

22 September 2015

**Acacia Mining plc**

LSE:ACA

("Acacia" or the "Company")

**Formation of Joint Venture to Progress the Nyanzaga Project**

Acacia is pleased to announce the formation of an earn-in joint venture with OreCorp Limited (ASX:ORR, "OreCorp") to progress the Nyanzaga Project (the "Project") in Tanzania. OreCorp will act as manager of the Project and will be able to earn up to a 25% ownership of the Project through the completion of various work programme milestones over a three year period for an aggregate project investment of US\$15 million, including an up-front payment to Acacia of US\$1 million.

**Brad Gordon, CEO of Acacia said:** "We are pleased to have reached an agreement with OreCorp for them to earn-in to and progress the Nyanzaga Project. The structure of the joint venture allows us to continue our focus of delivery from our existing mines whilst retaining the optionality to participate in the potential future development of a large-scale gold mine. We believe that the team at OreCorp, having previously run large-scale projects in Tanzania, are well placed to advance the Project to a development decision and look forward to working with them to further develop the Tanzanian mining industry."

Nyanzaga is located in north-west Tanzania in the Lake Victoria Goldfields region which is also host to all three of our producing mines. Since increasing our ownership of the Project to 100% in May 2010, Acacia has undertaken an extensive step-out and infill drilling programme with a total of 120,088 metres being drilled. This programme has extended the known gold mineralisation and as a result the Project is now host to an Indicated and Inferred in-pit resource of 4.2 million ounces at a grade of 1.3 grams per tonne<sup>1</sup>.

As a result of our focus on ensuring each of our producing assets are performing to their geological potential, and delivering returns for our shareholders, limited activity has taken place at Nyanzaga since 2013. The formation of the earn-in joint venture with OreCorp allows the Project to be re-assessed and then progressed through to the completion of a Definitive Feasibility Study ("DFS") by a dedicated team who have experience in delivering value from large scale projects in Tanzania and

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<sup>1</sup> Resource previously reported in Acacia's 2014 Annual Reserves and Resources statement and calculated using a cut-off grade of 0.4g/t and at a gold price of US\$1,500 per ounce. Indicated resource of 4.1 Moz at 1.3g/t and Inferred resource of 0.1Moz at 1.0g/t

across Africa, whilst allowing Acacia the optionality to maintain a 75% stake in the project once it gets to a development decision.

The key terms of the earn-in joint venture are:

- OreCorp will make an initial US\$1 million payment to Acacia for an initial 5% ownership of the project and will take over sole management of the project for a three year period. A Technical Committee formed of representatives from Acacia and OreCorp will oversee all work on the project.
- Following payment of the initial consideration, OreCorp can earn up to a further 20% interest in Nyanzaga over the course of three years by spending US\$14 million and delivering technical studies on the project. The delivery of a scoping study (incremental 5% interest), a pre-feasibility study (incremental 5% interest) and a definitive feasibility study (incremental 10% interest) represent the milestones for earning increased ownership of the project.
- If the DFS delineates a project with a net present value (“NPV”) of greater than US\$200 million, Acacia has the option to retain its 75% interest and reassume management of the project for development purposes by making a one-time payment to OreCorp based on a multiple of the earn-in expenditure incurred, ascertained on a sliding scale basis. If the NPV is between US\$200 million and US\$250 million, the multiple paid will be 3x. If the NPV is between US\$250 million and US\$500 million, the multiple paid will be between 3x and 4x on a straight-line basis, and above that will increase by 1x for every incremental US\$250 million of NPV.
- If Acacia declines to exercise its option, or if the NPV is less than US\$200 million, OreCorp will have the option to acquire an incremental 26% ownership (bringing its total to 51%) by making approximately US\$15 million of additional staged payments to Acacia.

The conditions precedent to completion include the receipt of various third party and governmental consents or approvals, there being no material adverse change prior to completion of the transaction and OreCorp obtaining any regulatory approvals required for the joint venture under applicable ASX rules. Following completion of the transaction, Acacia will continue to fully consolidate the Project resources within our annual reserve and resource statement until such point that the earn-in agreement is completed.

## ENQUIRIES

For further information, please visit our website: [www.acaciaminging.com](http://www.acaciaminging.com) or contact:

**Acacia Mining plc**

+44 (0) 20 7129 7150

Giles Blackham, Investor Relations Manager

**Bell Pottinger**

+44 (0)20 3772 2500

Daniel Thöle

## About Acacia Mining plc

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

Our approach is focused on strengthening our three core pillars; our business, our people and our relationships. Our name change from African Barrick Gold to Acacia reflects a new approach to mining, and an ambition 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 remains our majority shareholder. Acacia reports in US dollars and in accordance with IFRS as adopted by the European Union, unless otherwise stated in this announcement.

## Disclaimer and forward-looking statements

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

*This announcement includes "forward-looking statements" that express or imply expectations of future events or results as opposed to historical facts. These statements include, financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future production, operations, costs, projects, and statements regarding future performance. Forward-looking statements are generally identified by the words "plans," "expects," "anticipates," "believes," "intends," "estimates" and other similar expressions.*

*All forward-looking statements involve a number of risks, uncertainties and other factors, many of which are beyond the control of Acacia, which could cause actual results and developments to differ materially from those expressed in, or implied by, the forward-looking statements contained herein. Factors that could cause or contribute to differences between the actual results, performance and achievements of Acacia include, but are not limited to, changes or developments in political, economic or business conditions or national or local legislation or regulation in countries in which Acacia conducts - or may in the future conduct - business, industry trends, competition, fluctuations in the spot and forward price of gold or certain other commodity prices (such as copper and diesel), currency fluctuations (including the US dollar, South African rand, Kenyan shilling and Tanzanian shilling exchange rates), Acacia's ability to successfully integrate acquisitions, Acacia's ability to recover its reserves or develop new reserves, including its ability to convert its resources into reserves and its mineral potential into resources or reserves, and to process its mineral reserves successfully and in a timely manner, Acacia's ability to complete land acquisitions required to support its mining activities, operational or technical difficulties which may occur in the context of mining activities, delays and technical challenges associated with the completion of projects, risk of trespass, theft and vandalism, changes in Acacia's business strategy and ongoing implementation of operational reviews, as well as risks and hazards associated with the business of mineral exploration, development, mining and production and risks and factors affecting the gold mining industry in general. Although Acacia's management believes that the expectations reflected in such forward-looking statements*

*are reasonable, Acacia cannot give assurances that such statements will prove to be correct. Accordingly, investors should not place reliance on forward-looking statements contained in this announcement.*

*Any forward-looking statements in this announcement only reflect information available at the time of preparation. Subject to the requirements of the Disclosure and Transparency Rules and the Listing Rules or applicable law, Acacia explicitly disclaims any obligation or undertaking publicly to update or revise any forward-looking statements in this announcement, whether as a result of new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast or estimate.*

*Mineral resources estimates contained in this announcement have been calculated in accordance with National Instrument 43-101 as required by Canadian securities regulatory authorities. Canadian Institute of Mining, Metallurgy and Petroleum (CIM) definitions were followed for the mineral resources estimates. The reserves and resources figures stated are estimates. No assurances whatsoever can be given that the indicated quantities of metal will be produced and totals stated may not add up due to rounding. Please refer to page 92 of Acacia's 2014 Annual Report and Accounts for further details as regards mineral reserves and resources estimates and definitions used.*