	-	-
	Inferred	21,500	1.52	1,050	-	-	-
Nyanzaga (90%)	Proven and probable	-	-	-	-	-	-
(Tusker+Kilimani)	Mineral Resource	22,230	3.49	2,495	97,352	1.31	4,102
	Inferred	4,590	3.49	515	3,042	0.93	91
Golden Ridge	Proven and probable	-	-	-	-	-	-
	Mineral Resource	7,944	2.78	710	7,944	2.78	710
	Inferred	1,414	2.27	103	1,414	2.27	103
Total Exploration	**Proven and probable**	**-**	**-**	**-**	**-**		**-**
	Mineral Resource	**30,174**	**3.30**	**3,205**	**105,296**	**1.42**	**4,812**
	Inferred	**27,504**	**1.89**	**1,667**	**4,456**	**1.35**	**194**
Total Acacia	**Proven and probable**	**60,694**	**3.91**	**7,625**	**65,030**	**4.18**	**8,750**
	Mineral Resource	**90,119**	**3.36**	**9,744**	**184,280**	**2.16**	**12,817**
	Inferred	**64,259**	**4.93**	**10,190**	**32,960**	**6.59**	**6,987**

[1] Exploration Property Gold Resources have been estimated using a gold price of $1,500/oz for Golden Ridge and Tankoro; and reported above 15g/t Au lower cut-off for Nyanzaga

Contained Copper Reported within Gold Reserves & Resources

		2016 YE			2015 YE		
		Tonnes (000's)	Grade Cu (%)	Pounds (000's)	Tonnes (000's)	Grade Cu (%)	Pounds (000's)
Bulyanhulu - Underground	Proven and probable	15,662	0.55	188,283	20,820	0.53	243,388
	Mineral Resource	13,904	0.44	136,247	22,158	0.44	215,049
	Inferred	24,208	0.63	337,251	19,900	0.53	233,698
Bulyanhulu - Tailings	Proven and probable	-	-	-	-	-	-
	Mineral Resource	-	-	-	-	-	-
	Inferred	-	-	-	-	-	-
Buzwagi	Proven and probable	15,060	0.10	32,497	14,682	0.10	32,409
	Mineral Resource	25,873	0.12	66,187	44,152	0.13	123,626
	Inferred	2,058	0.13	5,760	3,656	0.14	10,960
Total	**Proven and probable**	**30,722**	**0.33**	**220,780**	**35,502**	**0.35**	**275,797**
	Mineral Resource	**39,777**	**0.23**	**202,434**	**66,310**	**0.23**	**338,675**
	Inferred	**26,266**	**0.59**	**343,010**	**23,556**	**0.47**	**244,658**

Contained Silver Reported within Gold Reserves & Resources

		2016 YE			2015 YE		
		Tonnes (000's)	Grade Ag (g/t)	Ounce (000's)	Tonnes (000's)	Grade Ag (g/t)	Ounce (000's)
Bulyanhulu - Underground	Proven and probable	15,662	8.11	4,085	20,820	7.62	5,104
	Mineral Resource	13,904	6.64	2,969	22,158	5.92	4,218
	Inferred	24,208	6.96	5,416	19,900	6.31	4,038
Bulyanhulu - Tailings	Proven and probable	6,181	3.29	655	6,548	3.36	708
	Mineral Resource	-	-	-	-	-	-
	Inferred	-	-	-	-	-	-
Total	**Proven and probable**	**21,843**	**6.75**	**4,739**	**27,368**	**6.60**	**5,811**
	Mineral Resource	**13,904**	**6.64**	**2,969**	**22,158**	**5.92**	**4,218**
	Inferred	**24,208**	**6.96**	**5,416**	**19,900**	**6.31**	**4,038**

Mine Gold Reserves

Mine	Classification	Tonnes	Grade Au (g/t)	Contained Au (oz)
Bulyanhulu - Underground	Proven	2,291,000	10.52	775,000
	Probable	13,371,000	9.62	4,135,000
	Total (P+P)	**15,662,000**	**9.75**	**4,910,000**
Bulyanhulu - Tailings	Proven	-	-	-
	Probable	6,181,000	1.05	209,000
	Total (P+P)	**6,181,000**	**1.05**	**209,000**
Buzwagi - Open Pit	Proven	6,000	2.07	400
	Probable	5,987,000	1.74	335,000
	Total (P+P)	**5,993,000**	**1.74**	**336,000**
Buzwagi - Stockpiles	Proven	9,067,000	0.96	279,000
	Probable	-	-	-
	Total (P+P)	**9,067,000**	**0.96**	**279,000**
North Mara - Open Pit	Proven	1,996,000	2.59	166,000
	Probable	14,950,000	1.96	944,000
	Total (P+P)	**16,946,000**	**2.04**	**1,110,000**
North Mara - Stockpiles	Proven	3,452,000	1.13	125,000
	Probable	-	-	-
	Total (P+P)	**3,452,000**	**1.13**	**125,000**
North Mara - Gokona Underground	Proven	1,881,000	7.84	474,000
	Probable	1,512,000	3.74	182,000
	Total (P+P)	**3,393,000**	**6.01**	**656,000**
North Mara - Nyabigena Underground	Proven	-	-	-
	Probable	-	-	-
	Total (P+P)	**-**	**-**	**-**
North Mara - Nyabirama Underground	Proven	-	-	-
	Probable	-	-	-
	Total (P+P)	**-**	**-**	**-**
Total Mine Gold Reserves	Proven	18,693,000	3.03	1,819,000
	Probable	42,001,000	4.30	5,806,000
	Total (P+P)	**60,694,000**	**3.91**	**7,625,000**

Contained Copper Reported within Gold Reserves

	Classification	Tonnes	Grade Cu (%)	Contained Cu(lbs)
Bulyanhulu - Underground	Proven	2,291,000	0.43	21,763,000
	Probable	13,371,000	0.56	166,520,000
	Total	**15,662,000**	**0.55**	**188,283,000**
Bulyanhulu - Tailings	Proven	-	-	-
	Probable	-	-	-
	Total	**-**	**-**	**-**
Buzwagi	Proven	9,073,000	0.07	14,024,000
	Probable	5,987,000	0.14	18,473,000
	Total	**15,060,000**	**0.10**	**32,497,000**
Total Copper Reported within Gold Reserves				
	Proven	11,364,000	**0.14**	35,787,000
	Probable	19,358,000	**0.43**	184,993,000
	Total	**30,722,000**	**0.33**	**220,780,000**

Contained Silver Reported within Gold Reserves

	Classification	Tonnes	Grade Ag (g/t)	Contained Ag (oz)
Bulyanhulu - Underground	Proven	2,291,000	6.06	446,000
	Probable	13,371,000	8.46	3,639,000
	Total	**15,662,000**	**8.11**	**4,085,000**
	Proven	-	-	-
Bulyanhulu - Tailings	Probable	6,181,000	3.29	655,000
	Total	**6,181,000**	**3.29**	**655,000**
Total Silver Reported within Gold Reserves				
	Proven	2,291,000	6.06	446,000
	Probable	19,552,000	6.83	4,293,000
	Total	**21,843,000**	6.75	**4,739,000**

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

Mine	Classification	Tonnes	Grade Au (g/t)	Contained Au (oz)
Bulyanhulu - Underground	Measured	1,367,000	11.56	508,000
	Indicated	12,537,000	8.62	3,474,000
	Total (M+I)	**13,904,000**	**8.91**	**3,982,000**
Bulyanhulu - Tailings	Measured	-	-	-
	Indicated	-	-	-
	Total (M+I)	**-**	**-**	**-**
Buzwagi - Open Pit	Measured	131,000	1.42	6,000
	Indicated	25,742,000	1.23	1,018,000
	Total (M+I)	**25,873,000**	**1.23**	**1,024,000**
Buzwagi - Stockpiles	Measured	-	-	-
	Indicated	-	-	-
	Total (M+I)	**-**	**-**	**-**
North Mara - Open Pit	Measured	2,535,000	2.25	183,000
	Indicated	12,726,000	2.04	835,000
	Total (M+I)	**15,261,000**	**2.07**	**1,018,000**
North Mara - Stockpiles	Measured	-	-	-
	Indicated	-	-	-
	Total (M+I)	**-**	**-**	**-**
North Mara - Gokona UG	Measured	786,000	3.96	100,000
	Indicated	1,483,000	3.02	144,000
	Total (M+I)	**2,270,000**	**3.34**	**244,000**
North Mara - Nyabigena UG	Measured	81,000	3.07	8,000
	Indicated	1,156,000	3.20	119,000
	Total (M+I)	**1,237,000**	**3.19**	**127,000**
North Mara - Nyabirama UG	Measured	-	-	-
	Indicated	1,401,000	3.20	144,000
	Total (M+I)	**1,401,000**	**3.20**	**144,000**
Total Mine Resource (M+I)	Measured	4,900,000	5.11	805,000
	Indicated	55,045,000	3.24	5,734,000
	Total (M+I)	**59,945,000**	**3.39**	**6,539,000**

Contained Copper Reported within Gold Resources

	Classification	Tonnes	Grade Cu (%)	Contained Cu(lbs)
Bulyanhulu - Underground	**Measured**	1,367,000	0.40	12,187,000
	Indicated	12,537,000	0.45	124,060,000
	Total (M+I)	**13,904,000**	**0.44**	**136,247,000**
Bulyanhulu - Tailings	**Measured**	-	0.00	-
	Indicated	-	0.00	-
	Total (M+I)	-	0.00	-
Buzwagi	**Measured**	131,000	0.13	374,000
	Indicated	25,742,000	0.12	65,813,000
	Total (M+I)	25,873,000	0.12	66,187,000
Total Copper Reported within Gold Resources				
	Measured	1,498,000	0.38	12,561,000
	Indicated	38,279,000	0.22	189,873,000
	Total (M+I)	**39,777,000**	**0.23**	**202,434,000**

Contained Silver Reported within Gold Resource

	Classification	Tonnes	Grade Ag (g/t)	Contained Ag (oz)
Bulyanhulu - Underground	Measured	1,367,000	7.16	315,000
	Indicated	12,537,000	6.58	2,654,000
	Total (M+I)	**13,904,000**	**6.64**	**2,969,000**
Bulyanhulu - Tailings	Measured	-	0.00	-
	Indicated	-	0.00	-
	Total (M+I)	-	0.00	-
Total Silver Reported within Gold Resources				
	Measured	1,367,000	7.17	315,000
	Indicated	12,537,000	6.58	2,654,000
	Total (M+I)	13,904,000	6.64	2,969,000