



Brad Gordon
Chief Executive Officer

Response to this morning's Press Conference and presentation of the First Presidential Committee's report on the export of metallic mineral concentrates to the President of Tanzania.

Many of you would have seen this morning's press conference held at State House at which the First Presidential Committee presented its findings on its investigation into the export of gold/copper concentrates.

The Committee has stated that Acacia has not fully declared all of the minerals contained in the concentrate that it exports and the directive halting the export of metallic mineral concentrates remains in place.

We do not agree with the Committee's findings which state that the value of minerals within the concentrates in the containers currently at the Dar-es-Salaam port is more than 10 times the amount we declare. We are confident in the accuracy of our declarations which are checked and verified by SGS, which is one of the world's largest testing companies. The concentrate we produce has some small variances, and each container has different declared quantities of concentrate, but we firmly believe that each container contains on average around 3,000kg of copper, 3 kg of gold and 3 kg of silver. Together, these metals are worth an average of Tsh300 million per container.

We are also a listed company with our accounts being audited extensively by PWC, which verifies that we are fully transparent in everything we do. The revenues we state in our audited accounts match the amount of gold that we declare we produce and sell. If the amount of gold in our concentrates was in line with the Committee findings, then it implies that both Bulyanhulu and Buzwagi would produce more gold than any other mine in the world. Sadly this is not the case.

I appreciate that when events like today happen it creates uncertainty and makes people question who to believe. I want to reassure you that Acacia fully declares everything of commercial value that we produce. We also pay all appropriate royalties and taxes on all of the payable minerals that we produce and that the exporting of the concentrate takes place in full compliance with Tanzanian law and the legal agreements that we have with the Tanzanian Government.

Whilst we have listened to today's presentation and seen a transcript of the press conference, until we receive a copy of the full report it is difficult to comment on or reconcile the specific numbers and values attributed to Acacia's metallic mineral concentrates by the Committee, but I repeat, we believe in the numbers we declare.

Whilst we await the report I will respond to one question about royalties that has been raised among the workforce. Under the mining act the Government receives royalties of 4% of the minerals of commercial value namely gold, silver and copper contained in the concentrates. Acacia has always paid the royalty and there is a robust audit trail to demonstrate this. Whilst there are other minerals contained in the concentrate, these are of no commercial value. This is due to the small quantities and the cost to extract them exceeds their value, and so no royalty is due.

Obviously today has been a difficult day for everyone at Acacia. I can assure you that we are doing everything we can to ensure that all of our stakeholders believe in the integrity of Acacia. We have fully declared everything that we produce and have done so since Barrick first entered Tanzania over 15 years ago. We have not cheated the country that we operate in and whose people make up 96% of our workforce. Please continue to work safely as that is the most important thing and I will continue to provide you with updates and hopefully clarity as we move through the coming weeks.

Brad