GOLD FIELDS LTD
Form 20-F
May 14, 2013
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As filed with the Securities and Exchange Commission on May 14, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 20-F

(Mark One)

¨ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**
or

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2012

or

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

or

¨ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Date of event requiring this shell company report

For the transition period from to

Commission file number: 1-31318

Gold Fields Limited

(Exact name of registrant as specified in its charter)

Republic of South Africa

(Jurisdiction of incorporation or organization)

150 Helen Road

Sandown, Sandton, 2196

South Africa

011-27-11-562-9700

(Address of principal executive offices)

with a copy to:

Michael Fleischer

Executive Vice President General Counsel

Tel: 011-27-11-562-9724

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150 Helen Road

Sandown, Sandton, 2196

South Africa

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act

Title of Each Class	Name of Each Exchange on Which Registered
Ordinary shares of par value Rand 0.50 each	New York Stock Exchange*
American Depositary Shares, each representing one ordinary share	

New York Stock Exchange

* Not for trading, but only in connection with the registration of the American Depositary Shares pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer s classes of capital or

common stock as of the close of the period covered by the Annual Report

731,588,614 ordinary shares of par value Rand 0.50 each

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes x No ¨

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ¨ No x

Note Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP x International Financial Reporting Standards as issued by the International Accounting Standards Board ¨ Other ¨

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow: Item 17 ¨ Item 18 ¨

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ¨ No ¨

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Gold Fields Worldwide Locations

* The KDC and Beatrix operations were separated from Gold Fields in the spin-off of Sibanye Gold Limited on February 18, 2013.

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EXPLANATORY NOTE

On February 18, 2013, or the Spin-off date, Gold Fields Limited, or Gold Fields or the Company, completed the separation of its wholly-owned subsidiary, Sibanye Gold Limited, or Sibanye Gold (formerly known as GFI Mining South Africa Proprietary Limited, or GFIMSA), which includes the KDC and Beatrix mining operations, or the Spin-off. The Spin-off was achieved by way of Gold Fields making a distribution on a *pro rata* basis of one Sibanye Gold ordinary share for every one Gold Fields share (whether held in the form of shares, American depositary receipts, or ADRs, or international depositary receipts) to Gold Fields shareholders, registered as such in Gold Fields register at close of business on February 15, 2013, in terms of section 46 of the South African Companies Act and section 46 of the South African Income Tax Act. The board of directors of Gold Fields, or the Board, passed the resolution necessary to implement the Spin-off on December 12, 2012. Sibanye Gold shares listed on the JSE Limited, or the JSE, and on the New York Stock Exchange, or NYSE, on February 11, 2013. As of February 18, 2013, Gold Fields and Sibanye Gold were independent, publicly traded companies with separate public ownership, boards of directors and management.

Over the last few years, Gold Fields considered the Spin-off as part of its ongoing review of its strategy and operational portfolio against its strategic objectives. It is expected that the separation of Gold Fields and Sibanye Gold will enable the component parts of the businesses to operate in a more efficient and commercially effective manner, thereby enabling each of the businesses to achieve their respective strategic goals. As at December 31, 2012, Gold Fields reported reserves of 68.4 million ounces of gold and 1,024 million pounds of copper, of which the KDC and Beatrix operations distributed in the Spin-off, or the Sibanye Gold assets, accounted for 13.5 million ounces of gold. Total production during fiscal 2012, fiscal 2011 and fiscal 2010 was 3.35 million, 3.70 million and 3.84 million, respectively. Total production from the Sibanye Gold assets during fiscal 2012, fiscal 2011 and fiscal 2010, was 1.22 million, 1.45 million and 1.67 million ounces, respectively.

The separation of Sibanye Gold will enable the remaining Gold Fields management team to focus its attention on maximizing cash flows and returns from its existing mines in South Africa, Ghana, Peru and Australia and to realize value from its world-class portfolio of development and exploration projects. Gold Fields also intends to pursue a number of near-mine organic growth opportunities and life extensions at its existing mines and to maintain an exploration expenditure that is consistent with its strategy of growing the Company largely through exploration. A main priority will be the continued development of the South Deep gold mine in South Africa. Gold Fields will offer its shareholders strong leverage to the gold price through a highly cash generative, globally diversified portfolio, as well as a disciplined approach to growth and project development.

For more information on the rationale for the Spin-off, see Information on the Company Background to the Spin-off.

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PRESENTATION OF FINANCIAL INFORMATION

In 2010, Gold Fields changed its fiscal year end from June 30 to December 31 to align with the Company s peers in the gold mining industry. This annual report contains the audited consolidated financial statements of Gold Fields as at and for the fiscal year ended December 31, 2012. This annual report also contains the audited consolidated financial statements of Gold Fields as at and for the fiscal year ended December 31, 2011, for the six-month period ended December 31, 2010 and for the fiscal year ended June 30, 2010. It may not be possible to directly compare the audited consolidated financial statements as at and for the fiscal year ended December 31, 2011 with the audited consolidated financial statements as at and for the six-month period ended December 31, 2010, as these relate to different financial periods, and it may not be possible to compare audited consolidated financial statements as at and for the six-month period ended December 31, 2010 directly with the audited financial statements as at and for the fiscal years ended June 30, 2010, insofar as such financial statements refer to a completed financial year. Investors are advised to use caution in drawing comparisons between these periods.

Gold Fields is a South African company and, prior to the Spin-off, about one-half of its operations, based on gold production, were located there. After the Spin-off, approximately 16% of Gold Fields operations, based on gold production, were located in South Africa. Accordingly, its books of account are maintained in South African Rand and its annual and interim financial statements are prepared in accordance with International Financial Reporting Standards, or IFRS, as prescribed by law. Gold Fields also prepares annual financial statements in accordance with United States Generally Accepted Accounting Principles, or U.S. GAAP, which are translated into U.S. dollars. Except as otherwise noted, the financial information included in this annual report has been prepared in accordance with U.S. GAAP and is presented in U.S. dollars, and descriptions of critical accounting policies refer to accounting policies under U.S. GAAP.

For Gold Fields financial statements, unless otherwise stated, balance sheet item amounts are translated from Rand to U.S. dollars at the exchange rate prevailing on the date that it closed its accounts for fiscal 2012 (Rand 8.57 per $1.00 as of December 31, 2012), except for specific items included within shareholders equity and the statements of cash flows that are translated at the rate prevailing on the date the relevant transaction was entered into, and statements of operations item amounts are translated from Rand to U.S. dollars at the weighted average exchange rate for each period (Rand 8.19 per $1.00 for fiscal 2012).

In this annual report, Gold Fields presents the financial items total cash costs, total cash costs per ounce , total production costs and total production costs per ounce, which have been determined using industry standards promulgated by the Gold Institute and are general non-U.S. GAAP measures. The Gold Institute was a non-profit international industry association of miners, refiners, bullion suppliers and manufacturers of gold products that ceased operation in 2002, which developed a uniform format for reporting production costs on a per ounce basis. The Gold Institute has now been incorporated into the National Mining Association. The guidance was first adopted in 1996 and revised in November 1999. An investor should not consider these items in isolation or as alternatives to production costs, income before tax, net income, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the Gold Institute provided definitions for the calculation of total cash costs and total production costs, the calculation of total cash costs, total cash costs per ounce, total production costs and total production costs per ounce may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies. See Key Information Selected Historical Consolidated Financial Data, Information on the Company Glossary of Mining Terms Total cash costs per ounce and Information on the Company Glossary of Mining Terms Total production costs per ounce .

In this annual report, Gold Fields also presents the financial items operating costs and notional cash expenditure , or NCE. Operating costs and NCE, including operating costs per ounce and NCE per ounce, have been determined by Gold Fields on the basis of internally developed definitions and are general non-U.S. GAAP measures. Gold Fields defines operating costs as production costs (exclusive of depreciation, amortization and movements in gold-in-process) plus corporate expenditure, employment termination costs and accretion expense on provision for environmental rehabilitation but excluding share based compensation costs. Gold Fields defines NCE margin as revenue minus NCE, divided by revenue, expressed as a percentage. See Operating and Financial Review and Prospects Notional Cash Expenditure . An investor should not consider these items in isolation or as alternatives to production costs, cash flows from operating activities or any other measure of financial performance presented in accordance with U.S. GAAP. Operating costs, NCE and NCE margin as presented in this annual report may not be comparable to other similarly titled measures of performance of other companies.

Market Information

This annual report includes industry data about Gold Fields markets obtained from industry surveys, industry publications, market research and other publicly available third-party information. Industry surveys and industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. Gold Fields and its advisors have not independently verified this data.

In addition, in many cases statements in this annual report regarding the gold mining industry and Gold Fields position in that industry have been made based on internal surveys, industry forecasts, market research, as well as Gold Fields own experiences. While these statements are believed by Gold Fields to be reliable, they have not been independently verified.

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DEFINED TERMS AND CONVENTIONS

In this annual report, all references to the Group are to Gold Fields and its subsidiaries including Sibanye Gold unless otherwise noted.

In this annual report, all references to the six-month period ended December 31, 2009 are to the six-month period ended December 31, 2009, fiscal 2010 are to the 12-month period ended June 30, 2010, all references to the six-month period ended December 31, 2010 are to the six-month transition period ended December 31, 2010, all references to fiscal 2011 are to the 12-month period ended December 31, 2011, all references to fiscal 2012 are to the 12-month period ended December 31, 2012 and all references to fiscal 2013 are to the 12-month period ending December 31, 2013. In this annual report, all references to South Africa are to the Republic of South Africa, all references to Ghana are to the Republic of Ghana, all references to Australia are to the Commonwealth of Australia, all references to Venezuela are to the Bolivarian Republic of Venezuela, all references to Finland are to the Republic of Finland, all references to Peru are to the Republic of Peru, all references to China are to the People s Republic of China, all references to Mali are to the Republic of Mali, all references to the Philippines are to the Republic of the Philippines and all references to the United States and U.S. mean the United States of America, its territories and possessions and any state of the United States and the District of Columbia.

In this annual report, all references to the DMR are references to the South African Department of Mineral Resources, the government body responsible for regulating the mining industry in South Africa, or to its predecessor entity, the Department of Minerals and Energy which was split into the Department of Mineral Resources and the Department of Energy in July 2009, as applicable.

This annual report contains descriptions of gold mining and the gold mining industry, including descriptions of geological formations and mining processes. In order to facilitate a better understanding of these descriptions, this annual report contains a glossary defining a number of technical and geological terms. See Information on the Company Glossary of Mining Terms .

In this annual report, gold production figures are provided in troy ounces, which are referred to as ounces or oz, or in kilograms, which are referred as kg . Ore grades are provided in grams per metric tonne, which are referred to as grams per tonne or g/t. All references to tonnes or t this annual report are to metric tonnes. All references to gold include gold and gold equivalent ounces, unless otherwise specified or where the context suggests otherwise. See Information on the Company Glossary of Mining Terms for further information regarding units of measurement used in this annual report and a table providing rates of conversion between different units of measurement.

This annual report contains references to the lost time injury frequency rate at each Gold Fields operation. The lost time injury frequency rate at each operation includes any injury occurring in the workplace where, at any subsequent time, the injured employee is unable to attend a full shift due to the injury, or Lost Time Injuries.

In this annual report, R and Rand refer to the South African Rand and Rand cents refers to subunits of the South African Rand, $, U.S.$ and dollars refer to United States dollars, U.S. cents refers to subunits of the U.S. dollar, A$ and Australian dollars refer to Australian dollars, GH refers to Ghana Cedi and CAD refers to Canadian dollars.

Certain information in this annual report presented in Rand and Australian dollars has been translated into U.S. dollars. Unless otherwise stated, the conversion rates for these translations are Rand 8.57 per $1.00 and A$1.00 per $0.9608, which were the closing rates on December 31, 2012. By including the U.S. dollar equivalents, Gold Fields is not representing that the Rand or Australian dollar amounts actually represent the U.S. dollar amounts shown or that these amounts could be converted into U.S. dollars at the rates indicated.

In this annual report, except where otherwise noted, all production and operating statistics are based on Gold Fields total operations, which include production from the Tarkwa and Damang mines in Ghana and from the

Cerro Corona mine in Peru which is attributable to the noncontrolling shareholders in those mines. This annual report contains references to gold equivalent ounces which are quantities of metals (such as copper) expressed as amounts of gold using the prevailing prices of gold and the other metals. To calculate this, the accepted total value of the metal based on its weight and value is divided by the accepted value of one troy ounce of gold.

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FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, with respect to Gold Fields financial condition, results of operations, business strategies, operating efficiencies, competitive position, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters.

These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Gold Fields, wherever they may occur in this annual report and the exhibits to the annual report, are necessarily estimates reflecting the best judgment of the senior management of Gold Fields and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this annual report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

- overall economic and business conditions in South Africa, Ghana, Australia, Peru and elsewhere;
- the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions;
- the ability to achieve anticipated cost savings at existing operations;
- the success of exploration and development activities;
- decreases in the market price of gold or copper;
- the occurrence of hazards associated with underground and surface gold mining;
- the occurrence of work stoppages related to health and safety incidents;
- fluctuations in exchange rates, currency devaluations and other macroeconomic monetary policies;
- the occurrence of labor disruptions and industrial actions;
- the ability to realize the benefits of the Spin-off;
- the ability to manage and maintain access to current and future sources of liquidity, capital and credit, including the terms and conditions of Gold Fields facilities and Gold Fields overall cost of funding;
- the manner, amount and timing of capital expenditures made by Gold Fields on both existing and new mines, mining projects, exploration projects or other initiatives;

- changes in relevant government regulations, particularly environmental, tax, health and safety, regulations and potential new legislation affecting mining and mineral rights; and

- political instability in South Africa, Ghana, Peru or regionally in Africa or South America.

Gold Fields undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events.

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PART I

ITEM 1: IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2: OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3: KEY INFORMATION

Selected Historical Consolidated Financial Data

The selected historical consolidated financial data set out below for fiscal 2012, fiscal 2011, the six-month period ended December 31, 2010 and fiscal 2010, and as of December 31, 2012 and 2011 have been derived from Gold Fields audited consolidated financial statements for those years and as of those dates and the related notes. The selected historical consolidated financial data for each of the two years ended June 30, 2009 and 2008, and as of December 31, 2010 and June 30, 2010, 2009 and 2008 have been derived from Gold Fields audited consolidated financial statements as of that date, which are not included in this annual report, and adjusted where applicable as described below. The selected historical consolidated financial data presented below have been derived from financial statements which have been prepared in accordance with U.S. GAAP. The other Operating Data presented has been calculated as described in the footnotes to the table below:

	Fiscal Period Ended[1] June 30,			Six-Month Period Ended[1]	Fiscal Period Ended[1] December 31	Fiscal Period Ended[1]
	2008	2009	2010	2010	2011	2012
	($ million, unless otherwise stated)					
Statement of Operations Data						
Revenues	3,206.2	3,228.3	4,164.3	2,564.2	5,800.1	5,551.8
Production costs (exclusive of depreciation and amortization)	1,996.1	1,998.6	2,573.6	1,450.3	2,989.0	3,190.4
Depreciation and amortization	400.5	433.5	631.1	389.4	745.3	729.9
Corporate expenditure	41.0	35.5	54.5	24.5	37.6	46.6
Employee termination costs	16.2	21.0	10.3	35.3	32.8	13.8
Exploration expenditure	39.8	58.0	86.6	53.2	125.4	135.3
Feasibility and evaluation costs				9.3	95.2	103.5
Impairment of assets	11.4				9.5	41.6
Shaft closure costs	3.3	(0.2)				
Increase/(decrease) in provision for post-retirement health care costs	(0.7)	3.4	(9.4)	(0.1)	0.1	0.3
Accretion expense on provision for environmental rehabilitation	12.0	13.9	19.3	10.9	24.9	28.2
Share-based compensation[2]	20.7	33.7				
Interest and dividends	31.2	24.9	40.2	12.9	25.4	29.2
Finance expense	(100.4)	(73.9)	(65.2)	(31.7)	(54.3)	(70.1)
Gain/(loss) on financial instruments	19.8	(1.3)	27.7	1.0	4.4	(0.4)
Gain/(loss) on foreign exchange	1.7	10.2	(8.5)	(1.4)	9.1	(13.8)
Profit/(loss) on sale of property, plant and equipment	4.6	0.5	0.3	0.7	(0.4)	0.5

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	Fiscal Period Ended(1) June 30, 2008	2009	2010	Six-Month Period Ended(1) 2010	Fiscal Period Ended(1) December 31 2011	Fiscal Period Ended(1) 2012
	($ million, unless otherwise stated)					
Profit/(loss) on disposal of subsidiaries	208.4	(0.3)				
Profit/(loss) on disposal of listed investments	3.7	(16.1)	111.7	(0.4)	12.8	27.6
Impairment of listed investments		(16.0)	(8.1)		(0.5)	(10.5)
South African Equity Empowerment Transactions				(297.6)		
Other income/(expenses)	5.9	(7.7)	(45.0)	(36.8)	(79.3)	(77.4)
Royalties(3)				(43.3)	(149.7)	(151.2)
Income before tax, impairment of investment in equity investee and share of equity investees (losses)/income	840.8	551.2	851.4	194.8	1,507.8	996.1
Income and mining tax expense	(271.2)	(264.6)	(358.4)	(133.8)	(552.0)	(291.9)
Income before impairment of investment in equity investee and share of equity investees (losses)/income	569.6	286.6	493.0	61.0	955.8	704.2
Impairment of investment in equity investee	(61.3)	(87.4)			(6.8)	
Share of equity investees (losses)/income	(16.0)	(3.5)	(22.7)	4.9	4.0	(51.7)
Net income	492.3	195.7	470.3	65.9	953.0	652.5
Less: Net income attributable to non controlling interests	(39.8)	(34.8)	(79.3)	(53.3)	(71.5)	1.8
Net income attributable to Gold Fields shareholders	452.5	160.9	391.0	12.6	881.5	654.3
Basic earnings per share attributable to Gold Fields shareholders($)	0.69	0.24	0.55	0.02	1.22	0.90
Diluted earnings per share attributable to Gold Fields shareholders($)	0.69	0.24	0.55	0.02	1.21	0.90
Dividend per share (Rand)	1.60	1.50	1.30	0.70	1.70	3.90
Dividend per share ($)	0.22	0.17	0.17	0.10	0.24	0.29
Other Operating Data						
Total cash costs per equivalent ounce of gold produced ($)(4)	505	538	670	753	835	960
Total production costs per equivalent ounce of gold produced ($)(5)	610	659	844	962	1,050	1,200
Notional cash expenditure per equivalent ounce of gold produced ($)(6)	822	763	928	1,060	1,153	1,364

Notes:

(1) On July 1, 2009, Gold Fields adopted updated guidance pertaining to ownership interests in subsidiaries held by parties other than the parent (noncontrolling interests), which requires noncontrolling interests to be classified as a separate component of equity for presentation and disclosure purposes. The data for the years ended June 30, 2008 and 2009 have been adjusted to conform to the updated guidance.

(2) Share-based compensation for fiscal 2012 and fiscal 2011, the six-month period ended December 31, 2010 and fiscal 2010 has been reclassified into the respective captions where compensation costs of underlying employees are ordinarily classified. The reclassification has been made to conform with guidance SAB Topic 14.F.

(3) The classification of royalty expense at Gold Fields operations requires judgment, particularly at the Groups South African and Ghanaian operations, where the percentages to be applied in calculating royalties are influenced by the expenses incurred in generating those product sales (and therefore the profitability of the operations). In light of the fact that the calculation of royalties in Ghana, representing the largest component of consolidated royalty expense, was changed as of April 1, 2011 to 5% of revenues earned from

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minerals obtained (regardless of the operating margin), Gold Fields changed the classification of royalty expense in its consolidated financial statements from a component of income and mining taxes to royalties in its consolidated statements of operations for the six-month period ended December 31, 2010. Given the change in circumstances, Gold Fields considers it appropriate to change the presentation for all periods beginning with the six-month period ended December 31, 2010.

(4) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined using guidance provided by the Gold Institute, by gold ounces sold for all periods presented. The guidance was first adopted in 1996 and revised in November 1999. Total cash costs, as defined in the Gold Institute industry guidance, are production costs as recorded in the statement of operations, less offsite (i.e. central) general and administrative expenses (including head office costs performance, as well as changes in the currency exchange rate between the Rand, Australian dollar and the Bolivar, compared with the U.S. dollar). Total cash costs and total cash costs per ounce are not U.S. GAAP measures. Management, however, believes that total cash costs per ounce provides a measure for comparing Gold Fields operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. An investor should not consider total cash costs and total cash costs per ounce in isolation or as an alternative to total production costs or net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. In particular, depreciation and amortization is included in a measure of production costs under U.S. GAAP, but is not included in total cash costs under the guidance provided by the Gold Institute. See Presentation of Financial Information and Information on the Company Glossary of Mining Terms Total cash costs per ounce . For a reconciliation of Gold Fields production costs to its total cash costs for fiscal 2012 and fiscal 2011, fiscal 2011 and 2010 and the six-month periods ended December 31 2010 and December 31, 2009 , see Operating and Financial Review and Prospects Results of Operations Years Ended December 31, 2012 and December 31, 2011 Costs and Expenses , Operating and Financial Review and Prospects Results of Operations Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operating and Financial Review and Prospects Results of Operations Six-Month Period Ended December 31, 2010 and 2009 Costs and Expenses .

(5) Gold Fields has calculated total production costs per ounce by dividing total production costs, as determined using the guidance provided by the Gold Institute, by gold ounces sold for all periods presented. Total production costs, as defined by the Gold Institute industry guidance, are total cash costs, as calculated using the Gold Institute guidance, plus amortization, depreciation and rehabilitation costs. Changes in total production costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand, and the Australian dollar compared with the U.S. dollar. Changes in the currency exchange rate between the Bolivar and the U.S. dollar affected changes in total production costs per ounce until the sale of the Choco 10 mine on November 30, 2007. Total production costs per ounce is not a U.S. GAAP measure. Management, however, believes that total production costs per ounce provides a measure for comparing Gold Fields operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. An investor should not consider total production costs per ounce in isolation or as an alternative to total production costs or net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. See Presentation of Financial Information and Information on the Company Glossary of Mining Terms Total production costs per ounce . For a reconciliation of Gold Fields production costs to its total production costs for fiscal 2012 and fiscal 2011, fiscal 2011 and 2010 and the six-month periods ended December 31 2010 and December 31, 2009 , see Operating and Financial Review and Prospects Results of Operations Years Ended December 31, 2012 and December 31, 2011 Costs and Expenses , Operating and Financial Review and Prospects Results of Operations Years Ended December 31, 2011 and June 30, 2010 Costs and Expenses and Operating and Financial Review and Prospects Results of Operations Six-Month Periods Ended December 31, 2010 and 2009 Costs and Expenses .

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(6) Gold Fields defines NCE as operating costs plus additions to property, plant and equipment, and defines operating costs as production costs (exclusive of depreciation and amortization) plus corporate expenditure, employment termination costs and accretion expense on provision for environmental rehabilitation. Gold Fields reports NCE on a per equivalent ounce basis. For a description of NCE and a reconciliation of Gold Fields NCE to its production costs for fiscal 2012, fiscal 2011 and fiscal 2010 and the six-month periods ended December 31, 2010 and 2009, see Operating and Financial Review and Prospects Notional Cash Expenditure .

	As at(1)					
		June 30,			December 31,	
	2008	2009	2010	2010	2011	2012
	($ million, unless otherwise stated)					
Balance Sheet Data						
Cash and cash equivalents	253.7	357.5	500.7	809.5	744.0	655.6
Current portion of financial instruments	6.9					
Receivables	280.1	383.5	305.4	411.4	483.4	522.7
Inventories	152.8	196.0	234.9	256.3	297.7	402.1
Material contained on heap leach pads	74.5	81.3	91.5	111.3	187.9	65.0
Total current assets	768.0	1,018.3	1,132.5	1,588.5	1,713.0	1,645.4
Property, plant and equipment, net	5,423.7	5,756.9	6,639.7	7,482.0	7,016.8	7,388.9
Goodwill	1,092.8	1,084.7	1,154.9	1,295.2	1,075.4	1,020.1
Deferred income and mining taxes						24.1
Material contained on heap leach pads						111.8
Non-current investments	737.4	475.2	254.3	344.3	272.2	458.0
Total assets	8,021.9	8,335.1	9,181.4	10,710.0	10,077.4	10,648.3
Accounts payable and provisions	610.3	533.5	551.9	670.6	669.9	751.9
Current portion of financial instruments		1.7				
Interest payable	29.2	14.4	4.5	4.1	11.2	11.0
Income and mining taxes payable	123.1	98.2	104.3	156.1	264.4	192.1
Current portion of long-term loans	772.9	317.8	691.1	261.7	547.0	40.0
Bank overdraft	2.7	9.7				
Total current liabilities	1,538.2	975.3	1,351.8	1,092.5	1,492.5	995.0
Long-term loans	564.2	785.9	430.0	1,136.6	1,360.7	2,321.2
Deferred income and mining taxes	719.9	817.7	982.5	1,051.8	1,019.4	901.8
Provision for environmental rehabilitation	216.2	236.9	275.7	324.4	336.9	373.6
Provision for post-retirement health care costs	7.9	11.4	2.8	2.7	2.1	2.1
Other non-current liabilities		3.9		19.7	13.5	13.9
Total liabilities	3,046.4	2,831.1	3,042.8	3,627.7	4,225.1	4,607.6
Share capital	54.9	57.7	57.8	58.8	59.0	61.0
Additional paid-in capital	4,490.4	4,944.2	5,005.4	5,313.2	5,374.6	5,452.3
Retained earnings	521.8	561.5	834.4	779.6	772.5	1,054.3

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	As at(1)					
	June 30,			December 31,		
	2008	2009	2010	2010	2011	2012
	($ million, unless otherwise stated)					
Accumulated other comprehensive (loss)/income	(243.0)	(338.9)	(96.5)	562.4	(423.3)	(653.0)
Total equity attributable to Gold Fields shareholders	4,824.1	5,224.5	5,801.1	6,714.0	5,782.8	5,914.6
Noncontrolling interests	151.4	279.5	337.5	368.3	69.5	126.1
Total equity	4,975.5	5,504.0	6,138.6	7,082.3	5,852.3	6,040.7
Total liabilities and equity	8,021.9	8,335.1	9,181.4	10,710.0	10,077.4	10,648.3
Other Financial Data						
Number of ordinary shares as adjusted to reflect changes in capital structure	653,200,682	704,749,849	705,903,511	720,796,887	724,591,516	730,393,143
Net Assets	4,824.1	5,224.5	5,801.1	6,714.0	5,782.8	5,914.6

Notes:

(1) On July 1, 2009, Gold Fields adopted updated guidance pertaining to ownership interests in subsidiaries held by parties other than the parent (noncontrolling interests), which requires noncontrolling interests to be classified as a separate component of equity for presentation and disclosure purposes. The data as at June 30, 2008 and 2009 have been adjusted to conform to the updated guidance.

Exchange Rates

The following tables set forth, for the periods indicated, the average, high and low exchange rates of Rand for U.S. Dollars, expressed in Rand per $1.00. For periods prior to December 31, 2008, the following tables express the exchange rates in terms of the noon buying rate in New York City for cable transfers in Rand as certified for customs purposes by the Federal Reserve Bank of New York. As of December 31, 2008, the Federal Reserve Bank ceased publication of the noon buying rate and, as such, the exchange rates for fiscal 2009 are sourced from I-Net Bridge (Proprietary) Limited, or I-Net Bridge, being the average rate.

Year ended	Average
June 30, 2008	7.30(1)
June 30, 2009	9.01(2)
June 30, 2010	7.58(2)
December 31, 2011	7.22(2)
December 31, 2012	8.19(2)
through May 9, 2013	8.98(2)

Notes:

(1) The average of the noon buying rates on the last day of each full month during the relevant period as certified for customs purposes by the Federal Reserve Bank of New York.
(2) The daily average of the closing rate during the relevant period as reported by I-Net Bridge.

Six-month period ended	Average
December 31, 2009	7.65(1)
December 31, 2010	7.14(1)

Note:

(1) The daily average of the closing rate during the relevant period as reported by I-Net Bridge.

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Month ended	High	Low
November 30, 2012	8.97	8.63
December 31, 2012	8.87	8.40
January 31, 2013	9.09	8.45
February 28, 2013	9.03	8.78
March 31, 2013	9.37	8.99
April 30, 2013	9.33	8.45

The closing rate for the Rand on May 9, 2013 as reported by I-Net Bridge was Rand 9.02 per $1.00. Fluctuations in the exchange rate between the Rand and the U.S. dollar will affect the dollar equivalent of the price of the ordinary shares on the JSE, which may affect the market price of the American Depositary Shares, or ADSs, on the NYSE. These fluctuations will also affect the U.S. dollar amounts received by owners of ADSs on the conversion of any dividends paid in Rand on the ordinary shares.

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RISK FACTORS

In addition to the other information included in this annual report, the considerations listed below could have a material adverse effect on Gold Fields business, financial condition or results of operations, resulting in a decline in the trading price of Gold Fields ordinary shares or ADSs. The risks set forth below comprise all material risks currently known to Gold Fields. These factors should be considered carefully, together with the information and financial data set forth in this document.

Changes in the market price for gold, and to a lesser extent copper, which in the past have fluctuated widely, affect the profitability of Gold Fields operations and the cash flows generated by those operations.

Most of Gold Fields revenues are derived from the sale of gold. Gold Fields generally does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for the sale of its future gold production. Since Gold Fields does not generally use commodity or derivative instruments, it will generally be unprotected against declines in the gold price, which could lead to reduced revenue in respect of gold production that is not hedged. For example, during April 2013, the gold price had fallen approximately 30% from its high in September 2011. See Quantitative and Qualitative Disclosures about Market Risk . Historically, the market price for gold has fluctuated widely and has been affected by numerous factors over which Gold Fields has no control, including:

- the demand for gold for industrial uses and for use in jewelry;
- demand for gold from relatively new emerging markets, particularly Brazil, Russia, India and China, and the emerging middle class in these markets;
- actual, expected or rumored purchases and sales of gold bullion holdings by central banks or other large gold bullion holders or dealers;
- demand for exchange traded funds, or ETFs, which replicate the exact performance of gold;
- demand for gold for investment purposes;
- investor confidence in gold and the gold business;
- speculative trading activities in gold;
- the overall level of forward sales by other gold producers;
- the overall level and cost of production by other gold producers;
- international or regional political and economic events or trends;
- the strength or weakness of the U.S. dollar (the currency in which gold prices generally are quoted) and of other currencies;

- financial market expectations regarding the rate of inflation; and

- interest rates.

While the aggregate effect of these factors is impossible for Gold Fields to predict, if gold prices fall below the amount it costs Gold Fields to produce gold and remain at such levels for any sustained period, Gold Fields may experience losses and may be forced to curtail or suspend some or all of its exploration projects, growth projects, operations and/or reduce operational capital expenditures. In addition, Gold Fields might not be able to recover any losses it may incur during, or after, such periods.

In addition, the current demand for, and supply of, gold does not necessarily affect the price of gold in the same manner as current demand and supply affect the prices of other commodities. Since the potential supply of gold is large relative to mine production in any given year, normal variations in current production will not necessarily have a significant effect on the supply of gold or the gold price. Central banks, financial institutions and individuals historically have held large amounts of gold as a store of value, and production in any given year

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historically has constituted a small portion of the total potential supply of gold. Pursuant to a gold sales agreement entered into by 15 European central banks, individual banks may sell up to 400 tonnes of gold per year, effective through September 2014. However, the effect on the market of these or any other gold sales is unclear.

Due to the credit crisis in the Eurozone countries and other factors, the market price of gold has been at historically high levels recently, and has experienced significant volatility. See Operating and Financial Review and Prospects Overview Revenues . A sustained period of significant gold price volatility may adversely affect Gold Fields ability to evaluate the feasibility of undertaking new capital projects or continuing existing operations or to make other long-term strategic decisions.

Copper accounts for a significant proportion of the revenues at Gold Fields Cerro Corona mine, although copper is not a major element of Gold Fields overall revenues. A variety of factors may depress global copper prices, including slowing growth rates in Brazil, Russia, China and India. A decline in copper prices, which have also fluctuated widely, could adversely affect the revenues and cash flows from the Cerro Corona mine.

Gold Fields mineral reserves are estimates based on a number of assumptions, any changes to which may require Gold Fields to lower its estimated mineral reserves.

The mineral reserves stated in this annual report represent the amount of gold and copper that Gold Fields estimated, as of December 31, 2012, could be mined, processed and sold at prices at least sufficient to recover Gold Fields estimated future total costs of production, remaining investment and anticipated additional capital expenditures, along with comparative figures for the mineral reserves as of December 31, 2011. Ore reserves are estimates based on assumptions regarding, among other things, Gold Fields costs, expenditures, prices and exchange rates and metallurgical and mining recovery assumptions, which may prove inaccurate due to a number of factors, many of which are beyond Gold Fields control.

In the event that Gold Fields revises any of the assumptions that underlie its mineral reserves reporting in an adverse manner, Gold Fields may need to revise its mineral reserves downwards. In particular, if Gold Fields production costs or capital expenditures increase, if gold or copper prices decrease or if the Rand or Australian dollar strengthens against the U.S. dollar, a portion of Gold Fields mineral reserves may become uneconomical to recover, forcing Gold Fields to lower its estimated reserves. See Information on the Company Reserves of Gold Fields as of December 31, 2012 .

To the extent that Gold Fields makes acquisitions, it may experience problems in executing acquisitions or managing and integrating the acquisitions with its existing operations.

In order to maintain or expand its operations and reserve base, Gold Fields may seek to make acquisitions of selected precious metal producing and/or exploration companies or assets. Any such acquisition may change the scale of the Company s business and operations and may expose it to new geographic, geological, political, social, operating, financial, legal, regulatory and contractual risks. For example, there may be a significant change in commodity prices after Gold Fields has committed to complete the transaction and established the purchase price or share exchange ratio; a material ore body may not meet expectations; Gold Fields may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls; the integration may disrupt Gold Fields on-going business and its relationships with employees, suppliers and contractors; the acquisition may divert management s attention from Gold Fields day-to-day business; and the acquired business may have undetected liabilities which may be significant. Furthermore, Gold Fields operates and acquires businesses in different countries, with different regulatory and operating cultures, which may exacerbate the risks described above.

There can be no assurance that any acquisition will achieve the results intended. Any problems experienced by Gold Fields in connection with an acquisition as a result of one or more of these or other factors could have a material adverse effect on Gold Fields business, operating results and financial condition.

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Gold Fields operations and profits have been and may be adversely affected by union activity and new and existing labor laws.

There has been an increase in union activity in some of the countries in which Gold Fields operates, including South Africa and, in recent years, there have been new labor laws introduced or amendments to existing labor laws that impose additional obligations on Gold Fields or grant additional rights to workers, thereby increasing compliance and other costs. In fiscal 2012, union activity had a material adverse impact on Gold Fields operations, production and financial performance as described below. While the divestiture of the Sibanye Gold assets has lessened Gold Fields exposure to these risks in South Africa, the occurrence of any such events in the future could have further negative impacts upon Gold Fields and its financial performance and condition.

Greater union activity, including the entry of rival unions, has resulted in more frequent industrial disputes, including violent protests and clashes with police authorities, and has impacted labor negotiations in the industry. In the second half of fiscal 2012, there was heightened labor unrest in the South African mining industry. A number of unions in various industries have threatened to or have recently gone on strike, causing work stoppages and production losses. As a result, on September 27, 2012, South Africa s sovereign debt credit rating, along with the credit ratings of a number of the country s leading mining companies, including Gold Fields, was downgraded. Those strikes have impacted Gold Fields operations and caused work stoppages and significant production losses.

For example, during August, September and October 2012, approximately 29,000 employees at Gold Fields formerly owned KDC and Beatrix mines (out of nearly 36,000 employees at those mines) engaged in work stoppages. Work stoppages occurred at the KDC West mine from September 9, 2012 to October 18, 2012. At the KDC East mine, work stoppages occurred from August 29, 2012 to September 5, 2012 and again from October 14, 2012 to October 23, 2012, when 8,100 workers were dismissed for failing to return to work, with 7,600 appealing that dismissal. After an appeal process, a majority of the employees returned to work on November 6, 2012. At the Beatrix mine, work stoppages occurred from September 21, 2012 to October 18, 2012. Workers at Beatrix West went on strike on September 21, 2012 and workers at Beatrix North and South went on strike on September 24, 2012. On October 17, 2012, the strike at Beatrix North and South ended. On October 18, 2012, the strike at Beatrix West ended. In each case, these work stoppages continued despite the Chamber of Mines negotiating a settlement with three labor unions, the National Union of Mineworkers, or NUM, the Solidarity Trade Union, or Solidarity, and UASA, formerly known as the United Association of South Africa, which the striking employees rejected. Gold Fields continued to engage with the relevant unions and communicated with its employees in an attempt to resolve the work stoppages throughout the strikes.

Gold Fields estimated that, as a result of these work stoppages, the losses for fiscal 2012 were approximately 145,000 ounces of gold production and R2.1 billion of revenue. These estimated losses, however, were partially offset by approximately R0.4 billion saved in wages, electricity, consumables and other costs not paid.

Negotiations with the South African mining unions in 2011 resulted in above-inflation wage increases between 8.0% to 10.0%, depending upon the category of employee. Such negotiations, historically, have occurred every two years. However, the recent labor unrest has resulted in South African mining industry participants undergoing negotiations with workers and labor unions outside this period. These ad-hoc negotiations resulted in a settlement proposal made by a number of the gold mining companies in South Africa, including Gold Fields. Through the Chamber of Mines, Gold Fields agreed with the trade unions to an earlier implementation of a number of provisions of the wage agreement reached in 2011 that were agreed to by all parties, culminating in an adjustment to wages in the relevant bargaining units of around 2.5%, or R150 million, per annum relating to changes to job grades and entry-level wages. In addition, the gold mining companies, trade unions and government have set up a working group for a wide-ranging review of working practices, productivity improvements and socio-economic conditions in the gold mining industry, which will feed into the next round of wage negotiations scheduled for 2013. Despite the fact that returning employees will receive the benefit of the settlement proposal referred to above, Gold Fields employees may continue to take industrial action to protest and seek redress in connection with a variety of issues, including pay and working conditions. Negotiations with the South African mining unions generally take place every two years, and, in light of the recent labor unrest, Gold Fields expects that the negotiations in 2013 may be difficult and may be accompanied by further strikes, work stoppages or other labor actions that could disrupt its remaining South African operation, South Deep.

On August 2, 2012, Gold Fields announced that its South Deep mine had entered into a formal 60 day consultation process with the NUM and other affected employees in terms of Section 189(3) of the Labour Relations Act No. 66 of 1995, or the LRA. These negotiations centered around reaching agreement on a proposed new operating model. In terms of Section 189 of the LRA, Dismissals Based on Operational Requirements, when an employer contemplates dismissing employees for reasons based on the employer s operational requirements, the employer must engage in a consensus-seeking process with its trade unions. On October 2, 2012, a formal agreement was reached between Gold Fields, the NUM and the UASA, which was implemented during the fourth quarter of fiscal 2012. The new South Deep operating model is expected to not only secure current jobs but allow management to create an additional 400 full-time positions at the mine. It should improve productivity and performance in order for the mine to approach international best practice. Further, during the second half of fiscal 2012, labor actions in several other South African industries also occurred, including in the transportation industry, the coal industry (which supplies the South African electricity utility) and the platinum industry. Such labor actions have the potential to impact on Gold Fields business by influencing its own labor negotiations and by curtailing the supply of necessary inputs.

Gold Fields operations in Peru have recently been and may in the future be impacted by increased union activities. For example, the operational employees at Cerro Corona formed a labor union and negotiated a five-year collective bargaining agreement with Gold Fields. In Ghana, Gold Fields entered into a three-year wage agreement with the labor unions in October 2010 for the years 2010 to December 2012, but there can be no guarantee that the labor unions will not undertake strikes and go-slow actions against the Group s operations or other mining companies. In December 2012, the unions declined to start negotiations because of the general elections in Ghana on December 6, 2012. The renegotiation process is scheduled to start in the second quarter of 2013 with the aim of securing a multi-year wage agreement. Further, on April 3, 2013, employees at Gold Fields Ghanaian operations engaged in a work stoppage that led to a halt in production. On April 8, 2013, in order to end the strike, management and the Ghana Mineworkers Union, or GMWU, agreed to a settlement regarding the process for resolving certain issues raised by union petitions. However, the employees at these operations engaged in a further go slow action related to these issues between April 26, 2013 and May 2, 2013, which ended after further discussions between management and the GMWU.

In the event that Gold Fields experiences strikes or work stoppages, delays, sabotage, go-slow actions, lower productivity levels than envisaged or any other industrial relations related interruptions at any of its operations or increased employment-related costs due to union or employee activity, these may have a material adverse effect on its business, production levels, production targets, results of operations, financial condition and reputation and future prospects. In addition, lower levels of mining activity can have a longer term impact on production levels and operating costs, particularly since mining conditions can deteriorate during extended periods without production and Gold Fields will not re-commence mining until health and safety conditions are considered appropriate to do so.

Gold Fields may also be affected by certain labor laws that impose obligations regarding worker rights. For example, the Australian federal government introduced a new industrial relations system between 2009 and 2010 that includes good faith bargaining obligations for employers, fewer restrictions on the content of collective agreements and an enhanced role for union officials as bargaining representatives, parties to agreements and participants in dispute resolution. In addition, laws in South Africa impose monetary penalties for non-compliance with the administrative and the reporting requirements in respect of affirmative action policies. In Ghana, the Minerals and Mining (General) Regulations, 2012 (L.I. 2173) contain specific provisions requiring mining companies to recruit and train Ghanaian personnel and to procure goods and services with Ghanaian content. Failure to do so may result in the payment of a penalty. Gold Fields localization plan for recruiting and training Ghanaian personnel was approved by the Minerals Commission of Ghana in early January 2013 and is

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likely to be used as a template for the rest of the industry. Existing labor laws and any new or amended labor laws may increase Gold Fields labor costs and have a material adverse effect on Gold Fields business, operating results and financial condition.

An actual or alleged breach or breaches in governance processes, or fraud, bribery and corruption may lead to public and private censure, regulatory penalties, loss of licenses or permits and impact negatively upon our empowerment status and may damage Gold Fields reputation.

Gold Fields operates globally in multiple jurisdictions and with numerous and complex frameworks, and its governance and compliance processes may not prevent potential breaches of law or accounting or other governance practices. Gold Fields operating and ethical codes, among other standards and guidance may not prevent instances of fraudulent behavior and dishonesty, nor guarantee compliance with legal and regulatory requirements.

In December 2012, Gold Fields, through the Social and Ethics Committee of the Board, commenced an examination of a Black Economic Empowerment transaction related to its South Deep license. The Company took this action following press reports raising questions about the transaction. In that context, the Board engaged an independent law firm to assist in its examination and that firm has undertaken an investigation. The Board may also authorize a review of the Company s relevant internal controls in order to determine whether any improvements are necessary. The Board s examination of the matter is on-going.

To the extent that Gold Fields suffers from any actual or alleged breach or breaches of relevant laws (including South African anti-bribery and corruption legislation or the U.S. Foreign Corrupt Practices Act of 1977) under any circumstances, they may lead to regulatory and civil fines, litigation, public and private censure, loss of operating licenses or permits and impact negatively upon our empowerment status and may damage Gold Fields reputation. The occurrence of any of these events could have a material adverse effect on Gold Fields business, financial condition and results of operations.

To the extent that Gold Fields seeks to add to its reserve base through its exploration program, it may experience problems associated with mineral exploration or developing mining projects.

In order to expand its operations and reserve base, Gold Fields may rely on its exploration program for gold, and other metals associated with gold, as well as its ability to develop mining projects. Exploration for gold and other metals associated with gold is speculative in nature, involves many risks and is frequently unsuccessful. Any exploration program entails risks relating to the location of economic ore bodies, the development of appropriate extractive processes, the receipt of necessary governmental permits and regulatory approvals and the construction of mining and processing facilities at the mining site. Gold Fields exploration efforts may not result in the discovery of gold or other metals associated with gold and any mineralization discovered may not result in an increase of Gold Fields reserves. If ore bodies are developed, it can take a number of years and substantial expenditures from the initial phases of drilling until production commences, during which time the economic feasibility of production may change. In addition, to the extent Gold Fields participates in the development of a project through a joint venture or any other multi-party commercial structure, there could be disagreements, legal or otherwise, or divergent interests or goals amongst the parties, which could jeopardize the success of the project.

Furthermore, significant capital investment is required to achieve commercial production from exploration efforts. There is no assurance that Gold Fields will have, or be able to raise, the required funds to engage in these activities or to meet its obligations with respect to the exploration properties in which it has or may acquire an interest.

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Due to the nature of mining and the type of gold mines it operates, Gold Fields faces a material risk of liability, delays, mine stoppages and increased production costs from environmental and industrial accidents and pollution.

The business of gold mining by its nature involves significant risks and hazards, including environmental hazards and industrial and mining accidents. In particular, hazards associated with Gold Fields mining operations include:

- rock bursts;
- seismic events, particularly at the South Deep operation;
- extreme ambient operating temperature;
- surface or underground fires and explosions, including those caused by flammable gas or in connection with blasting;
- cave-ins, wall collapse or gravity falls of ground, including collapses of rock dumps or tailings dams;
- discharges of gases and toxic substances;
- releases of radioactivity;
- flooding;
- electrocution;
- falling from height;
- accidents related to the presence of mobile machinery, including locomotives, shaft conveyances, elevators, open pit mining and rock transportation equipment;
- ground and surface water pollution, including as a result of potential spillage or seepage from tailings dams;
- production disruption due to weather;
- sinkhole formation and ground subsidence; and

other accidents and conditions resulting from drilling, blasting and removing and processing material.

Gold Fields is at risk of experiencing any and all of these environmental or other industrial hazards. The Sibanye Gold assets were historically more susceptible, to certain of these risks due to mining at deep levels. The occurrence of any of these hazards could delay or halt production, increase production costs and result in liability for Gold Fields (including as a result of the occurrence of hazards that took place at the Sibanye Gold assets when they were owned by Gold Fields).

Ageing infrastructure may cause breakdowns and unplanned stoppages, which may result in production delays, increased costs and industrial accidents.

Deep level gold mining shafts and processing plants are usually designed with a lifespan of 25 to 30 years. Vertical shafts consist of large quantities of infrastructure steelwork for guiding conveyances and services such as high voltage electric cables, air, backfill and water pipe columns and communication cables. Maintaining this infrastructure requires skilled human resources, capital allocation, management and planned maintenance.

Once a shaft or a processing plant has reached the end of its intended lifespan, more than normal maintenance and care is required. Some of Gold Fields processing plants and South Deep s South Shaft complex fall into this category. Although Gold Fields has comprehensive maintenance strategies in place, incidents resulting in production delays, increased costs or industrial accidents may occur. Such incidents may have a material adverse effect on the company s results of operations and financial position.

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If Gold Fields loses senior management or is unable to hire and retain sufficient technically skilled employees, its business may be materially adversely affected.

Gold Fields ability to operate or expand effectively depends largely on the experience, skills and performance of its senior management team and technically skilled employees. However, the mining industry, including Gold Fields, continues to experience a global shortage of qualified senior management and technically skilled employees. Gold Fields cannot be certain that the services of its senior management and a sufficient number of its technically skilled employees will continue to be available to it. Any senior management departures, unavailability (due to death, injury, illness or other reasons) or technically skilled worker shortages could adversely affect Gold Fields operational efficiency and production levels.

Gold Fields may be unable to hire or retain appropriate technically skilled employees or other management personnel, or may have to pay higher levels of remuneration than it currently intends in order to do so. For instance, the production of gold at South Deep and at Gold Fields Australian underground mines relies heavily on mechanical equipment operators and maintenance staff. Competition for skills is particularly intense in Western Australia, where mining companies compete not only with one another, but also with the hydrocarbon sector. Further, in the surface open pit operations in Ghana, Australia and Peru, there is strong reliance on heavy mining equipment operators for machines such as drill rigs, excavators and dump trucks, as well as required technical staff to ensure maintenance programs are maintained. Turnover in these areas also remains a challenge across Gold Fields. For example, Gold Fields Ghana operations face skilled worker shortages due to the increasing number of skilled workers accepting work assignments outside of Ghana. Additionally, as experienced managers and technical specialists become eligible for retirement, Gold Fields and the mining industry as a whole face demographic challenges as there are not enough younger workers to replace them. If Gold Fields is not able to hire and retain appropriate management and technically skilled personnel or if there are not sufficient succession plans in place, this could have a material adverse effect on its business (including production levels), results of operations and financial position.

Because gold is generally sold in U.S. dollars, while some of Gold Fields production costs are in Australian dollars, Rand and other non-U.S. dollar currencies, Gold Fields operating results and financial condition could be materially harmed by a material appreciation in the value of these non-U.S. dollar currencies.

Gold is sold throughout the world principally in U.S. dollars. Gold Fields costs of production are incurred principally in U.S. dollars, Australian dollars, Rand and other currencies. As a result, any significant and sustained appreciation of any of these non-U.S. dollar currencies against the U.S. dollar may materially increase Gold Fields costs in U.S. dollar terms, which could materially adversely affect Gold Fields operating results and financial condition.

Conversely, inflation in any of the countries in which it operates could increase the prices Gold Fields pays for products and services, including wages for its employees and power costs, which if not offset by increased gold prices or currency devaluations, could have a material adverse effect on Gold Fields financial condition and results of operations.

Gold Fields is subject to various cost imposts, such as mining taxes or royalties, which may have a material adverse effect on Gold Fields operations and profits.

In recent years, governments (local and national), communities, non-governmental organizations and trade unions in several jurisdictions have sought and, in some cases, have implemented greater cost imposts on the mining industry, including through the imposition of additional taxes and royalties. Such resource nationalism, whether in the form of cost imposts, interference in project management, mandatory social investment requirements, local content requirements or creeping expropriation could impact the global mining industry and Gold Fields financial condition and results of operations.

In South Africa, the African National Congress, or the ANC, has adopted a recommendation which, among other things, proposed greater state intervention in the mining industry, including the revision of existing royalties, the imposition of new taxes and increasing the South African government s holdings in mining companies. In June 2012, the recommendation was discussed at the national policy conference of the ANC. The conference recommended that the South African government take a more active role in the mining sector, including through the strengthening of a state mining company to be involved in new projects either through partnerships or individually. The policy conference s recommendations were adopted as ANC policy during the national conference of the ANC held in December 2012.

The adopted policy may impose additional restrictions, obligations, operational costs, taxes or royalty payments on gold mining companies, including Gold Fields, any of which could have a material adverse effect on Gold Fields business, operating results and financial condition.

In Ghana, the parliament passed an Act that, effective March 9, 2012, increases taxes on mining companies. These changes included introducing a separate tax category for companies engaged in mining which raised the applicable corporate tax rate from 25% to 35%. At the same time, the 5% National Fiscal Stabilization levy was abolished, resulting in a net increase in the tax rate of 5%. The favorable capital allowance was changed from 80% for the first year, with the 20% remaining component, after being indexed at a rate of 10%, to be claimed on a reducing balance method, to a uniform regime of 20% over five years, which may affect Gold Fields future capital expenditure decisions. In addition, expenses exclusively incurred in a mining area may not be deducted against revenue derived from another mining area owned by the company in determining its chargeable income. On November 18, 2012, Ghana s parliament passed Legislative Instrument 2191, which increased annual grounds rent on mining concessions from GH 0.5 per square kilometer to GH 36.5 per acre (GH 9,019 per square kilometer), which will be effective from the 2013 year of assessment. The new law threatens current and future exploration projects. Further, a draft bill has been presented to the Ghanaian parliament which, if passed in 2013, will impose a windfall profit tax of 10% of the cash balance of a company engaged in mining activities. The bill would also allow the Commissioner-General, in determining the cash balance of a company, to disregard or re-characterize a transaction or any other transaction if the Commissioner-General believes that the transaction was carried out for the purpose of reducing the cash balance with respect to calculation of the windfall profit tax. In his budget speech on March 5, 2013, the Minister of Finance announced that a mining review committee would consider the windfall profit tax as part of its full review of the mining industry and report to Parliament by the second half of 2013.

Further, in Ghana, the ownership of land on which there are mineral deposits is separate from the ownership of the minerals. All minerals in their natural state in or upon any land or water are, under Ghanaian law, the property of Ghana and vested in the President on behalf of the people of Ghana. Mining companies must pay royalties of 5% of the total revenue earned from minerals. Companies must also pay corporate taxes and the government has a right to obtain a 10% free-carried interest in mining leases. See Information on the Company Environmental and Regulatory Matters Ghana Mineral Rights .

In Peru, a new special tax regime for mining companies was established in 2011 (relating to mining royalties), increasing the tax burden on mining companies. In addition, a new consultation law has been enacted, requiring the government to consult with indigenous or native populations on legislative or administrative proposals that may have an impact on their collective rights. It is not yet certain what, if any, other political or economic impact the policies of the new administration will have on Peru generally, or on Gold Fields specifically.

The impositions of additional restrictions, obligations, operational costs, taxes or royalty payments could have a material adverse effect on Gold Fields business, operating results and financial condition.

Economic, political or social instability in the countries or regions where Gold Fields operates may have a material adverse effect on Gold Fields operations and profits.

In fiscal 2012, approximately half of Gold Fields production was in South Africa. Gold Fields also has significant operations in Ghana, Australia and Peru. After the Spin-off, Gold Fields expects that its South African, Ghanaian, Australian and Peruvian operations will produce 16%, 42%, 28% and 14% of its total gold production in 2013, respectively. Changes or instability to the economic, political or social environment in South Africa or in any of these other countries or in neighboring countries could affect an investment in Gold Fields.

As noted above, the South African mining industry in general, including Gold Fields, was the target of large scale labor strikes in fiscal 2012. Labor unrest has increased in the South African mining industry and the entry of rival unions has contributed to increased violence and greater frequency of unrest.

In South Africa, Gold Fields South Deep operation may be subject to actions by labor groups or other interested parties who object to perceived or actual conditions and policies at its mines or to perceived or actual environmental impact of such mines. Such action may also be influenced by political forces within South Africa. Additionally, the proliferation of social media and other internet technologies may contribute to negative publicity relating to any actual or perceived environmental, labor or other issues at Gold Fields operations. These actions may delay or halt production, increase production costs, result in liability, lead to greater costs or may create negative publicity related to Gold Fields. Additionally, these actions and especially those related to labor groups and work stoppages can lead to a loss of investor confidence in the gold industry in general which may restrict Gold Fields access to international financing and could have a material adverse effect on Gold Fields business, operating results and financial condition.

For example, in the second half of 2012, South Africa s sovereign credit rating was lowered by certain rating agencies, resulting in higher interest rates for South Africa s sovereign debt, which may in turn adversely affect South Africa s economy. The credit ratings of a number of the country s leading mining companies, including Gold Fields, were also downgraded. This could lead to increased borrowing costs for Gold Fields and a diminished ability to raise capital from the international debt markets in the future.

In recent years, South Africa has continued to experience high levels of crime and unemployment. These problems may have impacted fixed inward investment into South Africa and have prompted emigration of skilled workers. As a result, Gold Fields may have difficulty attracting and retaining qualified local employees. There has also been regional, political and economic instability in certain countries surrounding South Africa. Any similar political or economic instability in South Africa could have a negative impact on Gold Fields ability to manage and operate its South African operations.

In South Africa, numerous public statements have also been made about the nationalization of South African mines by labor unions and political groups in South Africa. While the official policy of the South African government and the ANC, which was confirmed at the ANC conference that took place during December 2012, is not to nationalize mines, these comments and any other potential threats of nationalization may negatively affect the perceived value of Gold Fields property and investors perceptions of South Africa. It remains unclear what effect the policies adopted at this conference will have on the South African gold mining industry or on Gold Fields specifically. Any threat of, or actual proceeding to, nationalize any of Gold Fields assets could halt or curtail operations at South Deep, resulting in a material adverse effect on Gold Fields business, operating results and financial condition and could cause the value of Gold Fields securities to decline rapidly and dramatically, possibly causing investors to lose the entirety of their investment.

There has been regional social instability in the area around Gold Fields La Cima operation. While the unrest has not caused any stoppages to Gold Fields La Cima operations, it could have a negative impact on Gold Fields ability to manage and operate its Peruvian operations. There has been local opposition to mine development projects in Peru. Gold Fields operations and other mining operations in Peru have been the subject of local protests in the past, including the illegal blockades of access roads. Such blockades are normally accompanied by demands for increased employment from local communities and increased use of local contractors. In addition, Gold Fields Cerro Corona mine shares the same public road as Newmont-Buenaventura s Yanacocha mine and is near the planned Conga Project, which was the subject of local protests, some of them violent. There have also been protests against the Gold Fields Chucapaca project in southern Peru. While production at Cerro Corona has not been affected by this opposition, Cerro Corona, along with other mining operations, may be affected by protests or heightened restrictions on mining activities in the future. If Gold Fields experiences further opposition in connection with its operations in Peru, or if protests aimed at other mining operations affect operations at Cerro Corona, it could have a material adverse effect on Gold Fields financial condition and results of operations.

In Ghana, national elections took place on December 6, 2012. On March 5, 2013, the Minister of Finance announced in his 2013 budget speech that a major review of Ghana s tax and investment laws would be conducted and programs to maintain single digit inflation, ensure exchange rate stability, reduce the budget deficit and achieve high annual economic growth rates would be introduced. However, it is not yet certain what, if any, political or economic impact the policies of the new administration will have on Ghana generally, or on Gold Fields specifically, as the speech did not provide further details about these initiatives.

Power cost increases may adversely affect Gold Fields results of operations.

Gold Fields South Deep mining operation depends upon electrical power generated by the state utility provider, Eskom Limited, or Eskom. See Operating and Financial Review and Prospects Overview Costs . Eskom holds a monopoly on power supply in the South African market. In calendar 2009, Eskom applied to the National Energy Regulator of South Africa, or NERSA, for a 35% average tariff increase on each of April 1, 2010, 2011 and 2012, and NERSA granted average increases of 24.8%, 25.8% and 25.9%, respectively. However, in April 2012, Eskom implemented an average tariff increase of 16%. On February 28, 2013, NERSA announced that it had approved an 8% per annum average increase in the electricity tariff over the next 5 year period but within such average increases for the mining and industrial sectors may be greater. Eskom has announced its intention to institute an average annual tariff increase of 8.0% and 9.6% for industrial users, the latter of which will apply to Gold Fields, for the five-year period starting April 1, 2013. Therefore, Gold Fields expects further significant additional increases during the next several years as Eskom embarks on an electricity generation capacity expansion program. Should Gold Fields experience further power tariff increases, its results of operations may be adversely impacted.

In Australia, Gold Fields contract for the supply of electricity to both of its Australian operations is due to expire in 2014. Gold Fields is in the process of negotiating a replacement for this contract with parties including the major mining company which presently supplies power under a power purchasing agreement, and also with domestic gas suppliers in Western Australia. Replacement of this supply may entail a significant increase in costs due to the volatile Western Australian gas market. Any such increase in costs could have a material adverse impact on Gold Fields business and operating results.

Both Gold Fields Ghana Limited, or Gold Fields Ghana, and Abosso Gold Fields Limited, or Abosso, have concluded tariff negotiations for 2012 and 2013 with their respective power suppliers (the state electricity supplier, the Volta River Authority, or VRA, supplies power to Gold Fields Ghana and the Electricity Company of Ghana, or ECG, provides power to Abosso and the South Heap Leach facility at Gold Fields Ghana), representing a 19% increase on VRA and 15% increase on ECG, respectively from fiscal 2011 to fiscal 2013. The 2013 tariffs will remain unchanged from the 2012 tariffs. The VRA has provided a revised Power Sales and Purchase Agreement between VRA and Gold Fields Ghana which is expected to be concluded by June 2013. Gold Fields Ghana has concluded a Transmission Service Agreement with Ghana Grid Company Limited, or GridCo. Until gas supply to the generating units in Ghana is assured, energy prices will correlate with the crude oil price. The Deregulated Mining Companies, or the DMC, are currently in discussions with the VRA regarding a new tariff model from 2014. Discussions with the ECG on behalf of Damang generally depend on the outcome of discussions with the VRA and have not been pursued in light of the status of discussions with the VRA. Tariffs with the ECG are not expected to be more than U.S. cents 2 per kilowatt hour above the VRA tariff. Management expects further tariff increases in the future. Any further increase in the electricity price could have a material adverse effect on the Group s business and operating results. See Information on the Company Description of Mining Business .

Power stoppages, fluctuations and usage constraints may force Gold Fields to halt or curtail operations.

In 2008, South Africa experienced disruptions in electrical power supply and these disruptions impacted Gold Fields operations. The Department of Energy is in the process of developing a power conservation program, including rules regarding baseline adjustments and load growth. However, there can be no assurance that this conservation program will ensure that there is sufficient electricity available for Gold Fields to run its South Deep operation at full capacity or at all. In October 2012, the South African state utility Eskom announced

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that its forecasted electricity sales for the financial year ending March 31, 2013 would be 2.5% lower than those in the previous financial year, but still warned that it may face constraints on the supply of power until the first units of its new power station come on line by mid-2014. Any disruption or decrease in the electrical power supply available to Gold Fields South Deep operation could have a material adverse effect on its business, operating results and financial condition.

Although the VRA has not imposed any power cuts in Ghana since August 2006, frequent power interruptions have occurred in the power supplied by ECG. In August 2012, damage to the West African Gas Pipeline resulted in disruptions to the power supply in Ghana. Since September 2012, Damang has been affected by an evening peak period load shedding by ECG, which is expected to be concluded by the end of April 2013. Further, intermittent low voltage has affected Damang s operations. Part of the heap leach facilities in Tarkwa, which is also supplied by ECG, have been similarly affected, although stacking at the South Heap Leach facility has now been stopped due to profitability reasons. Gold Fields is in discussions with the VRA and the ECG on how to minimize the impact of power interruptions on its operations.

Should Gold Fields continue to experience power outages, fluctuations or usage constraints at any of its operations, then its business and results of operations may be materially adversely impacted.

Gold Fields may not realize the potential benefits from the Spin-off.

Gold Fields may not realize the potential benefits that it expects from the Spin-off. Gold Fields has described these anticipated benefits elsewhere in this annual report. See Information on the Company Strategy. Moreover, the Spin-off could cause operational, human resources or information technology disturbances. Following the Spin-off, Gold Fields and Sibanye Gold are continuing to provide services to each other as described in a transitional services agreement signed on December 21, 2012, or the Transitional Services Agreement. These services include corporate functions and infrastructure support, purchasing, corporate communications, human resources and benefit management, treasury and finance, investor relations, corporate controller, internal audit, legal and tax advice, compliance regarding internal controls and information technology functions, which will be provided on a transitional basis for a period of up to 12 months. See Additional Information Material Contracts Transitional Services Agreement . The transition is continuing and may give rise to certain operating issues as the corporate and operational functions of the two companies are separated. In addition, Gold Fields will incur significant costs which may exceed its estimates. Any such issues could have a material adverse effect on Gold Fields business, results of operations and financial condition.

Actual and potential supply chain shortages and increases in the prices of production inputs may have a material adverse effect on Gold Fields operations and profits.

Gold Fields results of operations may be affected by the availability and pricing of raw materials and other essential production inputs, including fuel, steel and cyanide and other reagents. The price and quality of raw materials may be substantially affected by changes in global supply and demand, along with weather conditions, governmental controls and other factors. A sustained interruption in the supply of any of these materials would require Gold Fields to find acceptable substitute suppliers and could require it to pay higher prices for such materials. Any significant increase in the prices of these materials will increase the Company s operating costs and affect production considerations.

Gold Fields insurance coverage may prove inadequate to satisfy potential claims.

Gold Fields has an insurance program, however, it may become subject to liability for pollution, occupational illnesses or other hazards against which it has not insured, cannot insure or has insufficiently insured, including those in respect of past mining activities. Gold Fields existing property and liability insurance contains exclusions and limitations on coverage. Should Gold Fields suffer a major loss, future earnings could be affected. In addition, insurance may not continue to be available at economically acceptable premiums. As a result, in the future, Gold Fields insurance coverage may not cover the extent of claims against Gold Fields, including, but not limited to, claims for environmental or industrial accidents, occupational illnesses or pollution or any cross-claims made.

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Gold Fields financial flexibility could be materially constrained by South African exchange control regulations.

South Africa s exchange control regulations, or the Exchange Control Regulations, restrict the export of capital from South Africa, the Republic of Namibia, and the Kingdoms of Lesotho and Swaziland, known collectively as the Common Monetary Area, or the CMA. Transactions between South African residents (including companies) and non-residents of the CMA are subject to exchange controls enforced by the South African Reserve Bank, or SARB. As a result, Gold Fields ability to raise and deploy capital outside the CMA is restricted. These restrictions could hinder Gold Fields financial and strategic flexibility, particularly its ability to fund acquisitions, capital expenditures and exploration projects outside South Africa. See Information on the Company Environmental and Regulatory Matters South Africa Exchange Controls .

Gold Fields may suffer material adverse consequences as a result of its reliance on outside contractors to conduct some of its operations.

A portion of Gold Fields operations in South Africa, Ghana, Australia and Peru are currently conducted by outside contractors. As a result, Gold Fields operations at those sites are subject to a number of risks, some of which are outside Gold Fields control, including contract risk, execution risk, litigation risk, regulatory risk and labor risk.

In addition, Gold Fields may incur liability to third parties as a result of the actions of its contractors. The occurrence of one or more of these risks could have a material adverse effect on Gold Fields business, results of operations and financial condition. See Directors, Senior Management and Employees Employees Labor Relations Australia and Directors, Senior Management and Employees Employees Labor Relations Peru .

Regulation of greenhouse gas emissions and climate change issues may materially adversely affect Gold Fields operations.

Energy is a significant input to Gold Fields mining and processing operations, with its principal energy sources being electricity, purchased petroleum products, natural gas and coal. There is a substantial weight of scientific evidence concluding that carbon emissions from fossil fuel-based energy consumption contribute to global warming, greenhouse effects and climate change.

A number of governments or governmental bodies, including the United Nations Framework Convention on Climate Change and the Kyoto Protocol, have introduced or are contemplating regulatory changes in response to the potential impact of climate change. Many of these contemplate restricting emissions of greenhouse gases in jurisdictions in which Gold Fields operates.

In Australia, the Australian Clean Energy Act 2011 (Cth) and associated legislation establishing a national carbon pricing scheme, or Scheme, passed into law in November 2011. While emissions from Gold Fields Australian operations are not currently being directly regulated, the price of diesel fuel paid by Gold Fields operations did rise due to changes in fuel subsidy levels. Other costs, predominantly electricity, have risen to reflect the flow-through impact of the Scheme on Gold Fields suppliers. The overall impact of the Scheme is estimated at A$8 million (U.S.$8 million) per annum on Gold Fields Australian operations. See Information on the Company Environmental and Regulatory Matters Australia Environmental .

The South African government is considering the introduction of a carbon tax with effect from January 1, 2015 to reduce greenhouse gas emissions. The updated carbon tax policy paper released on May 2, 2013 confirmed that the proposed carbon tax will be R120 per tonne of carbon dioxide equivalent, or CO_2-e, emitted above certain thresholds. The tax rate will increase by 10% a year, reaching R176 per tonne of CO_2-e by 2019. However, 60% of emissions would initially be tax exempt. The 60% discount will continue to apply until December 31, 2019, along with certain offsets of 5% or 10%, a carbon intensity correction based on industry benchmarks and a correction for international trade exposure of 5% to 10% of tax liability, which together may allow for a cumulative reprieve from tax liability of up to 90%. The 60% discount and the associated tax

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reprieves will be scaled back gradually from 2020 until 2050 and may be replaced by absolute emissions thresholds thereafter. If the proposed carbon tax had been in effect in fiscal 2012 (as proposed), management estimates this would have introduced an additional cost of R38.0 million (after taking the 60% discount into consideration), R0.5 million at South Deep and R37.5 million at the Sibanye Gold assets. See Information on the Company Environmental and Regulatory Matters South Africa Environmental.

In addition, a number of other regulatory initiatives are underway in countries in which Gold Fields operates that seek to reduce or limit industrial greenhouse gas emissions. These regulatory initiatives will be either voluntary or mandatory and are likely to impact Gold Fields operations directly or by affecting the cost of doing business, for example by increasing the costs of its suppliers or customers. These costs may include, among others, emission measurement and reduction, audit processes and human resource costs. Non-compliance with statutory initiatives may result in monetary liabilities. Insurance premiums may increase and the Company s position relative to industry competitors may change. Inconsistency of regulations particularly between developed and developing countries may affect Gold Fields decision to pursue opportunities in certain countries and also may affect its costs of operations. Assessments of the potential impact of future climate change regulation are uncertain, given the wide scope of potential regulatory change in countries in which Gold Fields operates.

Furthermore, the potential physical impacts of climate change on Gold Fields operations are highly uncertain and may differ across geographies. They may include changes in rainfall patterns and intensities, water shortages, extreme weather conditions and changing temperatures. Flooding could disrupt mining, processing and transportation, and result in increased health and safety risks. Reduced rainfall could result in electricity supply shortages in certain countries where Gold Fields operates and extreme weather conditions may negatively impact Gold Fields workforce. These effects may adversely impact the cost, production and financial performance of Gold Fields operations.

Theft of gold and copper bearing materials and production inputs, as well as illegal and artisanal mining, occur on some of Gold Fields properties, are difficult to control, can disrupt Gold Fields business and can expose Gold Fields to liability.

A number of Gold Fields properties have experienced illegal and artisanal mining activities and theft of gold and copper bearing materials and copper cables (which may be by employees or third parties). The activities of the illegal miners could cause pollution or other damage to Gold Fields properties, including underground fires, or personal injury or death, for which Gold Fields could potentially be held responsible. An increase in illegal or artisanal mining activities could result in depletion of mineral deposits, potentially making the future mining of such deposits uneconomic. The presence of illegal miners could lead to project delays and disputes regarding the development or operation of commercial gold deposits, particularly in Ghana where illegal mining activities could lead to the discharge of contaminants into water sources in a manner inconsistent with Gold Fields environmental obligations. Gold Fields has developed a high-level strategy to deal with the illegal miners problem and is engaging with businesses and the government regarding this problem. The Government of Ghana has encouraged a clamping down on illegal mining. However, an increase in the theft of gold and copper bearing materials or any inputs required for the production of gold and copper may reduce the amount of these metals that Gold Fields is able to recover from its operations. Rising gold and copper prices may increase the likelihood of such thefts occurring. Illegal mining and theft could also result in lost gold reserves and mine stoppages, cause Gold Fields to incur fines or other costs and have a material adverse effect on Gold Fields financial condition or results of operations.

HIV/AIDS, tuberculosis and other contagious diseases pose risks to Gold Fields in terms of lost productivity and increased costs.

The prevalence of HIV/AIDS in South Africa poses risks to Gold Fields in terms of potentially reduced productivity and increased medical and other costs. Management has recently estimated that approximately

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17.1% of Gold Fields workforce at its remaining South African operation at South Deep is infected with HIV. Increasingly, Gold Fields is seeing an adverse impact of HIV/AIDS on its affected employees similar to that experienced by other companies in the South African mining sector, evidenced by increased absenteeism and reduced productivity. Compounding this are the concomitant infections, such as tuberculosis, that can accompany HIV illness, particularly at the end stages, and cause additional healthcare-related costs. In South Africa, the incidence of tuberculosis in mine workers is aggravated by exposure to crystalline silica dust and by compromised immunity due to HIV infection. HIV/AIDS remains an important focus for Gold Fields and the Group will continue its extensive intervention campaigns. However, the potential impact of HIV/AIDS on Gold Fields South Deep operation and financial condition is significant. Factors influencing the impact of HIV/AIDS include the incidence of HIV infection among Gold Fields employees and the surrounding community, the impact on employees productivity, treatment costs and other costs. Most of these factors are beyond Gold Fields control. See Directors, Senior Management and Employees Employees Health and Safety Health HIV/AIDS Program.

Additionally, the spread of contagious diseases such as respiratory diseases, including seasonal flu and latent epidemics like avian, swine flu and severe acute respiratory syndrome, are exacerbated by communal housing and close quarters. Although Gold Fields is in the process of creating improved housing facilities at its mines, the spread of such diseases could impact employees productivity, treatment costs and, therefore, operational costs.

Gold Fields operations are subject to environmental and health and safety regulations, which could impose significant costs and burdens and Gold Fields may face claims and liability for breaches, or alleged breaches, of such regulations and other applicable laws.

Gold Fields operations are subject to various environmental laws and regulations in the jurisdictions in which they operate including, for example, those relating to waste treatment and disposal, emissions and water management. Further, Gold Fields must comply with permits or standards governing, among other things, land rehabilitation, tailings dams and waste disposal areas, water consumption, air emissions, water discharges, naturally occurring radioactive material, transportation of ore or hazardous substances, power use and generation, use and storage of explosives, housing and other facilities for workers, reclamation, labor standards and mine safety and occupational health.

In several of the countries in which Gold Fields operates, the environmental protection laws require, among other things, that Gold Fields register with the environmental authorities and obtain environmental permits and certificates for its operations, as well as rehabilitate land disturbed by mining operations. In several jurisdictions, such as Ghana and Australia, Gold Fields is required to secure estimated environmental rehabilitation costs in part by posting a reclamation bond. In South Africa, similar security is required in the form of financial provision for rehabilitation of a mine during and particularly after the mine has been closed in terms of the Mineral and Petroleum Resources Development Act No. 28 of 2002, or the MPRDA.

Moreover, in Peru, recent legislation now requires the government to consult with indigenous or tribal communities on any legislative or administrative measures that may directly affect their collective rights.

In Western Australia, proposed new mining rehabilitation fund legislation, the Mining Rehabilitation Fund Act 2012 (WA), was assented to on November 5, 2012. The legislation will be implemented from July 1, 2013. Upon implementation, most holders of mining tenements granted pursuant to the Mining Act 1978 (Western Australia), or the Mining Act, will be required to pay a levy into the fund. The levy will consist of an annual fund contribution, calculated as a percentage (likely initially to be 1% of each tenement s closure liability estimate). The closure liability estimate for a tenement will be assessed in accordance with a per-hectare levy calculator which is currently being developed. The proposed legislation does not make any changes to the Mining Act of 1978, and environmental security bonds can still be applied to any Mining Act of 1978 tenements in accordance with that act. If the proposed legislation passes, the associated levy will create additional costs for Gold Fields.

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Gold Fields may in the future incur significant costs to comply with such environmental requirements imposed under existing or new legislation, regulations or permit requirements or to comply with changes in existing laws and regulations or the manner in which they are applied. Gold Fields may also be subject to litigation and other costs as a result of environmental rights granted to individuals under national constitutions or other sources of environmental rights. These costs could have a material adverse effect on Gold Fields business, results of operations and financial condition. See Information on the Company Environmental and Regulatory Matters .

In each of the jurisdictions in which it operates, Gold Fields is also subject to various health and safety laws and regulations that impose various duties on Gold Fields mines while granting the authorities broad powers to, among other things, close or suspend operations at unsafe mines and order corrective action relating to health and safety matters. Under these health and safety laws and regulations, the Group may also be subject to prosecution for industrial accidents as well as significant penalties and fines for non-compliance. Any changes to the health and safety laws which increase the burden of compliance or the penalties for non-compliance may cause Gold Fields to incur further significant costs. See Information on the Company Environmental and Regulatory Matters.

In South Africa, certain targets were set by the Mine Health and Safety Council, or the MHSC, a body consisting of representatives from the government, mining companies and unions, for the reduction of accidents, noise and silicosis to be achieved by 2013. If a mine fails to achieve these targets, or it is found to be in excess of noise or silicosis limits generally, the Mine Health and Safety Inspectorate, or the MHSI, could potentially order that operations be halted at any time due to overexposure of employees to unsafe or unhealthy working conditions. Gold Fields expects that the MHSC targets related to the reduction of accidents, noise and silicosis will be revised to tighten these standards over the next several years.

The principal health risks associated with Gold Fields mining operations in South Africa arise from occupational exposure and community environmental exposure to silica dust, noise and certain hazardous substances, including toxic gases and radioactive particulates. The most significant occupational diseases affecting Gold Fields workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease, or COAD) as well as noise-induced hearing loss, or NIHL. The Occupational Diseases in Mines and Works Act 78 of 1973, or ODMWA, governs the payment of compensation and medical costs for certain illnesses, such as silicosis, contracted by those employed in mines or at sites where activities ancillary to mining are conducted. Recently, the South African Constitutional Court ruled that a claim for compensation under ODMWA does not prevent the employee from seeking to recover compensation from the employer concerned in a civil action under common law (either as individuals or as a class). While issues, such as negligence and causation, need to be proved on a case by case basis, it is nevertheless possible that such ruling could expose Gold Fields to claims related to occupational hazards and diseases (including silicosis or other ailments alleged to arise due to exposure to hazardous materials and substances), which may be in the form of a class action or similar group action. Although risks associated with alleged occupational exposure are likely to be greater, such actions may also arise in connection with the alleged incidence of such diseases in communities proximate to Gold Fields mines.

In the second half of 2012, two suits were filed against several South African mining companies, including Gold Fields, on behalf of current and former gold mine workers and the dependants of gold mine workers who have contracted or died from silicosis or other occupational lung diseases.

If a significant number of such claims were suitably established against it, the payment of compensation for the claims could have a material adverse effect on Gold Fields business, reputation, results of operations and financial condition. In addition, Gold Fields may incur significant additional costs arising out of these issues, including costs relating to the payment of fees, increased levies or other contributions in respect of compensatory or other funds established (if any) and expenditures arising out of its efforts to remediate these matters or to resolve any outstanding claims or other potential action. Further, we expect that the levels of statutory compensation payable to individuals may be increased over the next several years.

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Gold Fields monitors health and safety issues in the jurisdictions in which it operates. One issue that has arisen in the context of the United States is diesel particulate matter, or DPM. While regulations and litigation regarding DPM have not occurred in the jurisdictions where Gold Fields operates, there is a risk that these issues may arise in the future. Therefore, Gold Fields is unable to estimate any costs relating to new regulations or potential litigation around this issue, however, any such regulations or litigation could have a material adverse effect on Gold Fields business, operating results and financial condition.

A number of accidents, many of which resulted in fatalities, have recently occurred at various mining operations in South Africa, including at some of Gold Fields operations. For example, on June 30, 2012, Gold Fields former KDC mine was closed when there were five fatalities following a fire at its No. 4 (West), or Ya Rona, mine shaft. KDC East reopened on July 3, 2012 and KDC West reopened on July 9, 2012. The fire in the affected shaft was extinguished on August 14, 2012; however, this shaft remained closed subject to a Section 54 order issued by the Department of Mineral Resources, or the DMR, and reopened on October 17, 2012, although production did not recommence at that time due to the labor actions described above. See Gold Fields operations and profits have been and may be adversely affected by union activity and new and existing labor laws . A Section 54 order suspends mining operations at an operating section following a safety incident or accident. Prior to the Spin-off, Gold Fields launched an internal investigation into the fire at KDC in order to better understand the cause of this accident. South Africa s deputy Mineral Resources Minister has stated that the ministry may increase sanctions, including closures, for mines in which fatalities occur because of violations of health and safety rules. As occurred in June, the DMR can and does issue, in the ordinary course of its operations, instructions, including Section 54 orders, following safety incidents or accidents to partially or completely halt operations at affected mines. It is Gold Fields policy to halt production at its operations when serious accidents occur in order to rectify dangerous situations and, if necessary, retrain workers. In addition, there can be no assurance that the unions will not take industrial action in response to such accidents which could lead to losses in Gold Fields production. Any additional stoppages in production, or increased costs associated with such incidents, could have a material adverse effect on Gold Fields business, operating results and financial condition. Such incidents may also negatively affect Gold Fields reputation with, among others, employees and unions, South African regulators and regulators in other jurisdictions in which Gold Fields operates.

In April 2009, the Mine Health and Safety Amendment Act no.74 of 2008, or the Mine Health and Safety Amendment Act, became law, resulting in more stringent regulations regarding mine health and safety, to which Gold Fields is subject. Additionally, Gold Fields may be subject to an increased risk of prosecution for industrial accidents as well as greater penalties, including mine closure, and fines for non-compliance.

In Ghana, statutory workers compensation is not the exclusive means for workers to claim compensation, as claims may be made under common law torts. Gold Fields insurance for health and safety claims or the relevant workers compensation arrangements may not be adequate to meet the costs that may arise upon any future health and safety claims.

Further, any changes to the health and safety laws which increase the burden of compliance or the penalties for non-compliance may cause Gold Fields to incur further significant costs. See Information on the Company Environmental and Regulatory Matters Health and Safety .

Gold Fields operations are subject to water use licenses, which could impose significant costs and burdens.

Under South African law, Gold Fields South African operations are subject to water use licenses that govern each operation s water usage and that require, among other things, mining operations to achieve and maintain certain water quality limits regarding all water discharges. The Kloof operation (part of the KDC operation) was issued a water use license in December 2008 that expired in December 2011. The Group has applied for renewal of, and amendments to, this license. Pending approval of the Kloof water use license, Gold Fields obtained a regulatory directive, or the Kloof Directive, from the Department of Water Affairs, or the DWA, that permits the continuation of water uses at its Kloof operations while its application for renewal of, and

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amendments to, its water use license was being processed. Prior to February 2011, the Kloof operation had been in compliance with the license granted to it in 2008. However, from February 2011 to September 2011, the water discharged from one of the shafts of the KDC operation covered by the Kloof license exceeded the discharge parameters specified by the license. Gold Fields informed the DWA and other relevant regulators and has investigated the cause of the increased discharge. One of the key findings of the investigation was that the increased discharge was most likely due to external variables beyond the control of the KDC operation. Based on this information, the Kloof Directive included an increase to the discharge limits of that specific discharge point. As of December 9, 2011, the date of issue of the Kloof Directive, the water discharged from the shaft covered by the Kloof water use license has been in compliance with the discharge parameters specified in the directive. Monitoring of the discharge quality is ongoing. However, there can be no assurance that the water discharge from the KDC operation will remain within these discharge parameters, that the renewed Kloof license will be granted or that it will be granted with the increased discharge limit provided by the Directive. The Driefontein operation (now part of the KDC operation) was also issued a water use license in October 2010. However, due to certain inaccuracies and discrepancies in the information provided for the water use license, Gold Fields has remained in discussions with the DWA to revise the license. While there was a delay in processing the water use license application at South Deep, which was submitted within the applicable time limits, Gold Fields was issued a new water use license for South Deep in December 2011. Gold Fields has made an application for rectification and amendment of this water use license to the DWA as well.

The DWA has advised Beatrix, which had pre-existing water permits of indefinite length, that its current water usage remains authorized and it need not apply for a new license. However, Beatrix has nevertheless proactively submitted a water use license application which is currently being processed. Therefore, management believes that the South African operations now have all required authorizations to undertake regulated water uses for purposes of carrying out its mining operations.

Gold Fields is investigating a water treatment strategy in an effort to satisfy the conditions of new water use licenses and prevent potential acid mine drainage, or AMD, issues across its South African operations. However, there can be no assurance that Gold Fields will be in compliance with its licensing agreements within the required timeframe due primarily to the associated regulatory approval processes and commercial agreements that are required for the water treatment strategy. Gold Fields expects to incur significant expenditure to achieve and maintain compliance with the license requirements at each of its South African operations.

In Ghana, environmental regulations also impose water treatment and discharge conditions on a mine owner. Gold Fields is required to comply with these regulations under its permits and licenses and any failure to do so could result in the curtailment or halting of production at the affected locations. On July 16, 2012, the operation of all heap leach facilities at Tarkwa was suspended after Gold Fields Ghana received a directive from the Environmental Protection Agency of Ghana, or the Ghanaian EPA, and the Ministry of Environment, Science and Technology to stop discharging water from these facilities and treat all water discharges through a water treatment plant to reduce conductivity levels to prescribed levels. In accordance with environmental best practice and in compliance with the Ghanaian EPA directive Gold Fields has commissioned the construction of two water treatment plants at its North and South Heap Leach facilities. On August 9, 2012, Gold Fields received permission from the Ghanaian EPA to reopen the heap leach facilities while the water treatment plants were being built. The North Heap Leach water treatment plant was operational on January 1, 2013 with increased capacity expected by the third quarter of 2013. The South Heap Leach water treatment plant is expected to come into operation during the second quarter of 2013. Certain weather patterns, including those associated with the rainy season in Ghana, when combined with the operation of the mine will increase the risk that the heap leach facilities discharge water in excess of the prescribed conductivity levels. Gold Fields has engaged in discussions with the Ghanaian EPA regarding these issues. However, if Gold Fields does not comply with applicable water treatment and discharge conditions, it could be subject to fines, mine closures, production curtailment or it could incur additional operating costs, and any such events could have a material adverse effect on Gold Fields business, production and results of operations.

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Any failure on Gold Fields part to achieve or maintain compliance with the requirements of its licenses with respect to any of its operations could result in Gold Fields being subject to substantial claims, penalties, fees and expenses; significant delays in operations; or the loss of the relevant water use license, which could curtail or halt production at the affected operation. Any of the above could have a material adverse effect on Gold Fields business, operating results and financial condition.

Gold Fields has experienced and may experience further acid mine drainage related pollution, which may compromise its ability to comply with its water use licenses.

Gold Fields has identified incidences of AMD, and the risk of potential short-term and long-term AMD issues, specifically at its Cerro Corona mine, its South Deep mine and, at currently immaterial levels, its Damang mine. AMD relates to the acidification and contamination of naturally occurring water resources by pyrite-bearing ore contained in underground mines and in rock dumps, tailings dams and pits on the surface. Gold Fields has commissioned several technical studies to identify the steps required to prevent or mitigate AMD at its facilities but none of these studies have allowed Gold Fields to generate a reliable estimate of the potential impact of AMD on the Company.

As part of Cerro Corona s mine closure plan review, Gold Fields recently concluded a set of studies that were required by the Ministry of Energy and Mines, or MEM, to analyze post-closure water treatment requirements. The conclusion of these studies was that Cerro Corona will require post-closure water treatment, which represents a change with respect to Cerro Corona s previous closure plan. Gold Fields is in the process of conferring with the MEM regarding its post-closure plans and cannot provide a precise estimate of the cost impact of these water treatment requirements at this stage. While the cost of these water treatment requirements is not expected to be material, future costs of compliance could have a material adverse effect on Gold Fields business, operating results and financial condition.

At South Deep, the old tailings are currently acid generating and acid base accounting, or ABA, and leachate testing have indicated that other material at the mine has the potential to be acid generating. While the majority of contaminated water emanating from the tailings is captured by collection trenches and return water dams, shallow seepage (off the underlying shale) of low pH water generated by the tailings and periodic overflows of the return dams occur into the surrounding watercourse and shallow groundwater. Gold Fields has informed the relevant regulators of these incidents and has put in place a number of measures agreed with the regulator. Gold Fields is also developing water and waste management strategies in an effort to, among other things, prevent or mitigate AMD issues at South Deep in the short, medium and long term. However there can be no assurance that Gold Fields will be successful in preventing or mitigating any current or potential AMD issues.

The existence of AMD issues at any of Gold Fields operations could cause it to fail to comply with its water use license requirements and could expose Gold Fields to fines, mine closures, production curtailment, additional operating costs and other liabilities, any of which could have a material adverse effect on Gold Fields business, production and results of operations.

Gold Fields mineral rights are subject to legislation, which could impose significant costs and burdens.

Gold Fields right to own and exploit mineral reserves and deposits is governed by the laws and regulations of the jurisdictions in which the mineral properties are located. Currently, a significant portion of Gold Fields reserves and deposits are located in countries where mining rights could be suspended or canceled should it breach its obligations in respect of the acquisition and exploitation of these rights.

In all of the countries where Gold Fields operates, the formulation or implementation of governmental policies on certain issues may be unpredictable. This may include changes in laws relating to mineral rights and ownership of mining assets and the right to prospect and mine, and, in extreme cases, nationalization, expropriation or nullification of existing concessions, licenses, permits agreements and contracts.

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For example, in South Africa, the MPRDA, together with the implementation of a broad-based socio-economic empowerment charter (amended with effect from September 13, 2010), or the Amended Mining Charter, effects entry of historically disadvantaged South Africans, or HDSAs, into the mining industry. Among other things, the Amended Mining Charter required each mining company to achieve a minimum of 26% HDSA ownership of mining assets by 2014, as well as requiring numerous other social and economic commitments from each mining company. There is uncertainty relating to the enforceability of the Amended Mining Charter s requirement for mining entities to achieve a 26% HDSA ownership of mining assets by 2014. See Information on the Company Environmental and Regulatory Matters South Africa Mineral Rights The MPRDA .

Failure by the Group s South Deep operation to comply with the 26% HDSA ownership requirements as set out in the MPRDA and the Amended Mining Charter, or other provisions of the Amended Mining Charter, may amount to breach of the MPRDA and may result in the cancellation or suspension of the company s existing mining rights and may prevent the Group from obtaining any new mining rights in South Africa.

In December 2012, a draft Mineral and Petroleum Resources and Development Bill, 2012, or MPRDB, was published for comment, with the stated purpose of, among other things, removing ambiguities and enhancing sanctions. However, the MPRDB has been criticized for introducing new and burdensome regulations relating to, among other things, the upstream beneficiation of minerals, the status of tailings created prior to the commencement of the MPRDA, closure certificates, restricting the transfer of shares in listed and unlisted mining companies and retaining undue regulatory discretion over the conditions for, and issuance of, prospecting, mining and other rights. The MPRDB also seeks to significantly increase the penalties that may be imposed for, among other things, non-compliance with the MPRDA, other relevant law, the terms and conditions of a right or a social and labor plan. While it is anticipated that the MPRDB may undergo various amendments before it becomes law, the passage of the MPRDB may subject companies in the mining industry, like Gold Fields, to more stringent regulation in the future.

In accordance with the MPRDA, the DMR on April 29, 2009 published a Code of Good Practice for the Minerals Industry and the Housing and Living Condition Standard for the Mining Industry, or the Code, relating to the socio-economic transformation of the mining industry. However, certain provisions of the Code appeared to be inconsistent with the Mining Charter, or to go beyond the scope envisaged in the MPRDA. Various industry participants have been in discussions with the DMR regarding the scope and applicability of the Code. It is anticipated that the contents of the Code will ultimately be amended to be made consistent with the Amended Mining Charter. Details of when this will happen and the contents of the final Code are currently uncertain. See Information on the Company Environmental and Regulatory Matters South Africa Mineral Rights The MPRDA .

The Broad-Based Black Economic Empowerment Act, No. 53, 2003, or the BBBEE Act, established a national policy on broad-based black economic empowerment, or BBBEE, with the objective of increasing the participation of HDSAs in the economy. The BBBEE Act provides for various measures to promote black economic empowerment, including empowering the Minister of Trade and Industry to issue the BBBEE Codes with which organs of state and public entities and parties interacting with them or obtaining rights and licenses from them would be required to comply. There has been some debate as to whether or to what extent the mining industry was subject to the BBBEE Act and the policies and codes provided for thereunder. On November 23, 2012, the Broad-Based Black Economic Empowerment Amendment Bill, or the BBBEE Amendment Bill was published in the Government Gazette. The BBBEE Amendment Bill has the effect of expanding and strengthening the black economic empowerment provisions of the BBBEE Act. It was expected that the draft bill would have clarified the extent, if any, of the application of the BBBEE Act to the mining industry, but such clarification has not been provided for in the draft bill. While it is anticipated that the draft bill will undergo various amendments before it becomes law, it should be appreciated that a risk exists that the companies in the mining industry may become subject to more stringent black economic empowerment regulation.

There is no guarantee that any steps Gold Fields has already taken or might take in the future will ensure the successful renewal of its existing mining rights, the retaining of new mining rights, the granting of further new mining rights or that the terms of renewals of its rights would not be significantly less favorable to Gold Fields

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than the terms of its current rights. Any further adjustment to the ownership structure of Gold Fields South African mining assets in order to meet the MPRDA s BEE requirements or the Amended Mining Charter s requirements could have a material adverse effect on the value of Gold Fields ordinary shares or debt and failing to comply with the MPRDA s BEE requirements or the Amended Mining Charter s requirements could subject Gold Fields to negative consequences, the scope of which have not yet been fully determined but which may include, among other things, the loss of one or more mining rights. As noted, the ANC adopted a policy conference recommendation which, among other things, proposes greater state intervention in the mining industry.

Gold Fields may, in the future, incur significant costs as a result of changes in the interpretation of existing laws, or the imposition of new laws, which may have a material adverse effect on Gold Fields business, operating results and financial condition.

Some of Gold Fields tenements in Australia are subject to native title claims and include Aboriginal heritage sites, which could impose significant costs and burdens.

Certain of Gold Fields tenements are subject to native current title claims, and other tenements may become the subject of native title claims if Gold Fields seeks to expand or otherwise change its interest in rights to those tenements. There are also a number of recognized Aboriginal cultural heritage sites located on certain of Gold Fields tenements.

Native title and Aboriginal cultural heritage legislation protects the claims and determined rights of Aboriginal people in relation to the land and waters throughout Australia in certain circumstances. Native title claims could require costly negotiations with the registered claimants and could have implications for Gold Fields access to or use of its tenements; and, as a result, have a material adverse effect on Gold Fields business, operating results and financial condition. Similarly, there are risks that if Aboriginal cultural heritage sites are damaged or materially altered as a result of current or future operations, that Gold Fields could be subject to criminal and/or civil penalties under relevant legislation. See Information on the Company Environmental and Regulatory Matters Australia Land Claims .

See Information on the Company Environmental and Regulatory Matters Peru Mining Royalty and Other Special Mining Taxes and Charges and Operating and Financial Review and Prospects Costs Income and Mining Taxes Peru .

The acquisition of Western Areas, BGSA and South Deep may expose Gold Fields to unknown liabilities and risks.

Prior to acquiring a 100% interest in South Deep in 2007 from GFI Joint Venture Holdings Proprietary Limited (previously known as Barrick Gold South Africa (Pty) Limited, or BGSA), a subsidiary of Barrick Gold Corporation, or Barrick, and GFO (previously known as Western Areas Limited, or Western Areas), Gold Fields was able to conduct only limited due diligence on South Deep, Western Areas and BGSA. There can be no assurance that Gold Fields identified all the liabilities of, and risks associated with, South Deep, BGSA or Western Areas prior to acquiring them or that it will not be subject to unknown liabilities of, and risks associated with, South Deep, Western Areas or BGSA, including liabilities and risks that may become evident only after Gold Fields has been involved in the operational management of South Deep for a longer period of time. On August 21, 2008, Western Areas received a summons from Randgold and Exploration Company Limited, or R&E, and African Strategic Investment (Holdings) Limited. The summons claims that, under prior ownership, Western Areas was part of a fraud whereby JCI Limited unlawfully disposed of shares owned by R&E in Randgold Resources Limited and Afrikander Lease Limited, now known as Uranium One. The action is still current. See Information on the Company Legal Proceedings and Investigations .

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Gold Fields relies on information technology and communications systems, the failure of which could significantly impact its operations and business

Gold Fields relies on its information technology and communications systems, in particular its SAP, payroll and time and attendance applications. Gold Fields information technology and communications systems could be exposed to, among other things, damage or interruption from telecommunications failure, unauthorized entry and malicious computer code, fire, natural disaster, power loss, industrial action and human error. While Gold Fields has offsite backup systems in place, the occurrence of any of the above may also disrupt Gold Fields information technology and communications systems and may lead to important data (including the geophysical and geological data) being irretrievably lost or damaged. Such damage or interruption may adversely affect Gold Fields business, prospects and results of operations.

Gold Fields results of operations may be adversely impacted if it becomes obligated to make payments under certain guarantees it has provided on notes issued by Gold Fields Orogen Holding (BVI) Limited.

On September 30, 2010, Gold Fields Orogen Holding (BVI) Limited, or Orogen, announced the issue of $1,000,000,000 4.875% guaranteed notes due October 7, 2020, or the Notes, issued on October 7, 2010. The payment of all amounts due in respect of the Notes was unconditionally and irrevocably guaranteed by Gold Fields, Sibanye Gold, Gold Fields Operations Limited, or GFO, and Gold Fields Holdings Company (BVI) Limited, or GFH, or, together, the Guarantors, on a joint and several basis. The Notes and guarantees constitute direct, unsubordinated and (subject to the negative pledge provisions related to further capital market indebtedness) unsecured obligations of Orogen and the Guarantors, respectively, and rank equally with all other existing and future unsubordinated and unsecured obligations from time to time outstanding of Orogen and the Guarantors, respectively.

Each of Gold Fields and the other Guarantors have entered into an indemnity agreement, or the Indemnity Agreement, in favor of Sibanye Gold in order to indemnify Sibanye Gold against any loss caused to Sibanye Gold in circumstances where Sibanye Gold is required to make a payment to noteholders or the trustee of the Notes by virtue of its guarantee of the Notes. If Gold Fields or the other Guarantors were to become obligated to indemnify Sibanye Gold, it could have a material adverse effect on Gold Field s business, financial condition and results of operations.

Further, market conditions may negatively impact Gold Fields ability to obtain financing for amounts it becomes required to pay under its obligations as guarantor, as well as the rate of interest required to finance these amounts.

Shareholders outside South Africa may not be able to participate in future issues of securities (including ordinary shares) carried out by or on behalf of Gold Fields.

Securities laws of certain jurisdictions may restrict Gold Fields ability to allow participation by certain shareholders in future issues of securities (including ordinary shares) carried out by or on behalf of Gold Fields. In particular, holders of Gold Fields securities who are located in the United States (including those who hold ordinary shares or ADSs) may not be able to participate in securities offerings by or on behalf of Gold Fields unless a registration statement under the Securities Act is effective with respect to such securities or an exemption from the registration requirements of the Securities Act is available thereunder.

Securities laws of certain other jurisdictions may also restrict Gold Fields ability to allow the participation of all holders in such jurisdictions in future issues of securities carried out by Gold Fields. Holders who have a registered address or are resident in, or who are citizens of, countries other than South Africa should consult their professional advisors as to whether they require any governmental or other consents or approvals or need to observe any other formalities to enable them to participate in any offering of Gold Fields securities.

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Investors in the United States and other jurisdictions outside South Africa may have difficulty bringing actions, and enforcing judgments, against Gold Fields, its directors and its executive officers based on the civil liabilities provisions of the federal securities laws or other laws of the United States or any state thereof or under the laws of other jurisdictions outside South Africa.

Gold Fields is incorporated in South Africa. All of Gold Fields directors and executive officers (as well as Gold Fields independent registered public accounting firm) reside outside of the United States. Substantially all of the assets of these persons and substantially all of the assets of Gold Fields are located outside the United States. As a result, it may not be possible for investors to enforce against these persons or Gold Fields a judgment obtained in a United States court predicated upon the civil liability provisions of the federal securities or other laws of the United States or any state thereof. In addition, investors in other jurisdictions outside South Africa may face similar difficulties.

Investors should be aware that it is the policy of South African courts to award compensation for the loss or damage actually sustained by the person to whom the compensation is awarded. Although the award of punitive damages is generally unknown to the South African legal system, it does not mean that such awards are necessarily contrary to public policy. Whether a judgment is contrary to public policy depends on the facts of each case. Exorbitant, unconscionable or excessive awards will generally be contrary to public policy. South African courts cannot enter into the merits of a foreign judgment and cannot act as a court of appeal or review over the foreign court. South African courts will usually implement their own procedural laws and, where an action based on an international contract is brought before a South African court, the capacity of the parties to the contract will usually be determined in accordance with South African law. It is doubtful whether an original action based on United States federal securities laws or the laws of other jurisdictions outside South Africa may be brought before South African courts. Further, a plaintiff who is not resident in South Africa may be required to provide security for costs in the event of proceedings being initiated in South Africa. In addition, the Rules of the High Court of South Africa require that documents executed outside South Africa must be authenticated for the purpose of use in South Africa.

Investors should also be aware that a foreign judgment is not directly enforceable in South Africa, but constitutes a cause of action which will be enforced by South African courts provided that:

- the court which pronounced the judgment had jurisdiction to entertain the case according to the principles recognized by South African law with reference to the jurisdiction of foreign courts;
- the judgment is final and conclusive (that is, it cannot be altered by the court which pronounced it);
- the judgment has not lapsed;
- the recognition and enforcement of the judgment by South African courts would not be contrary to public policy, including observance of the rules of natural justice which require that the documents initiating the proceedings outside South Africa were properly served on the defendant and that the defendant was given the right to be heard and represented by counsel in a free and fair trial before an impartial tribunal;
- the judgment was not obtained by fraudulent means;
- the judgment does not involve the enforcement of a penal or revenue law; and
- the enforcement of the judgment is not otherwise precluded by the provisions of the Protection of Businesses Act, No. 99 of 1978, as amended, of the Republic of South Africa.

Investors may face liquidity risk in trading Gold Fields ordinary shares on the JSE Limited.

Historically, trading volumes and liquidity of shares listed on the JSE have been low in comparison with other major markets. The ability of a holder to sell a substantial number of Gold Fields ordinary shares on the JSE in a timely manner, especially in a large block trade, may be restricted by this limited liquidity. See The Offer and Listing JSE Limited .

Gold Fields may not pay dividends or make similar payments to its shareholders in the future and any dividend payment may be subject to withholding tax.

Gold Fields pays cash dividends only if funds are available for that purpose. Whether funds are available depends on a variety of factors, including the amount of cash available and Gold Fields capital expenditures (on both existing infrastructure as well as on exploration and other projects) and other cash requirements existing at the time. Under South African law, Gold Fields will be entitled to pay a dividend or similar payment to its shareholders only if it meets the solvency and liquidity tests set out in the Companies Act No. 71 of 2008, or the Companies Act, and Gold Fields Memorandum of Incorporation. Given these factors (including the capital and investment needs of the business) and the Board of Directors discretion to declare a dividend (including the amount and timing thereof), cash dividends or other similar payments may not be paid in the future. It should be noted that a 15% withholding tax on dividends declared by South African resident companies to non-resident shareholders or non-resident ADS holders was introduced with effect from April 1, 2012. See Additional Information Taxation Certain South African Tax Considerations Withholding Tax on Dividends .

Gold Fields non-South African shareholders face additional investment risk from currency exchange rate fluctuations since any dividends will be paid in Rand.

Dividends or distributions with respect to Gold Fields ordinary shares have historically been paid in Rand. The U.S. dollar or other currency equivalent of future dividends or distributions with respect to Gold Fields ordinary shares, if any, will be adversely affected by potential future reductions in the value of the Rand against the U.S. dollar or other currencies. In the future, it is possible that there will be changes in South African Exchange Control Regulations, such that dividends paid out of trading profits will not be freely transferable outside South Africa to shareholders who are not residents of the Common Monetary Area. See Additional Information South African Exchange Control Limitations Affecting Security Holders .

Gold Fields ordinary shares are subject to dilution upon the exercise of Gold Fields outstanding share options.

As of December 31, 2012, Gold Fields had an aggregate of 1,000,000,000 ordinary shares authorized to be issued and as of that date an aggregate of 731,588,614 ordinary shares were issued, listed and outstanding. Gold Fields currently has two securities option plans which are authorized to grant options in an amount of up to an aggregate of 35,309,563 ordinary shares. As of December 31, 2012, 14,447,471 shares we are allocated and outstanding under these plans. After the Spin-off, as of May 9, 2013, 14,575,791 shares are allocated and outstanding under these plans. See Directors, Senior Management and Employees The GF Management Incentive Scheme, Directors, Senior Management and Employees The Gold Fields Limited 2005 Share Plan, and Directors, Senior Management and Employees The Gold Fields Limited 2005 Non-Executive Share Plan . Shareholders equity interests in Gold Fields will be diluted to the extent of future exercises or settlements of these rights and any additional rights. Gold Fields shares are also subject to dilution in the event that the Board is required to issue new shares in compliance with BBBEE legislation.

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ITEM 4: INFORMATION ON THE COMPANY

Introduction

Gold Fields is a significant producer of gold and a major holder of gold reserves in South Africa, Ghana, Australia and Peru. In Peru, Gold Fields also produces copper. Gold Fields is primarily involved in underground and surface gold and copper mining and related activities, including exploration, extraction, processing and smelting. Gold Fields also has an interest in a platinum group metal (and associated by-product metals) exploration project in Finland.

On the Spin-off date, Gold Fields completed the Spin-off. The Spin-off was achieved by way of Gold Fields making a distribution on a *pro rata* basis of one Sibanye Gold ordinary share for every one Gold Fields share (whether held in the form of shares, ADRs or international depositary receipts) to Gold Fields shareholders, registered as such in Gold Fields register at close of business on February 15, 2013 in terms of section 46 of the South African Companies Act and section 46 of the South African Income Tax Act. The board of directors of Gold Fields passed the resolution necessary to implement the Spin-off on December 12, 2012. Sibanye Gold shares listed on the JSE, and on the NYSE on February 11, 2013. As of the Spin-off date, Gold Fields and Sibanye Gold were independent, publicly traded companies with separate public ownership, boards of directors and management.

Prior to the Spin-off, approximately half of Gold Fields operations, based on gold production, were located in South Africa. After the Spin-off, Gold Fields expects that its South African, Ghanaian, Australian and Peruvian operations will produce 16%, 42%, 28% and 14% of its total gold production in 2013, respectively. Gold Fields remaining South African operation is South Deep. Gold Fields also owns the St. Ives and Agnew gold mining operations in Australia and has a 90.0% interest in each of the Tarkwa gold mine and the Damang gold mine in Ghana. Gold Fields also owns a 98.5% economic interest in the Cerro Corona mine. In addition, Gold Fields has gold and other precious metal exploration activities and interests in Africa, Eurasia, Australasia and the Americas.

As of December 31, 2012, Gold Fields reported attributable proven and probable gold and copper reserves of approximately 68.4 million ounces of gold and 1,024 million pounds of copper, as compared to the 77.6 million ounces of gold and 1,109 million pounds of copper, reported as of December 31, 2011. Of the 68.4 million ounces as of December 31, 2012, the Sibanye Gold assets accounted for 13.5 million ounces of gold. See Reserves of Gold Fields as of December 31, 2012 Methodology .

In fiscal 2012, Gold Fields processed 56.1 million tonnes of ore and produced 3.348 million ounces of gold (including gold equivalent ounces). On an attributable basis, Gold Fields produced 3.254 million ounces of gold (including gold equivalent ounces), of which 1.224 million ounces of gold was produced by the Sibanye Gold assets. In the second half of 2012, Gold Fields, like several other South African mining companies, was significantly affected by work stoppages that impacted much of the South African mining industry.

Competitive Position

Gold Fields is a producer of gold and major holder of gold reserves in South Africa, Ghana, Australia and Peru. Gold is a commodity product generally sold in U.S. dollars, with London being the world s primary gold trading market. Gold is also actively traded using futures and forward contracts. The price of gold has historically been significantly affected by macroeconomic factors, such as inflation, exchange rates, reserves policy and by global political and economic events, rather than simple supply and demand dynamics. As a general rule, Gold Fields sells the gold it produces at market prices to obtain the maximum benefit from prevailing gold prices.

The key gold producers globally have historically been Barrick Gold, Newmont Mining, AngloGold and Gold Fields, which produced 6.996, 4.726, 3.948 and 3.697 million ounces, respectively, in 2011 and together accounted for approximately 21% of the total global gold production for the year, according to the information provided by the companies and the World Gold Council, or WGC.

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Based on fiscal 2011 production (the latest available data), the first, second and third largest gold producers in the world were Barrick Gold, Newmont Mining and AngloGold, respectively. According to the AME Group, a mining and metals economics consultancy, at March 13, 2013 Barrick Gold had 40 operations in 12 countries, Newmont Mining had 15 operations in eight countries and AngloGold had 26 operations in 11 countries. Including the Sibanye Gold assets, Gold Fields was the fourth largest gold producer in the world. Excluding production at the Sibanye Gold assets, Gold Fields was the tenth largest gold producer in the world in fiscal 2011.

Gold Fields attempts to attract and retain motivated high caliber employees through a mix of guaranteed and performance-based remuneration, as well as short-term and long-term incentives, and non-financial rewards relating to work experience. However, the worldwide mining industry, including Gold Fields, continues to experience a shortage of qualified senior management and technically skilled employees. For instance, the production of gold in deep level mines relies heavily upon rock drill operators and other operators of heavy machinery in underground conditions, and it is difficult to attract new entrants into these occupations. In order to maintain competitiveness in the global labor market, regular industry market surveys are conducted to benchmark remuneration practices and to keep abreast of industry movements regarding employee benefits and non-financial employee reward and recognition programs.

Developments since December 31, 2011

Since the end of fiscal 2011, the following significant events have occurred:

On January 24, 2012, Gold Fields entered into a Memorandum of Understanding in relation to assets of Sibanye Gold with Gold One International Limited, or Gold One, to investigate the viability of concurrently retreating their combined surface tailings deposits. The deposits are located in the West Rand region of the Witwatersrand Basin in South Africa. Gold Fields, Sibanye Gold and Gold One currently operate mines in the West Rand region and will consider creating a joint venture consisting of surface assets for retreatment. The included assets are expected to exceed 700 million tonnes, representing over 60% of the region s total tailings material. The parties completed a detailed scoping study in July 2012 and, in early 2013, a decision was taken to proceed with a pre-feasibility study for the project. The results of the study will be used to determine whether to progress to a full feasibility study. If the joint venture proceeds, the parties plan to concurrently reprocess their combined tailings to recover residual gold, uranium and sulphur, while addressing mine closure in an environmentally sustainable manner and depositing the residues according to acceptable modern deposition practices.

On September 20, 2010 Gold Fields entered into two option agreements with Lepanto Consolidated Mining Company, or Lepanto, the 60% owner of the Far Southeast Project, or FSE, and Liberty Express Assets, or Liberty, the 40% owner of FSE, granting Gold Fields an option to acquire a 60% interest in FSE for a total consideration of $340 million.

After paying option fees of $10.0 million and making two down-payments of $44 million and $66 million in September 2010 and September 2011 respectively, Gold Fields brought forward half of the remaining $220 million payment to acquire Liberty s 40% interest in FSE. On March 22, 2012, Gold Fields exercised its 40% option in the FSE in the Philippines after making a $110 million payment. Gold Fields continues to hold its option to acquire an additional 20% stake in FSE from Lepanto for a further U.S.$110 million, which, if exercised, would increase its total interest in FSE to 60%.

The Liberty and Lepanto options were initially granted to Gold Fields for the later of 18 months from signature in September 2010 or the date of receiving a Financial or Technical Assistance Agreement, or FTAA, for the project. A FTAA license allows a foreign corporation to control a majority interest in a Philippine mining project. Notwithstanding this provision, Gold Fields has the discretion to exercise either option prior to the FTAA being granted, and did so with its 40% option as noted above. The FTAA application for FSE was filed in

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November 2011. The application requires the free prior and informed consent, or FPIC, of the Kankana-ey indigenous people. The FPIC process was suspended at a national level pending the finalization of new national mining legislation. The process recommenced in August 2012, following the release of new national guidelines, but this period of suspension delayed Gold Fields FTAA application. Nonetheless, management anticipates completion of the FTAA process during fiscal 2013. See Growth & International Projects International Projects Far Southeast Scoping Study .

On the Spin-off date, Gold Fields completed the Spin-off. See Explanatory Note .

Gold Fields is a limited public company incorporated in South Africa, with a registered office located at 150 Helen Road, Sandown, Sandton, 2196, South Africa, telephone number +27-11-562-9700.

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Organizational Structure

Gold Fields is a holding company with its significant ownership interests organized as set forth below.

Group Structure Pre-Spin-off [1]

Notes:

(1) Until the Spin-off date, unless otherwise stated, all subsidiaries were, directly or indirectly, wholly-owned by Gold Fields Limited.
(2) See Additional Information Material Contracts Additional Black Economic Empowerment Transactions .
(3) Not all other subsidiaries and investments are wholly-owned.
(4) These entities were distributed in the Spin-off on the Spin-off date. See Explanatory Note .

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Group Structure Post-Spin-off[(1)]

Notes:

(1) As of May 9, 2013, unless otherwise stated, all subsidiaries are, directly or indirectly, wholly-owned by Gold Fields Limited.
(2) See Additional Information Material Contracts Additional Black Economic Empowerment Transactions .
(3) Not all other subsidiaries and investments are wholly-owned.

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Background to the Spin-off

Gold Fields considered the Spin-off as part of its ongoing review of its strategy and operational portfolio against its strategic objectives over the last few years. It is expected that the separation of Gold Fields and Sibanye Gold will enable the component parts of the businesses to operate in a more efficient and commercially effective manner, thereby enabling each of the businesses to achieve their respective strategic goals. As at December 31, 2012, Gold Fields reported reserves of 68.4 million ounces of gold and 1,024 million pounds of copper, of which the Sibanye Gold assets accounted for 13.5 million ounces of gold. Total production during fiscal 2012, fiscal 2011 and fiscal 2010 was 3.35 million, 3.70 million and 3.84 million ounces, respectively. Total production from the Sibanye Gold assets during the fiscal years ended December 31, 2012 and 2011 and June 30, 2010, was 1.22 million, 1.45 million and 1.67 million ounces, respectively.

Gold Fields believes that its existing mining operations (pre-spin off) can be divided into two categories: (i) deep level, narrow vein, underground operations housed in Sibanye Gold; and (ii) open-pit and shallow underground operations in Ghana, Australia and Peru and, in the case of South Deep, deep-level, bulk underground mechanized operations which, together with the international exploration and development projects, are housed elsewhere in the Gold Fields structure.

These two categories of assets, which have divergent strategic focuses and require different management skills, were contained within one umbrella entity.

Gold Fields has indicated that it is committed to enhancing returns to shareholders through, *inter alia*, ongoing repositioning to improve leverage to the rising price of gold, and ensuring that dividends have a first call on cash flows. To this end, over the last few years Gold Fields has been engaged in an ongoing review of its strategy and operational portfolio against strategic objectives such as:

- generating cash;
- maximizing returns on funds invested;
- containing the cost of gold production as measured on an all-in-cost basis (operating cost plus capital expenditure) or, as Gold Fields reports it, on a NCE basis;
- deploying scarce capital only on projects that provide the best risk-weighted returns;
- prioritizing lower risk, higher return brownfields projects, and judiciously advancing only the strongest brownfields and greenfields projects;
- leveraging the balance sheet to grow Gold Fields value on a per share basis;
- pursuing only opportunistic M&A of producing assets where the path to value is clear;
- maintaining a focus on gold and global competitiveness; and
- supporting the overall long-term sustainability of the business.

The review process assessed the sustainability of Sibanye Gold and its ability to deliver value against these key strategic objectives. While some parts of these assets have been in production for around 70 years, Gold Fields believes that the Sibanye Gold assets overall still have significant inherent quality and extensive resource and reserve potential.

The review process also concluded that the two categories of assets in the portfolio, namely the KDC and Beatrix mines on the one hand, and the other assets in the portfolio on the other, are at different stages of their life cycles; have different styles of mineralization that require different mining methods, mining skills and mining technology; and have competing capital requirements to sustain and improve production. The decision to review the portfolio of its existing operations and assets predates the recent unrest experienced in the South African mining industry.

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It was also determined that, with the competing management and funding demands of a geographically, geologically and technically diversified organization, Sibanye Gold would benefit from a more focused and fully dedicated executive management that was directly accountable to a similarly focused and dedicated board of directors.

Consequently, it was decided to separate Sibanye Gold from Gold Fields into a fit-for-purpose company not burdened by the usual costs associated with a global company, which in the case of Gold Fields included a world-wide exploration program and the associated project development costs, and managed by a focused team that can better sustain these operations.

The separation of Sibanye Gold out of the Gold Fields portfolio will enable the remaining Gold Fields management team to focus its attention on maximizing cash flows and returns from its existing mines in South Africa, Ghana, Peru and Australia and to realize value from its world-class portfolio of development and exploration projects. It will also enable Gold Fields to create a portfolio that is more resilient to fluctuations in the gold price and exchange rates.

Gold Fields may consider and evaluate a number of near-mine organic growth opportunities and life extensions at its existing mines and to maintain an exploration program that is consistent with its strategy of growing the company largely through exploration.

A main priority will be the continued development of the South Deep gold mine in South Africa, on which Gold Fields has spent a total of approximately R30 billion (including the acquisition cost) since acquiring it in December 2006. Gold Fields is committed to investing approximately a further R5 billion into this project over the next three years.

This mine will form the core of Gold Fields production growth over the next three to four years with production expected to ramp up to a run rate of approximately 700,000 ounces per year by December 2016 at globally competitive cash costs and NCE. The recently concluded agreement with the NUM to introduce a new operating model for South Deep is expected to lay the foundation for the future success of this asset, which has an estimated life of mine of at least 50 years at expected levels of production.

Gold Fields has a vision of totally eliminating the historic single sex hostel system at its new South Deep mine over the next five years by facilitating alternative forms of housing, including family accommodation, for all of its employees. Gold Fields intends to spend between R300 million and R500 million on this project over the five-year period.

Gold Fields expects to offer its shareholders strong leverage to the gold price through a cash generative, globally diversified portfolio, as well as a disciplined approach to growth and project development.

Gold Fields shareholders should expect to continue to enjoy amongst the highest dividend payouts in the sector with the company maintaining its dividends first policy of giving dividends the first call on cash flows and distributing 25% to 35% of normalized earnings to shareholders.

Gold Fields has met its BEE equity requirements and compliance for Gold Fields remained unaffected by the Spin-off.

Sibanye Gold retained Gold Fields South African net debt of R4 billion, while the U.S.$1.4 billion of off-shore net debt was retained by Gold Fields.

Strategy

Over the past decade, the gold mining industry has had a poor record of accomplishment in providing investors with a leveraged return over what they could attain from investing in gold directly. The industry is not growing ounces of production materially despite spending billions of dollars on exploration and the building or

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acquisition of new mines; the industry is adding costs at a rate that detracts from gold price gains and is not returning cash to shareholders at a rate that matches their expectations. As a result, gold industry share prices, including Gold Fields share price, have underperformed the gold price and have failed to reflect the decade-long gold bull market in company valuations.

This sobering analysis formed the foundation of Chief Executive Nicholas Holland s keynote speech to the Melbourne Mining Club in July 2012, where he committed Gold Fields to a course of action to generate greater cash returns for investors in the Company.

Following the Melbourne Mining Club speech, Gold Fields, during the second half of 2012, engaged in a comprehensive review and analysis of its operating model as well as all of the assets in the portfolio both producing mines and growth projects, or the Portfolio Review to give teeth to the principles articulated in the speech. The outcomes of the Portfolio Review, and its strategy implications are discussed below.

The key outcome of this review was a departure from the overarching strategic growth target, articulated in 2009, to increase production to approximately five million attributable gold equivalent ounces, either in production or in development by 2015 , in favor of a new determination to pursue only production growth supported by attractive cash returns. In support of this new approach, Gold Fields will not provide long-term production estimates for the Group or estimates of timelines and likely production levels on any projects until advanced pre-feasibility or feasibility information is available and development decisions have been made and approved.

This shift in focus has had a major impact on the Group s operating strategy, including the phasing-out of marginal production at the Company s mines in Australia and Ghana and a new focus on low-risk, high-return near-mine growth opportunities at the Cerro Corona, Damang and Tarkwa mines. Beyond this, all greenfields growth opportunities are now subject to more strict commercial stage-gates to ensure the cash generating potential of these projects before they are progressed.

Strategically it has also led to the Spin-off of the Company s mature underground mines in South Africa into the newly formed and independent Sibanye Gold, which was created to ensure a positive and sustainable future for the Beatrix and KDC mines and the people who work at them. See Background to Spin-off .

The Gold Fields Franchise

Despite these changes, which are described in more detail below, the Gold Fields Franchise, which was developed following the appointment of Nicholas Holland as Chief Executive Officer as of May 1, 2008, remains robust and appropriate, with the exception of the overarching strategic goal to increase production to approximately five million attributable gold equivalent ounces, either in production or in development by 2015 , in favor of a new determination to pursue only production growth supported by attractive cash returns.

The Gold Fields franchise, which describes who we are , what we do , and how we do it , is comprised of:

- a vision statement;
- a set of core values;
- the three long-standing core pillars of the strategy, namely a) Optimize Our Operations , b) Grow Gold Fields , and c) Secure Our Future ; and
- a new regional operational delivery model.

In addition a number of short- and medium-term strategic priorities were identified and implemented, most notably the elevation of safety as the Group s number one value and strategic priority, which is discussed in the Secure Our Future section below.

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Vision Statement

During fiscal 2009, Gold Fields developed a simple yet powerful new vision for the Group:

To be the Global Leader in Sustainable Gold Mining.

The purpose was to establish a simple yet compelling new vision that all stakeholders, in particular Gold Fields employees around the globe, could understand and buy into, and which could serve as a common and powerful motivational force across the organization.

The vision statement, which was successfully introduced across the Group during fiscal 2010, and remains relevant today, reflects Gold Fields desire to be the best at what it does rather than to be the biggest; the imperative to maintain a sustainable business model with particular regard to the social, economic and environmental impacts of the Group and its operations on current and future generations of stakeholders; and the fact that Gold Fields is a focused gold mining company as opposed to a diversified precious or poly metals company.

Core Values

Supporting the vision statement and directing the strategy are six core values that every employee is expected to embrace and which define the way in which Gold Fields conducts its business. These values are:

Safety
If we cannot mine safely, we will not mine;

Responsibility
We act responsibly and care for the environment, each other, and all of our stakeholders our employees, our communities and our shareholders;

Honesty
We act with fairness, integrity, honesty and transparency;

Respect
We treat each other with trust, respect and dignity;

Innovation
We encourage innovation and entrepreneurship; and

Delivery
We do what we say we will do.

The Spin-off

The first and most significant outcome of the Portfolio Review was the decision to separate the Gold Fields portfolio of assets into two separate and independent companies, reflecting the diverse nature of the ore bodies, the relative maturity and profile of the assets as well as the different mining methods, management and operational skills, and technologies required to optimally and sustainably extract these ore bodies.

This decision led to the November 2012 announcement of the creation and unbundling to shareholders of the new Sibanye Gold as a totally independent company with its own dedicated executive management and board of directors, led by well-known and respected South African mining and business entrepreneurs, Neal Froneman (Chief Executive Officer, or CEO) and Sello Moloko (Chairman). The new Sibanye Gold, which comprises the KDC and Beatrix mines as well as the various South African service entities, was successfully listed on the JSE Limited and, the New York Stock Exchange on February 11, 2013.

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Sibanye Gold is expected to be a strong, fit-for-purpose vehicle for the optimal and sustainable extraction of its substantial mineral resources and mineral reserves, as well as potentially a catalyst for the long overdue restructuring of the South African gold mining industry.

The Spin-off was not a quick or easy decision to make. Nonetheless, Gold Fields believes that the decision to split the assets in this way will play an instrumental role in ensuring that Beatrix and KDC, as well as their respective workforces, continue to prosper well into the future. It was the right thing to do for investors and employees.

A New Strategic Paradigm for Gold Fields

The second significant outcome of the 2012 portfolio review was a recognition and adoption of five key guiding principles which will underpin the Gold Fields strategy going forward.

Principle 1: Focus on cash returns, not ounces

The first principle is that the focus is no longer on ounce targets at any cost, but on the generation of cash returns. Central to this is a razor-sharp focus on understanding and managing the all-in costs of producing an ounce of gold, expressed as NCE, which Gold Fields pioneered in the gold mining industry and implemented in Gold Fields over the past five years. To turn this principle into action, Gold Fields embarked on a review and repositioning of all of the producing mines in the Gold Fields portfolio to focus on the production of profitable ounces only and to curtail marginal production which does not contribute to meaningful cash generation, even if this results in a decline in ounces of production. Some of the key actions that followed were:

The rationalization of the corporate office and regional structures (including Growth and International Projects) to reflect the reality that the new Gold Fields is now a much smaller company with base production of approximately 1.8 million ounces to 1.9 million ounces per year.

A significant reduction in Gold Fields greenfields exploration expenditure from U.S.$129 million in 2012 to approximately U.S.$80 million in 2013 and a refocusing of exploration efforts onto smaller, higher grade and less capital intensive targets, mainly in the regions where the Company already has a presence.

At St. Ives, the transition to owner mining of the surface operations was completed and the marginal heap leach operation mothballed. While this will result in a decline in annual production of between 30,000 and 40,000 ounces, it should lead to a lowering of costs and more profitable production overall.

At Agnew s Waroonga underground mine, Gold Fields withdrew from the low-grade and marginal Main and Rajah lodes, re-focused only on the high grade Kim Lode, and right-sized the mine accordingly. A more appropriate level of production for this mine is expected to be around 160,000 ounces per year compared with 176,600 ounces produced in 2012 and the 200,000 ounces initially targeted.

At Tarkwa, improved performance was targeted by stopping production at the marginal and high cost South Heap leach operation, which will result in a production decline of approximately 40,000 ounces per year to between 640,000 and 650,000 ounces per year.

At Damang, the Super Pit concept was deferred in favor of a smaller and more capital efficient strategy to sustain long-term production levels of between 200,000 to 250,000 ounces per annum at a minimum NCE margin of 20%. This will entail the recapitalization of the mine over the next two years, including remediation of the plant and increased stripping of the Huni and Juno deposits at the North and South extremities of the main Damang Pit, as well as a potential cut-back to the pit. Until this is achieved, production over the next two years is not expected to be more than 170,000 ounces per annum at an NCE of between U.S.$1,650/oz and U.S.$1,750/oz.

At Cerro Corona, the emphasis will be to maintain the mine s consistently high performance and cash generation.

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While these measures are expected to have a tangible impact in terms of reducing overall production, they should help improve the overall profitability and cash-generation ability of the portfolio. As stated, the focus of the Company will now be cash generation not just ounces.

As the effects of these interventions feed through and as South Deep becomes cash-generative Gold Fields should become a more attractive investment vehicle.

Industry leadership on reporting transparency

For several years, Gold Fields has led the industry in reporting transparency through a focus on NCE and NCE margin. This ensures the reporting all costs associated with mining operations, including all operating costs as well as all capital. As a result, investors can readily assess the contribution of each mine and the impact of the actions taken to improve their cash generating capacity. The industry is now starting to embrace such reporting and through the World Gold Council are currently developing industry standards in this regard. For far too long the industry reported a singular perspective of its profitability, which has contributed to governments and other stakeholders seeking a greater share of profits, which don t necessarily exist.

Principle 2: Prioritizing near-mine growth opportunities

As Gold Fields seeks to further grow and diversify, it is this same principle of cash generation that will underpin corporate decision-making. Accordingly it was decided to accentuate the growth focus on lower risk, high-return near-mine opportunities near existing mines. With the focus moving from production levels to cash generation, there are a number of opportunities at existing mines to raise production while simultaneously enhancing the Group s ability to generate cash. These opportunities are attractive not only because of their potential for competitive returns, but also because they are lower risk given that they are extensions of existing assets that are well known and understood. These opportunities include:

- The proposed Tarkwa Expansion Phase 6, or TEP6, project which explores the possibility of replacing all or a proportion of the remaining North heap leach operations at Tarkwa with an expanded Carbon in Leach, or CIL, capacity. This has become necessary as the pits become deeper, the ore harder, and the heap leach recoveries lower. Recoveries at the heap leach facilities are currently in the low 50% range while recoveries through the existing CIL plant are in the upper 90% range.

- The review of options to expand the existing sulphide plant at Cerro Corona to bring production forward given the long life of the mine. There is also a potential opportunity to process through a new heap leach facility more than 300,000 ounces of gold captured in oxide surface stockpiles.

Principle 3: Pursue greenfields projects only for superior returns

The third key guiding principle that emerged from the review process is to pursue greenfields opportunities only if they offer truly attractive returns and will contribute to the cash generation objectives of the Company. The approach of not adding ounces for ounces sake will be rigorously applied to the greenfields portfolio and projects will have to be assessed on their ability to generate a return on capital invested. This means enforcing stringent stage-gating of each project to ensure that decisions to advance projects to the next level are based on a thorough understanding of all technical assumptions, economic parameters and financial viabilities.

In support of this new approach no long-term estimates of timelines and likely production levels on these projects will be provided until feasibility information is available and approved and a development decision made. It is also recognized that, from a technical and financial perspective, it is unlikely that all of the projects can be advanced to the same extent simultaneously; prioritization of projects will therefore become the norm. The status of the most significant growth projects is as follows:

- In late 2012, the decision was made to return the Chucapaca project in Peru to the drawing board after the feasibility study demonstrated inadequate returns. This does not mean abandoning the mineral resource offered by the project. Far from it, as this is potentially one of the most significant discoveries

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in South America over the past five years. Gold Fields is now investigating various ways of optimizing the project, including different production levels, underground opportunities as well as additional exploration in the area of interest, which could result in a more robust project. See Gold Fields Mining Operations International Projects Chucapaca Feasibility Study .

The burn-rate at the FSE in the Philippines has been slowed pending the outcome of efforts to secure the FPIC of local indigenous people a pre-requisite for a FTAA, which would allow foreign companies to take a majority share in the project. Most of the underground drilling programs required for a pre-feasibility study have been completed. The focus now is on a surface geo-technical drilling program to provide additional data for the pre-feasibility study, which is scheduled to commence in late 2013 or early 2014. See Gold Fields Mining Operations International Projects Far Southeast Scoping Study .

At the Arctic Platinum Project, or APP, in Finland a pre-feasibility study, with initial findings demonstrating a viable project, is close to completion. Next steps are to initiate a full feasibility study once the results from the pre-feasibility study are evaluated and determine the optimal means through which to capture the inherent value in this project. See Gold Fields Mining Operations International Projects Arctic Platinum Project Pre-Feasibility Study .

At the Yanfolila Project in Mali, the objectives for 2013 are to conduct additional exploration drilling to further de-risk the project and, if successful, fast-track the project from scoping through feasibility to a position where a development decision could be reached.

Principle 4: Dividend first policy

Gold Fields aims to make sure investors benefit from its enhanced ability to generate cash. This means continuing its divided first policy, which was first articulated in 2012 and which prioritizes dividends over other demands on cash flows. The Company expects to pay out 25% to 35% of normalized earnings as dividends. Normalized earnings are defined as net earnings excluding gains and losses on foreign exchange, financial instruments, non-recurring items and share of results of associates after royalties and taxation.

Principle 5: Enduring commitment to business sustainability

The long term sustainability of the business, however, remains at the heart of what the Company does cash generation is, after all, an important step towards securing the future of the business. Beyond this, the approach to the sustainability of the business can be broken down into the following key components.

The first is the Company s approach towards its employees. The sustainability of the business demands that the Company provides the kind of remuneration, benefits, working conditions and development opportunities that means it can attract, motivate and retain the very best in mining talent amid intense competition in the labor market. Without the right people, the Company s future is limited. Likewise, it is essential that the Company keep its employees safe and healthy. This is not only a moral imperative but as demonstrated by Gold Fields past experience of safety closures at the South African operations-a business imperative.

The second is our application of responsible operational practices. We will only ever be a partner of choice for host governments and local communities if we can demonstrate a clear record of safe working practices and responsible environmental stewardship that goes beyond minimum standards. This is particularly the case with respect to water management an issue of particular sensitivity for many host communities.

The third is the basis of our relationships with our host communities. Unless our relationships with our stakeholders (including our employees, suppliers and host communities, as well as our host governments) are based on the long-term, mutually-beneficial generation of shared value our social licence to operate will never be fully assured. This is why we will continue to prioritize (where possible and sustainable) the employment of local people, the use of local supply chains and the delivery of development benefits to host communities.

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We are also proud of our significant public revenue contributions in all our countries of operation, which, combined with the right government policies, can help to turn finite natural resources into lasting national development. However, in some of the jurisdictions in which we operate the demands by stakeholders, in particular governments, on the mining sector, have reached uncompetitive levels and threaten to undermine the long-term profitability of the Group and the industry and thus its ability to deliver equitable economic value to investors, communities and governments.

The fourth is our ability to maintain strong business ethics so that we can enhance rather than erode the business environments in which we operate. This means combating corrupt behaviour, maintaining transparent government relations, promoting the effective application of mineral resource revenues to broad-based national development, and supporting positive social transformation and human rights. Without trust, we would not have much of a future.

We are already making strong progress on our journey towards improved sustainability as reflected in the fact that in 2012 we were ranked third in the mining category of the world-wide Dow Jones Sustainability Index, or the DJSI, (moving from fourth place in 2011). This makes us the top-ranked gold mining company in the world and the top-ranked South African mining company.

Optimize Our Operations

Optimize Our Operations means bringing the Group s attributable mineral reserves of 54.9 million ounces of gold (excluding the Sibanye Gold assets) and 1,024 million pounds of copper to account in a way that is safe, cost effective and environmentally responsible.

After the Spin-off, Gold Fields has six world-class producing mines. Fundamental to the attainment of the Group s vision is for each one of these mines to produce to its real potential, especially as it relates to cash generation, and to maintain stability, predictability and consistency at its steady state level.

The first element of Optimize Our Operations is pursuing Zero Harm through the Group s Safe Production philosophy which includes particular focus on the provision of a safe working environment and a transformation in the attitudes, behavior and accountability of its employees, which is discussed in the Secure Our Future section below.

The second element of Optimize Our Operations involves minimizing the Group s environmental impact, including projects to minimize pollution risks, maximize energy efficiencies, manage its carbon impacts and plan for the eventual closure of mines. This is also discussed further in the Secure Our Future section below.

The third element of Optimize Our Operations relates to maximizing the operational potential of the Group s mines, through investment in mechanization, infrastructure development, mining flexibility and ore reserve development. With attributable mineral reserves of 54.9 million ounces of gold (excluding the Sibanye Gold assets) and 1,024 million pounds of copper as at December 31, 2012, it is essential to bring the Group s reserves to account in the most cost effective way and, in doing so, to ensure longevity for each of the mines. Equally important is the need to achieve the required levels of mineral reserve development to create and maintain mining flexibility, which is a prerequisite for maintaining stability, predictability and consistency. After safety, mineral reserve development is the most important strategic priority for all of the mines in the Group.

In support of the Group s overarching strategic objective of cash generation, the Group also seeks to proactively manage costs with a view to maintaining a NCE margin of at least 20% in the short-term and 25% in the medium- to long-term at each mine excluding South Deep. To this end, the Group s Business Process Re-engineering program, or BPR, has been implemented at Tarkwa and Damang in Ghana and at St. Ives and Agnew in Australia. This has entailed a significant focus on operating costs, the rationalization of on-mine and regional overhead cost structures and a review of the mine-to-mill processes to reduce inefficiencies and improve productivity. The Group achieved NCE margin of 18% in fiscal 2012 and 25% in fiscal 2011. This decrease is due to higher capital expenditure and lower gold production in fiscal 2012.

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Grow Gold Fields

Grow Gold Fields is about growing the value of the business on a per share basis. It is not purely about size, or the number of ounces produced, but about the quality of the portfolio and the generation of real value for shareholders, as measured by NCE and on a free cash flow basis.

The growth and diversification is based, in the first instance, on near-mine exploration, and then on the progression of the Group s four advanced stage projects in Mali, Finland, Peru and the Philippines as well as greenfield exploration, both within the Group s established Australasia, South America and West Africa regions, and in highly prospective locations such as those in Canada, Chile, Argentina, the Philippines and Kyrgyzstan.

As articulated in the section *A New Strategic Paradigm for Gold Fields* below, Gold Fields does not pursue growth simply to add incremental ounces to its portfolio. Hence the philosophy that every incremental ounce should be better than the previous ounce in terms of NCE and cash generation potential and, equally important, should offer shareholders growth in ounces in production per share and enhanced returns on a per share basis.

Despite the slogan No Mergers & Acquisitions Heroics, the Company will consider attractive investment opportunities by pursuing an opportunistic strategy on acquisitions of, in particular, producing or late-stage development assets. However, the Company does believe that a continuing lack of quality gold discoveries in the industry has led to escalating competition for advanced exploration and production assets. This makes value accretive growth through mergers and acquisitions increasingly onerous and prone to dilution of existing shareholders. For this reason, management believes that, in the current price environment, exploration success generally offers the most cost effective path to accretive and value adding growth.

The Company s growth strategy is thus premised on creating high quality growth opportunities mainly through an aggressive focus on near-mine exploration at existing assets and robust stage gating of greenfields exploration projects to ensure that projects meet the quality criteria of the Group, in particular cash generation.

During 2013, there will be a significant reduction in Gold Fields greenfields exploration budget from U.S.$129 million in 2012 to approximately U.S.$80 million (excluding U.S.$81 million on projects exploration) in 2013 and a refocusing of exploration efforts onto smaller, higher grade and less capital intensive targets, mainly in the regions where the Company already has a presence in order to focus on jurisdictions carrying less exploration risk for Gold Fields. In fiscal 2013, Gold Fields plans to spend about U.S.$47 million on near-mine exploration.

Understanding non-geological aspects of prospective projects, such as social, political, environmental and commercial risks, ensuring that an appropriate risk versus reward trade-off analysis is factored into the decision is critical to the overall assessment and goes beyond a decision on the risk premium to be factored into the required return, and often goes to the root of that project decision. Gold Fields is prepared to consider projects with a higher risk profile if it believes they will offer superior returns. The focus will remain on gold and its by-product metals.

Outside South Africa, the three key regions of West Africa, Australasia and South America have been identified as containing prospective emerging gold and mineral belts with medium to long-term potential where Gold Fields has existing operational capabilities. In appropriate circumstances, Gold Fields will also consider opportunities outside its key regions of focus.

For acquisitions of assets or companies outside South Africa, South African exchange control regulations limit Gold Fields ability to provide guarantees or borrow outside South Africa without express approval from the SARB. However, the government has indicated that its intention is to gradually phase out the remaining exchange controls over time and Gold Fields has a good track record in gaining approval for its offshore acquisitions and in growing its international operations.

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Secure Our Future

Secure Our Future is about ensuring the long-term sustainability of the business as explained above in Principle 5: Enduring commitment to business sustainability.

A New Strategic Paradigm for Gold Fields

It encompasses safety and human resources, as well as a wide range of environmental social and economic parameters that impact on the business today and into the future. It is about acquiring and maintaining a social license to operate in each of the jurisdictions in which the Company operates.

The fact that sustainability was introduced as a specific element in Gold Fields new vision statement, To be the Global Leader in Sustainable Gold Mining, reflects the importance with which this subject is viewed by the Group. Gold Fields views sustainable development as a balance between the optimal financial and operational performance of the Group; maintaining of world-class environmental and health and safety management standards; and contributing meaningfully to socio-economic benefits for the communities in which it operates.

Gold Fields continues to be an active member of the International Council on Mining and Metals, or ICMM, and is a signatory to the United Nations Global Compact. All mines in the Group, as well as the exploration division, have ISO 14001 certified environmental management systems in place and have retained their certifications during fiscal 2012.

During fiscal 2010, Gold Fields also became the first mining house to achieve full accreditation for its eligible operations under the International Cyanide Management Code, or the Cyanide Code. The OHSAS 18001 Safety Management System is a company standard and all mines in the company are now OHSAS 18001 certified. Gold Fields Carbon Management Policy was approved by the Board of Directors in November 2010. All operations are also ISO 14001 compliant.

The Company has developed a Sustainable Development Framework that is closely aligned with the sustainable development principles of the ICMM and the United Nations Global Compact, and Gold Fields is a member of both groups. Gold Fields sustainability policy has been informed by the Global Reporting Initiative Sustainable Reporting Framework, which guides reporting on environmental, social and governance issues by companies that subscribe to it. The Sustainable Development Framework consists of a Sustainability Policy, with subsidiary policies, strategies and practice guides in each of the following eight pillars of sustainable development, namely: occupational health and safety; human rights; ethics and corporate governance; risk management, environment; material stewardship and supply chain management, community and indigenous people and stakeholder management.

Moreover, Gold Fields performance on the DJSI indicates that the Company is acknowledged as one of the mining leaders worldwide in sustainability. The DJSI is a widely recognized measure of the sustainability performance of listed companies worldwide. Launched in 1999, the DJSI ranks the performance of global sustainability leaders through an annual assessment of the world s largest public companies. Among other factors, it measures management practices surrounding economic, environmental and social engagement approaches. As noted above, Gold Fields is currently ranked third on the DJSI within the mining category.

Safety

Gold Fields health and safety philosophy is premised on our most important value and the overarching moral imperative that if we cannot mine safely, we will not mine . This gives rise to the objective of striving towards a zero harm working environment for all its people. During fiscal 2012, 16 employees in South Africa lost their lives compared to 19 during fiscal 2011. The KDC and Beatrix mines where all of these deaths occurred are no longer part of Gold Fields since the creation of Sibanye Gold. At South Deep, there were no fatalities during fiscal 2012.

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Outside South Africa, there were no fatalities during fiscal 2012, one fatality during fiscal 2011 and no fatalities during fiscal 2010. The fatal injury frequency rate for the Group, before the Spin-off, showed an 8% decrease, from 0.12 per million man hours worked in fiscal 2011 to 0.11 per million man hours worked in fiscal 2012. For the new Gold Fields (excluding Sibanye Gold), the fatal injury frequency rate for fiscal 2012 was 0.00 per million man hours worked. The lost time injury frequency rate showed approximately a 9% increase, from 4.69 per million man hours worked in fiscal 2011 to 5.16 per million man hours worked (including restricted work cases for Australia; 4.66 per million man hours worked if restricted cases are excluded) in fiscal 2012. For Gold Fields (excluding Sibanye Gold), the lost time injury frequency rate for fiscal 2012 was 0.40 per million man hours worked. Since December 31, 2012, Gold Fields has reported one fatality at its operations in South Africa (including the Sibanye Gold assets until the Spin-off date). The South African region in Gold Fields post-Spin-off will reconstitute the CEO s sub-committee for health and safety for South Deep.

In that regard, the Group s Chief Executive Officer continues to participate in a South African Chamber of Mines Committee whose objective is to eliminate fatalities in the industry. Gold Fields remains committed to safety, and the safe operation of its mines continues to be its top strategic priority. The strategy to eliminate fatalities in the Group will focus on engineering out the risk, ensuring compliance to internal standards and bringing about behavioral changes in support of safe working practices by all employees. The experience of employee dynamics over the years has led Gold Fields to adopt a more comprehensive approach to the general well-being, and therefore the productivity, of its staff. To this end Gold Fields pursues a broad range of interventions encapsulated in the 24 Hours in the Life of a Gold Fields Employee program. This program was first launched in the South Africa region in fiscal 2009 and subsequently implemented in three international regions during fiscal 2010. Based on a total well-being philosophy, the program is aimed at improving every facet of the life of each employee and includes interventions in the fields of occupational health and safety, healthcare, living conditions, nutrition, sport and recreation and education.

Carbon and Energy

Addressing energy management is a key deliverable throughout the Company. Rising energy costs and growing concerns about the effect of climate change have elevated the importance of energy efficiency and carbon management on the global agenda. Against this backdrop, Gold Fields has been actively aligning the Company to a carbon-constrained economy. The Company s intention is to reduce carbon emission and improve energy efficiency within the Company. Therefore, existing policies and strategies governing carbon management are being reviewed and updated to move the Group closer to the attainment of these goals.

In 2010, Gold Fields adopted a new Carbon Management Policy, which commits the Group to:

- implement strategies to reduce its carbon footprint, improve its energy efficiency, pursue opportunities and use carbon friendly technology where possible;
- identify and mitigate the risks posed by climate change;
- provide comprehensive disclosure around carbon related issues;
- comply with relevant legal requirements and other carbon management requirements; and
- encourage business partners and suppliers to make similar commitments.

In 2011, Gold Fields updated its Carbon Management Policy. The integrated Energy and Carbon Management Strategy is being implemented throughout the Group through the development of customized Regional Carbon Management Plans. The implementation of this strategy has assisted the Company in achieving an industry recognized leadership position in climate change management. Gold Fields has acknowledged a significant overlap in energy and carbon management challenges at both strategic and tactical implementation levels. These challenges include, but are not limited to:

Energy Costs: Energy costs are increasing due to power prices, energy supply constraints and carbon pricing. This will likely impact dramatically on mine profitability. The impact of rising energy costs must be managed through energy efficiency and alternative energy programs;

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- Security of Supply: Energy supply risks to Group operations are increasing due to multiple factors, including supply constraints and climate change;
- Life-of-Mine Planning: Energy and carbon related issues can impact on the determination of mineral reserves and resources through the impact on pay limits and mining cut-offs and must be adequately considered in the life of mine planning process;
- Regulatory Risks: Regulatory developments, with regard to energy and carbon management, represent potential risks to the Group and appropriate responses must be made;
- Training and Awareness of the Workforce, including change management; and
- Performance management.

To assist in meeting these challenges and addressing the overlap between energy and carbon management, a project was launched with the objective to develop an integrated Energy and Carbon Management Strategy for the Company that will secure future operations in an energy and carbon-constrained global economy characterized by increasing energy costs. The Group believes this strategy should aid energy and carbon management related activities and achieve the following objectives:

- Support Gold Fields overall business objectives and strategy to be the global leader in sustainable gold mining;
- Be nationally appropriate and regionally relevant;
- Clearly understand the carbon and energy risks and ensure appropriate mitigation plans are in place;
- Support the development of an effective energy and carbon governance system within Gold Fields;
- Sustain Gold Fields leadership position in this area by ensuring that it further develops leading and innovative best practices with regard to energy and carbon management; and
- Sustain current DJSI performance and support eco-efficiencies improvements.

Integral to this project is the effective management of energy and carbon emission through a range of initiatives aimed at improving the Group s energy intensity, improved energy efficiency amid ever-rising energy costs. Initiatives are also being implemented to partially offset the 9.6% per year electricity tariff increase on the South Deep operation from April 2013. During fiscal 2012, savings of approximately 5.77% (2.46% excluding the impact of the strike) in electricity consumption were achieved compared to fiscal 2011. In line with this new approach to energy and carbon management, the Group has launched a number of initiatives to reduce its energy use and the associated greenhouse gases emitted by its operations.

Stakeholder Relationship Management

A central pillar of the Gold Fields Sustainable Development Framework is pro-active engagement with and management of the relationships with all stakeholders who have an influence over the affairs of the company or are impacted by its activities. These include in particular the relationships with the Group s employees and their representative organizations and unions; local, regional and national governments; and the local communities in which Gold Fields operates or that are affected by its operations.

A high level of engagement has become essential to underpin the sustainability of Gold Fields operations. This has become evident over the past few years with governments, communities, non-governmental organizations and trade unions in several jurisdictions seeking and, in some cases, implementing greater cost imposts on the mining industry.

Similar trends are evident in the cost of electricity and other levies imposed by governments in many of the countries in which Gold Fields operates. There is a risk that such additional imposts on mining projects will raise input costs to unsustainable levels, which would have negative consequences for the projects and, by implication,

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for the affected countries. In the near future, Gold Fields will directly and through various industry forums continue and escalate its engagement with stakeholders to achieve greater appreciation for the impact these often ill-considered demands are having on the sector.

Gold Fields recognizes that, by understanding the needs and concerns of various stakeholder groups, it can build constructive and positive relationships that will support the long-term objectives of the business. The Group spends considerable time and resources in building sound stakeholder relations.

Gold Fields begins the engagement process at the exploration stage by talking to community stakeholder groups to understand their needs and to obtain their input on future plans for the prospective development of a new mining operation.

Black Economic Empowerment

In the South African environment, BEE and transformation in terms of the requirements of the MPRDA, and the associated Amended Mining Charter, remains a key business imperative and sustainability issue.

During May 2010, the DMR approved the conversion of the South Deep old order mining right into a new order mining right. Included in this approval was an additional portion of ground known as Uncle Harry s, which is contiguous to South Deep. The cumulative effect of this approval, together with the previous conversions for the Driefontein, Kloof (both now part of KDC) and Beatrix gold mines granted in January 2007, was that all of Gold Fields South African mines had received their new order mining right.

Following a review, the DMR amended the Mining Charter and released the Amended Mining Charter on September 13, 2010. There is uncertainty relating to the enforceability of the Amended Mining Charter s requirement for mining entities to achieve a 26% HDSA ownership of mining assets by 2014. Amendments to the Mining Charter in the Amended Mining Charter include, among other things, the requirement by mining companies to (i) facilitate local beneficiation of mineral commodities; (ii) procure a minimum of 40% of capital goods, 70% of services and 50% of consumable goods from HDSA suppliers (i.e. suppliers in which a minimum of 25% + 1 vote of their share capital must be owned by HDSAs) by 2014 (exclusive of non-discretionary procurement expenditure); (iii) ensure that multinational suppliers of capital goods contribute a minimum of 0.5% of their annual income generated from South African mining companies into a social development fund from 2010 towards the socio-economic development of South African communities; (iv) achieve a minimum of 40% HDSA demographic representation by 2014 at top management (board) level, senior management (executive committee) level middle management level, junior management level and core and critical skills; (v) invest up to 5% of annual payroll in essential skills development activities; and (vi) implement measures to improve the standards of housing and living conditions for mineworkers by converting or upgrading mineworkers hostels into family units, attaining an occupancy rate of one person per room and facilitating home ownership options for all mineworkers in consultation with organized labor, all of which must be achieved by 2014. In addition, mining companies are required to monitor and evaluate their compliance to the Amended Mining Charter, and must submit annual compliance reports to the DMR. The Scorecard for the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry attached to the Amended Mining Charter, or the Scorecard, makes provision for a phased-in approach for compliance with the above targets over the five-year period ending in 2014. For measurement purposes, the Scorecard allocates various weightings to the different elements of the Amended Mining Charter. Failure to comply with the provisions of the Amended Mining Charter will amount to a breach of the MPRDA and may result in the cancelation or suspension of a mining company s existing mining rights.

In 2010, Gold Fields completed three empowerment transactions which, together with previous transactions, enabled Gold Fields to meet its 2014 BEE equity ownership targets. These transactions included an Employee Share Option Plan for 10.75% of Sibanye Gold; a broad-based BEE transaction for 10% of South Deep; and a broad- based BEE transaction for a further 1% of Sibanye Gold, excluding South Deep (which was subsequently moved out from under Sibanye Gold). The three transactions had a combined value of approximately R2.4 billion U.S.$298 million. See Additional Information Material Contracts Black Economic Empowerment Transactions .

Regional Delivery Model

Gold Fields views itself as a global mining company, but believes that in some circles it is perceived as predominantly a South African company with some international operations. In order to change this perception and to help achieve its operational and growth aspirations, Gold Fields began restructuring its operations into four regions during fiscal 2009. These regions are: South Africa; West Africa; South America; and Australasia.

This restructuring was largely completed in fiscal 2010. All of the key regional executives have been appointed and good progress has been made in creating strong, entrepreneurial and appropriately resourced and incentivized management teams in each region. These teams are tasked with running the mines safely and efficiently, as well as driving and being significantly involved in the growth of the business within each region. This work of setting up the largely independent and self-contained regional structures proved to be prescient in the facilitation of the Spin-off of Sibanye Gold, with South Deep largely self-sustaining.

During fiscal 2009, the corporate office was relocated to new premises separate from the South African regional office. During fiscal 2010, the corporate office was further streamlined, in line with the strategy of relocating personnel to the regions that they service. Following the Spin-off of Sibanye Gold approximately 20% of the corporate office employees, who were principally involved in supporting the South Africa Region, moved to Sibanye as part of the Spin-off.

The corporate office is now a focused business unit engaged in establishing and monitoring operational standards that apply across the regions in areas such as safety, health and environmental issues, finance and human resources, developing Group-wide strategy, and allocating capital.

In fiscal 2012, Gold Fields further streamlined its operations in each of the regions through a series of initiatives resulting from the Portfolio Review, focusing on reducing operating costs, improving margin per ounce, rationalization of on-mine and regional overhead and a review of the mine-to-mill process.

Hedging

As a general rule and a matter of policy, Gold Fields sells the gold it produces at prevailing market prices and does not enter into hedging arrangements such as forward sales or derivatives which establish a price in advance for the sale of its future gold production. At December 31, 2012, Gold Fields had no such outstanding hedges, which is consistent with our policy and has been the case since 2007.

Significant changes in the prices of gold and/or copper over a sustained period of time may lead Gold Fields to increase or decrease its production in the near-term, which could have a material impact on Gold Fields revenues. See Operating and Financial Review and Prospects Overview Revenues .

Gold Fields may, from time to time, establish currency and/or interest rate financial instruments to protect underlying cash flows or to take advantage of potential favorable currency movements.

Strategic Goals and Objectives

Progress against Strategic Goals and Objectives for Fiscal 2012

To achieve tangible improvements with respect to all safety and health metrics

In addition to the strikes, the Ya Rona fire highlighted the ongoing nature of Gold Fields struggle to achieve Zero Harm at our operations. On June 30, 2012, there were five fatalities following a fire in a worked-out area of the Ya Rona shaft and for which the circumstances and causes are still being investigated. The fatalities accounted for almost a third of our fatalities for the year taking our total fatalities for 2012 to 16. While this is still unacceptable, it is lower than the 20 fatalities we experienced in 2011.

We are making significant progress around our five key safety interventions which were launched in 2011, namely Engineering out risk; Compliance with standards and procedures; Cultural transformation; Alignment with stakeholders, particularly government and trade unions; and, Embedding our Health & Wellness program. As a result there have been some notable achievements at the South African operations during 2012 including 3.5 million fatality free shifts at the KDC East underground section, two million fatality free shifts for the whole of KDC and 3.5 million fatality free shifts at South Deep. In addition, South Deep also achieved six million fall-of-ground fatality free shifts.

To reduce the rate of production decline at KDC between 3% and 5% against fiscal 2011

During the first half of fiscal 2012 KDC had a very steady performance, but in the second half it faced two significant challenges which, in a large part, caused production at KDC to decline by 15% to 0.935 million ounces below where we wanted to be.

The first significant challenge was a tragic fire that took place at the Ya Rona shaft at KDC during the third quarter, which accounted for 30,000 ounces in lost production. The second was the industry wide illegal strikes in the South African mining industry which affected both KDC and Beatrix gold mines during the third and fourth quarters accounting for 145,000 ounces in lost production. Had these two events not taken place, Group production would have been broadly in line with 2011 performance (3.49 million ounces).

It is frustrating to note that the events in South Africa in the second half of the year have obscured what was looking to be one of our key achievements for 2012 the hard-won stabilization of production at Beatrix and KDC during the first half of the year, when the production decline at these operations was arrested for the first time in eight years.

To regain momentum in the ramping up of production at South Deep

At South Deep, several significant milestones were reached in support of the build-up to full production of 700,000 ounces in 2016.

The first of these milestones was the completion, within budget and on time, of the fixed infrastructure installations required to support full production. These installations include the new ventilation shaft which was completed in the fourth quarter. The additional rock hoisting capacity provided by this shaft is planned to ramp up to a nameplate capacity of 195,000 tonnes per month by December 2013. Combined with the 175,000 tonnes per month capacity of the existing Main shaft, this is sufficient to sustain the full-production mill-feed of 330,000 tonnes per month. The simultaneous completion of the gold plant expansion increased South Deep s processing capacity from 220,000 tonnes per month to 330,000 tonnes per month. Together with the new tailings facility, additional refrigeration capacity and backfill plant completed during 2012, South Deep now has the fixed infrastructure in place required to support full production.

The second major milestone at South Deep was the conclusion, in October 2012, of a landmark agreement with the NUM, introducing a new operating model for the mine. At the core of the agreement is the introduction of a new 24/7/365 operational schedule which is in line with the best practice of mechanized underground operations around the world. This is expected to provide an additional 23% face time which will drive the productivity improvements required for full production. The new operating model includes, among other things, more competitive grading, remuneration and targeted incentives and seeks closer employee alignment with the mine s business objectives. The implementation process has commenced but it will take some months for the impact of the new operating model to be noticeable. From this point, the main focus is on de-stressing and developing the ore body, and ramping up production at this world-class gold mine.

Once it reaches its production target of 700,000 cash-generative ounces in 2016, South Deep is expected to be the bedrock of the Gold Fields Group and a shining example of how, with the right mining methodologies, technology and labour models, deep underground gold mining can thrive and prosper in

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South Africa. Indeed, once it becomes cash-generative (which could be in the latter part of 2013, depending on the gold price), this mine should play a key role in supporting our strong dividend policy of paying out between 25% and 35% of earnings, as well as future efforts to grow and diversify our profitable production base around the world.

To ensure that every mine achieves an NCE margin of at least 20% in the short-term

The BPR program continued in fiscal 2012. The second phase of the BPR program in South Africa identified further cost reductions of R500 million (U.S.$58 million) over the next year through the optimization of staff structures, reduction in non-specialized contractors, lower electricity consumption and enhanced supply chain management. At its Australian and Ghanaian mines, Gold Fields also maximized the benefits realized by the implementation of owner mining, improved utilization and availability of mining equipment as well as the reduction in energy intensity.

To increase momentum on growth projects to achieve the goal of 5 million ounces, in production or in development, by 2015

This target was abandoned as a result of the Portfolio Review undertaken during 2012, in favor of a focus on cash generation.

To ensure Gold Fields has the financial capacity to fund growth projects in 2013 and beyond

Gold Fields maintained continued focus on strong operational cash flow generation in fiscal 2012. At the same time, Gold Fields explored the potential for securing additional long-term funding for the business and the possibility of extending the maturity profile of its long-term debt.

To ensure that sustainability is fully integrated into the business and is appropriately communicated to all levels of the business

In fiscal 2012, Gold Fields worked towards achieving this goal, through initiatives such as ongoing development, implementation and monitoring of sustainability development strategies at the group-, region- and project-levels, additional integration of internal and external reporting and a dedicated sustainable development communications program, voluntary adoption of the World Gold Council Conflict Free Gold Standard. Further, sustainable development measures have been incorporated into the balanced scorecards of key decision-makers across the Company.

To ensure that climate change initiatives, carbon mitigation and adaptation strategies and energy efficiency initiatives are fully incorporated into the business

In fiscal 2012, Gold Fields proceeded with a number of climate change and carbon mitigation initiatives, including the implementation of a fully integrated Energy and Carbon Strategy, the creation of a carbon and energy division, and the development, implementation and monitoring of Carbon Management Plans by all regions. Gold Fields also rolled out a number of energy efficiency and carbon emission reduction projects and continued with the ongoing integration of carbon pricing into its financial planning to induce short-, medium- and long-term adaptation of the business. Gold Fields is also in the process of incorporating energy and carbon measures into the balanced scorecards of key decision-makers across the Company.

To increase focus on the attraction, retention and development of people and skills

Gold Fields fully implemented its new People Strategy. This strategy focused on a number of initiatives to attract and retain skilled employees, including enhanced branding, increased talent development, the establishment of an integrated human resources data management system, an ongoing review of base salaries and quality of working life and improvements to internal and external skills pipelines.

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Specific Strategic Goals and Objectives for fiscal 2013

The specific strategic goals and objectives for fiscal 2013 flow from the strategy and were designed to consolidate the operational gains made during fiscal 2012. As part of its strategy in 2013, Gold Fields intends to:

Produce a winning, safe and productive team

As noted above, Gold Fields is striving towards a zero harm working environment for all of its employees. In fiscal 2013, Gold Fields will continue its safety initiatives with the intent of engineering-out safety and health risks at all of its operations by enhancing safety enforcement measures, including increased resourcing, and maintaining its OHSAS 18001 certifications. Gold Fields will also promote cultural and behavioral changes in its workforce to foster a culture of safety.

In fiscal 2013, Gold Fields will also prepare for potential silicosis litigation in South Africa. See Legal Proceedings and Investigations .

Further, Gold Fields will proactively engage with unions and employees in fiscal 2013. Gold Fields expects to develop a new employee charter and to pursue its competitive remuneration and benefits strategy to attract quality employees. The Company will provide proactive leadership development and a talent management program and deliver world-class training to its employees in order to develop employees internally.

Build a reputation as the most trusted and valued mining partner

Gold Fields plans an ongoing and constructive engagement with the communities and governments of the jurisdictions in which it operates to build a reputation as the most trusted and valued mining partner. Gold Fields is committed to measuring both the contributions that it makes and key stakeholders satisfaction with it, and to creating and sharing value with these stakeholders to ensure it leaves an enduring, positive legacy. Gold Fields will engage the communities in which it mines by developing a new Society Charter and Community Handbook and deliver shared value through its new Community Promises. Gold Fields will also continue its ongoing minimization of negative environmental impacts at its operations through initiatives such as its new water strategy and its Energy and Carbon Management Strategy. Gold Fields will maintain its ISO 14001 certification. As part of its overall engagement with government, Gold Fields will review the UN Protect, Respect and Remedy Framework for Business and Human Rights, or the Ruggie Framework, in order to analyze human rights performance and ensure best practice.

Maintain and develop a quality portfolio of productive mines and assets under exploration and development

The quality of Gold Fields asset portfolio is key to its success but what is most important is that Gold Fields maximizes the value that this portfolio can generate and pursues asset returns rather than ounces in production. Gold Fields expects to geographically diversify in order to broaden its operational base and reduce overall risk in its portfolio. The Company will strictly apply the stage gate process to its growth projects and continue its BPR program to maximize efficiency at its operations, focusing on technology and innovation where appropriate. Towards this end, at South Deep, Gold Fields will accelerate de-stress mining and introduce a new, high impact operating model.

Provide the best achievable return on gold

In order to be an appealing long-term investment, Gold Fields must deliver leverage to the gold price and attractive returns relative to peers. Gold Fields plans to prioritize cash generation with respect to current and future production. In order to achieve this, Gold Fields will continue its operational and strategic Portfolio Review to enable it to focus on cash flow growth (not just production growth) and rigorous prioritization of capital expenditure and exploration spend based on the expected risk-adjusted return on investment. Further, Gold Fields will develop a new Investor Charter with a focus on providing shareholders with increased returns against the price of gold.

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Reserves of Gold Fields as of December 31, 2012

Methodology

While there are some differences between the definition of the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves, or SAMREC Code, and that of the Securities and Exchange Commission s, or SEC s, industry guide number 7, only the reserves at each of Gold Fields operations and exploration projects as of December 31, 2012 which qualify as reserves for purposes of the SEC s industry guide number 7 are presented in the table below. See Glossary of Mining Terms . In accordance with the requirements imposed by the JSE, Gold Fields reports its reserves using the terms and definitions of the SAMREC Code (2007 edition). Mineral or ore reserves, as defined under the SAMREC Code, are divided into categories of proved and probable reserves and are expressed in terms of tonnes to be processed at mill feed head grades, allowing for estimated mining dilution, recovery and other factors.

Prior to the Spin-off, Gold Fields reported reserves using cut-off grades (international operations and South Deep) and pay limits (South Africa, excluding South Deep), due to the nature of the deep level underground operations, to ensure the reserves realistically reflect both the cost structures and required margins relevant to each mining operation. After the Spin-off, all of Gold Fields operations report reserves using cut-off grades. Cut-off grade is the grade that distinguishes the material within an ore body that is to be extracted and treated from the remaining material. The pay limit is the grade at which an ore body can be mined without profit or loss, calculated using an appropriate metal price and working costs, plus modifying factors. Modifying factors used to calculate the pay limit grades include adjustments to mill delivered amounts, due to dilution incurred in the course of mining. Modifying factors applied in estimating reserves are primarily historical, but commonly incorporate adjustments for planned operational improvements such as those described below under Description of Mining Business Productivity Initiatives . Tonnage and grade may include some mineralization below the selected pay limit and cut-off grade to ensure that the reserve comprises blocks of adequate size and continuity. Reserves also take into account cost levels at each operation and are supported by mine plans.

This submission will indicate the Gold Fields and the Sibanye Gold reserves separately as well as the combined total, to facilitate forward and backward comparison.

The estimation of reserves at the South African underground operations during fiscal 2012 was based on surface drilling, underground drilling, surface three-dimensional reflection seismics, ore body facies modeling, structural modeling, underground mapping, channel sampling and geostatistical estimation. The reefs are initially explored by drilling from the surface on an approximately 500 meter to 2,000 meter grid. Once underground access is available, drilling is undertaken on an approximately 30 meter to 90 meter grid. Underground channel sampling perpendicular to the reef is undertaken at three-meter intervals in development areas and five-meter intervals at stope faces.

The following sets out the reserve estimation methodologies for the different categories of reserves at the underground operations of each of the South African mines.

KDC(1)

Reserve Classification	Sample Spacing Range Min/Max	Maximum Distance Data is Projected
	(meters)	
Proved	3 to 250	125
Probable (AI)(2)	3 to 1,140	570
Probable (BI)(2)	3 to 2,840	1,420

Note:

(1) Gold Fields KDC operation was divested in the Spin-off.
(2) AI is above infrastructure; BI is below infrastructure.

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For proved reserves, the ore body was opened up and sampled on a three-meter spacing for development (such as raises), and a five-meter grid for stoping, together with underground borehole spacings ranging from tens to hundreds of meters. Blocks classified as proved were therefore generally adjacent to closely spaced sampling and generally pierced by a relatively dense irregular pattern of boreholes. Estimation was constrained within both geologically homogenous structural and facies zones, and was generally derived from either ordinary or simple kriged small-scale grids, ranging from 10 meter to 50 meter block sizes.

For above infrastructure probable reserves, the estimates are founded on significant numbers of samples on a three-meter spacing for development, and a five-meter grid for stoping bordering these areas. In addition underground borehole spacings ranging from tens to hundreds of meters were used together with surface boreholes and seismic surveys. Blocks classified as probable (AI) were generally adjacent to blocks classified as proved. Estimation was constrained within homogenous structural and facies zones, and was generally derived from either ordinary or simple kriged medium- to macro-scale-sized grids ranging from 50 meters to 420 meters, or through declustered averaging or Sichel t techniques. For planning purposes, these blocks were further evaluated to facilitate the selection of blocks above the pay limit.

For below infrastructure probable reserves, the estimates access the significant numbers of samples on a three-meter spacing for development, and a five-meter grid for stoping above these areas. In addition underground borehole spacings ranging from tens to hundreds of meters were used together with surface boreholes and seismic surveys. Blocks classified as probable (BI) were generally downdip of blocks classified as proved or probable (AI). Estimation was constrained within homogenous structural and facies zones, and was generally derived from either ordinary or simple kriged medium- to macro-scale-sized grids ranging from 50 meters to 420 meters, or through declustered averaging or Sichel t techniques. For planning purposes, these blocks are further evaluated to facilitate the selection of blocks above the pay limit.

Beatrix[1]

Reserve Classification	Sample Spacing Range Min/Max	Maximum Distance Data is Projected
	(meters)	
Proved	3 to 120	120
Probable (AI)[2]	3 to 820	700
Probable (BI)[2]	3 to 1,500	750

Note:

(1) Gold Fields Beatrix operation was divested in the Spin-off.
(2) AI is above infrastructure; BI is below infrastructure.

Estimations for proved reserves were made on the same basis as at KDC but with kriging blocks ranging from 10 meters to 40 meters.

Estimations for above infrastructure probable reserves were made on the same basis as at KDC but with medium-sized kriged blocks of 40 meters, and macro geological zone estimates being made through declustered averaging or Sichel t techniques or macro-scale-sized kriged grids of up to 300 meters. For planning purposes these blocks were further evaluated to facilitate the selection of blocks above the pay limit.

Estimations for below infrastructure probable reserves were made on the same basis as at KDC but with medium-sized kriged blocks being 40 meters, to macro geological zone estimates through declustered averaging or Sichel t techniques or macro scale sized kriged grids of up to 300 meters. The distinction between estimation techniques for above infrastructure and below infrastructure probable reserves was the same as at KDC. For planning purposes, these blocks were further evaluated to facilitate the selection of blocks above the pay limit.

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South Deep

Reserve Classification	Sample Spacing Range Min/Max	Maximum Distance Data is Projected
	(meters)	
Proved	0 to 100	220
Probable (AI)[(1)]	100 to 180	450
Probable (BI)[(1)]	>180	1,200

Note:

(1) AI is above infrastructure; BI is below infrastructure.

For proved reserves, the ore body must be fully destressed, with drilling planned at an approximate 30 meter by 30 meter grid-spacing. Estimation is constrained within both geologically homogenous structural and facies zones, and is generally derived from either ordinary or simple kriged small-scale grids.

For above infrastructure probable reserves, the estimates access a significant number of samples on spacing greater than the spacing for development and stoping bordering these areas. In addition, borehole spacings ranging from tens to hundreds of meters are used in conjunction with 3D seismic survey results that confirm certain structural elevations and surfaces. Reserves classified as probable above infrastructure are generally adjacent to those classified as proved. Estimation is constrained within homogenous structural and facies zones, and is generally derived from simple and ordinary kriging and through declustered averaging techniques.

For below infrastructure probable reserves, the estimates access a significant number of samples on spacing greater than the spacing for development and stoping bordering these areas. In addition, borehole spacings ranging from tens to hundreds of meters are used in conjunction with 3D seismic survey results that confirm certain structural elevations and surfaces. Reserves classified as probable below infrastructure are generally adjacent to those classified as proved or probable above infrastructure. Estimation is constrained within homogeneous structural and facies zones, and is generally derived from simple and ordinary kriging and through declustered averaging techniques.

The primary assumptions of continuity of the geologically homogenous zones are driven by the geological model, which is updated when new information arises. Any changes to the model are subject to peer, internal technical corporate and external independent consultant review. Historically, mining at South African deep-level gold mines has shown significant geological continuity, so that new mines were started based on limited surface borehole information. Customarily, geological models are primarily based on the definition of different facies within each conglomerate horizon. These facies are extrapolated along palaeocurrent and grade trends into new, undeveloped areas taking into account any surface borehole data in those areas. Normally these facies are continuous, supported by extensive historical sample databases, and can be incorporated in the macro kriging of large blocks.

Ghana

For the Tarkwa open pit operation, estimation of reserves is based on a combination of an initial 100- or 200-meter grid of diamond drilling and in certain areas a 12.5 meter to 25.0 meter grid of reverse circulation drilling. For the Damang open pit operation, estimation of reserves is based on a 20 meter to 80 meter grid of combined reverse circulation and diamond drilling and, in certain areas, reverse circulation drilling on an eight-meter by five-meter drill grid.

Diamond drilling provides continuous (solid) core from diamond drill bits, using water and chemicals for lubrication. Consequently, diamond drilling provides greater resolution of geological parameters such as lithologies, alterations, mineralization and structures.

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In surface drilling programs, reverse circulation drilling provides chip samples from percussion hammers powered by compressed air. The chips are transferred to surface up a central tube with the rods to eliminate contamination from the outer hole. Sampling is generally conducted at intervals relevant to the block model and mining dimensions. Reverse circulation drilling is generally quicker and less expensive than diamond drilling. However, there is a depth limitation to reverse circulation drilling and consequently all deep holes are conducted by diamond drilling.

Generally exploration programs will consist of a mix of reverse circulation and diamond drilling in order to provide the necessary geological resolution, as well as bulk analytical data for evaluation purposes. Infill drilling programs are usually conducted by reverse circulation, as are grade control drilling programs.

Australia

At the Australian operations, the estimation of reserves for both underground and open pit operations is based on exploration, sampling and testing information gathered through appropriate techniques, primarily from boreholes and mine development. The locations of sample points are spaced close enough to deduce or confirm geological and grade continuity. Generally, drilling is undertaken on grids, which range between 20 meters by 20 meters to 40 meters by 40 meters, although this may vary depending on the continuity of the ore body. Due to the variety and diversity of mineralization at St. Ives and Agnew, sample spacing may also vary depending on each particular ore type.

Peru

For the Cerro Corona operation, estimation is based on diamond drill and reverse circulation holes. The spacing of holes at Cerro Corona is generally around 50 meters, with some areas approximating a 25 meter grid.

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Reserve Statement

The gold and copper reserves of the Gold Fields and the Sibanye Gold operating mines are reported separately, with a combined total to facilitate comparisons. As of December 31, 2012, Gold Fields (excluding the Sibanye Gold assets) had aggregate attributable proved and probable reserves of approximately 54.9 million ounces gold and 1,024 million pounds copper as set forth in the following tables:

	Gold ore reserve statement as of December 31, 2012[1]									
	Proved reserves			Probable reserves			Total reserves			Attributable gold production in fiscal 2012[2]
	Tonnes *(million)*	Head Grade *(g/t)*	Gold *(M oz)*	Tonnes *(million)*	Head Grade *(g/t)*	Gold *(M oz)*	Tonnes *(million)*	Head Grade *(g/t)*	Gold *(M oz)*	*(M oz)*
Underground (UG) South Africa										
South Deep (total)[3]	14.39	5.8	2.660	191.27	5.4	33.362	205.66	5.4	36.022	0.270
Australia										
St. Ives	0.80	5.9	0.151	7.16	4.4	1.023	7.96	4.6	1.174	0.258
Agnew	0.89	6.2	0.177	4.91	6.1	0.966	5.81	6.1	1.143	0.160
Total Underground	16.08	5.8	2.988	203.35	5.4	35.351	219.42	5.4	38.339	0.688
Total Surface (Rock Dumps & Tailings Storage Facilities, or TSFs)										
South Deep										
Surface (Production Stockpiles)										
Ghana										
Tarkwa	3.69	0.7	0.087	50.4	0.4	0.616	54.09	0.4	0.703	
Damang				2.32	0.9	0.066	2.32	0.9	0.066	
Australia										
St. Ives	4.13	1.0	0.129				4.13	1.0	0.129	
Agnew	0.22	1.5	0.011				0.22	1.5	0.011	
Peru										
Cerro Corona										
Surface (Open Pit)										
Ghana[4]										
Tarkwa	93.49	1.3	3.874	116.37	1.2	4.496	209.86	1.2	8.370	0.647
Damang	7.86	1.8	0.458	58.33	1.7	3.156	66.19	1.7	3.614	0.149
Australia[4]										
St. Ives	0.29	1.4	0.013	13.43	2.0	0.873	13.72	2.0	0.886	0.192
Agnew										0.000
Peru										
Cerro Corona	76.24	0.9	2.180	25.89	0.7	0.555	102.13	0.8	2.735	0.168
Total Surface	185.91	1.1	6.753	266.74	1.1	9.762	452.65	1.1	16.515	1.157
Grand Total	201.99	1.5	9.741	470.09	3.0	45.114	672.07	2.5	54.855	1.845

Notes:

(1) (a) Quoted as mill delivered metric tonnes and Run of Mine, or RoM, grades, inclusive of all mining dilutions and gold losses except mill recovery. Metallurgical recovery factors have not been applied to the reserve figures. The approximate metallurgical factors are as follows: (1) South Deep 96.5%; (2) Tarkwa 97% for milling, 61% for heap leach; (3) Damang 89% to 92%; (4) St. Ives 83% to 94% for milling; (5) Agnew 94.5%; and (6) Cerro Corona 51% to 70% for gold and 65% to 88% for copper. The metallurgical recovery is the ratio, expressed as a percentage, of the mass of the specific mineral product actually recovered from ore treated at the plant to its total specific mineral content before treatment. The South African operations have a fairly consistent metallurgical recovery, while the recoveries on the International operations vary according to the mix of the source material and method of treatment.

(b) For South Deep, a gold price of Rand 380,000 per kilogram ($1,500 per ounce at an exchange rate of Rand 7.88 per $1.00) was applied in valuing ore reserve. For the Tarkwa and Damang operations, ore reserve figures are based on an optimized pit at a gold price of $1,500 per ounce. For the Australian operations, ore reserve figures are based on a gold price of A$1,500 per ounce (at an exchange rate of A$1 per $1.00). Open pit ore reserves at the Australian operations are similarly based on optimized pits. The gold

price used for reserves is the approximate three-year trailing average, calculated on a monthly basis, of the London afternoon fixing price of gold. These prices are approximately 23% higher in South African Rand terms, 15% higher in U.S. dollar terms and 7% higher in Australian dollar terms, than the prices used for the December 31, 2011 declaration and reflect the effect of a consistently increasing gold price on historical average. For the Cerro Corona gold reserves, the optimized pit is based on a gold price of $1,500 per ounce and a copper price of $3.50 per pound, which, due to the nature of the deposit and the importance of net smelter returns, need to be considered together.

(c) For the South African operations, mine dilution relates to the difference between the mill tonnage and the stope face tonnage and includes other sources stoping (which is waste that is broken on the mining horizon, other than on the stope face), development to mill and tonnage discrepancy (which is the difference between the tonnage expected on the basis of the mine s measuring methods and the tonnage accounted for by the plant). For the International operations, dilution relates to planned and unplanned waste and/or low-grade material being mined and delivered to the mill. Ranges are given for those operations that have multiple ore body styles and mining methodologies. The mine dilution factors are as follows: (i) South Deep 8%; (ii) Tarkwa 11%; (iii) Damang 6% to 27%; (Includes both planned and unplanned); (iv) St. Ives 6% to 20% (open pits) and 5% to 40% (underground); (v) Agnew 15% to 26%; and (vi) Cerro Corona 0%.

(d) The mining recovery factor relates to the proportion or percentage of ore mined from the defined ore body at the gold price used for the declaration of reserves. This percentage will vary from mining area to mining area and reflects planned and scheduled reserves against total potentially available reserves (at the gold price used for the declaration of reserves), with all modifying factors, mining constraints and pillar discounts applied. The mining recovery factors are as follows: (i) Tarkwa 100%; (ii) Damang 95%; (iii) St. Ives 95% to 99% (open pits) and 75% to 95% (underground); (iv) Agnew 107%; and (v) South Deep 97 %.

(e) The cut-off grade may vary per shaft, open pit or underground mine, depending on the respective costs, depletion schedule, ore type and dilution. The following are the average or range of values applied in the planning process (i) South Deep 3.5 g/t; (ii) Tarkwa 0.37 to 0.77 g/t for heap leach and 0.42 g/t for mill feed; (iii) Damang 0.68-0.79 g/t for fresh ore and 0.52-0.65 g/t for oxide ore; (iv) St. Ives 0.8 g/t for mill feed open pit, and 2.3 g/t to 3.0 g/t for mill feed underground; (v) Agnew 0.38 g/t for mill feed open pit, and to 3.1 to 4.4 g/t for mill feed underground; and (vi) Cerro Corona $18.46/t net smelter return (combined copper and gold).

(f) Totals may not sum due to rounding. Where this occurs it is not deemed significant.

(g) A Mine Call Factor based on historic performance and planned improvements is applied to the mineral reserves. The following Mine Call Factors have been applied: Damang 89% to 92%, St.Ives 98%, with South Deep, Agnew, Tarkwa and Cerro Corona at 100%.

(2) Actual gold produced after metallurgical recovery.

(3) In line with other international operations, all South Deep reserves are classed as above infrastructure, as the reserves will be accessed by means of on-going declines from current infrastructure.

(4) Includes some gold produced from stockpile material, which cannot be separately measured.

The following table sets forth the proved and probable copper reserves of the Cerro Corona mine as of December 31, 2012 that are attributable to Gold Fields.

Copper ore reserve statement as of December 31, 2012[(1)(2)]

	Proved reserves			**Probable reserves**			**Total reserves**			**Attributable copper production in Fiscal 2012**
	Tonnes *(million)*	**Grade Cu** *(%)*	**Cu** *(million lbs)*	**Tonnes** *(million)*	**Grade Cu** *(%)*	**Cu** *(million lbs)*	**Tonnes** *(million)*	**Grade Cu** *(%)*	**Cu** *(million lbs)*	*(million lbs)*
Surface (Open Pit & Stockpiles)										
Peru										
Cerro Corona	76.3	0.5	787	25.9	0.4	237	102.1	0.5	1,024	79

Notes:

(1) Metallurgical recovery factors have not been applied to the reserve figures. The approximate metallurgical factor for copper at Cerro Corona is in the range of 65% to 88%, depending on the material type.

(2) For the copper reserves, the optimized pit is based on a gold price of $1,500 per ounce and a copper price of $3.50 per pound, which, due to the nature of the deposit, need to be considered together.

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As of December 31, 2012, Sibanye Gold had aggregate attributable proved and probable reserves of approximately 13.5 million ounces as set forth in the following table:

***Gold ore reserve statement as of December 31, 2012*[1]**

	Proved reserves			Probable reserves			Total reserves			Attributable Gold production in the 12 months ended December 31, 2012[2]
	Tonnes *(million)*	Head Grade (g/t)	Gold (M oz)	Tonnes (million)	Head Grade (g/t)	Gold (M oz)	Tonnes (million)	Head Grade (g/t)	Gold (M oz)	(M oz)
Underground (UG)										
KDC East (UG) (total)	10.8	9.8	3.421	9.6	6.6	2.041	20.5	8.3	5.462	0.446
Above infrastructure[3]	&									