GOLD FIELDS LTD
Form 20-F
April 14, 2015
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As filed with the Securities and Exchange Commission on April 14, 2015

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, 2014

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

00-27-11-562-9700

(Address of principal executive offices)

with a copy to:

Taryn Harmse

Executive Vice-President: General Counsel

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Sandown, Sandton, 2196

South Africa

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

and

Thomas B. Shrophire, Jr.

Linklaters LLP

Tel: 00-44-20-7456-3223

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One Silk Street

London EC2Y 8HQ

United Kingdom

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

775,308,626 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[1]

Note:

(1) The Granny Smith, Darlot and Lawlers gold mines, or the Yilgarn South Assets, were acquired on October 1, 2013 from Barrick Gold Corporation. See Information on the Company Gold Fields Mining Operations Australasia Operations.

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PRESENTATION OF FINANCIAL INFORMATION

Gold Fields Limited, or Gold Fields or the Company, is a South African company and in fiscal 2014 approximately 9%, 32%, 45% and 14% of Gold Fields operations, based on gold production, were located in South Africa, Ghana, Australia and Peru, respectively. Its books of account are maintained in South African Rand. The reporting currency of the Gold Fields consolidated financial statements is the U.S. dollar. The Group s 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. 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 for descriptions of critical accounting policies refer to accounting policies under U.S. GAAP.

For Gold Fields consolidated financial statements, unless otherwise stated, balance sheet item amounts are translated from Rand and A$ to U.S. dollars at the exchange rate prevailing on the date that it closed its accounts for fiscal 2014 (Rand 11.56 per $1.00 and $1.00 per A$1.23 as of December 31, 2014), except for specific items included within shareholders equity and the statements of cash flows that are translated at the rate prevailing on the date the relevant transaction was entered into, and statements of operations item amounts are translated from Rand and A$ to U.S. dollars at the weighted average exchange rate for each period (Rand 10.82 per $1.00 and $1.00 per A$1.11 for fiscal 2014).

In this annual report, Gold Fields presents the financial items all-in sustaining costs , or AISC, all-in sustaining costs per ounce , all-in costs , or AIC, and all-in costs per ounce which have been determined using industry standards promulgated by the World Gold Council, or WGC, and are non-U.S. GAAP measures. The WGC standard was released by the WGC on June 27, 2013. Gold Fields voluntarily adopted and implemented these metrics as from the quarter ended June 2013. As from fiscal 2014, Gold Fields exclusively reports its costs in accordance with the new World Gold Council definition for AISC and AIC and no longer reports total cash cost and notional cash expenditure, or NCE. 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 WGC provided definitions for the calculation of all-in sustaining costs and all-in costs, the calculation of all-in sustaining costs, all-in sustaining costs per ounce, all-in costs and all-in 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 All-in sustaining costs per ounce and Information on the Company Glossary of Mining Terms All-in costs per ounce .

The financial results of Sibanye Gold (as defined below) included in this annual report, which include the KDC and Beatrix mines, have been presented as discontinued operations as a result of the Spin-off in the statement of operations and statement of cash flows for all periods presented. The financial information presented in this annual report refers to continuing operations unless otherwise stated.

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. On February 18, 2013, or the Spin-off date, Gold Fields 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. See Operating and Financial Review and Prospects Overview The Spin-off .

In this annual report, all references to fiscal 2012 are to the 12-month period ended December 31, 2012, all references to fiscal 2013 are to the 12-month period ended December 31, 2013, all references to fiscal 2014 are to the 12-month period ended December 31, 2014 and all references to fiscal 2015 are to the 12-month period ending December 31, 2015. 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 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.

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. AIC, net of by-product revenue, and AISC, net of by-product revenue, are calculated per ounce of gold sold, excluding gold equivalent ounces. See Operational and Financial Review and Prospects All-in Sustaining and All-in Cost .

This annual report contains references to the total recordable injury frequency rate , or TRIFR, at each Gold Fields operation. The TRIFR at each operation includes the total number of fatalities, lost time injuries, medically treated injuries and restricted work injuries.

In this annual report, R and Rand refer to the South African Rand and SA cents refers to subunits of the South African Rand, $, U.S.$ and U 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, S/. refers to the Peruvian Nuevo Sol 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 11.56 per $1.00 and $1.00 per A$1.23, which were the closing rates on December 31, 2014. 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.

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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;
- changes in assumptions underlying Gold Fields mineral reserve estimates;
- 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 the Group s business strategy, development activities and other initiatives;
- the ability of the Group to comply with requirements that it operate in a sustainable manner and provide benefits to affected communities;
- decreases in the market price of gold or copper;
- the occurrence of hazards associated with underground and surface gold mining or contagious diseases at Gold Field s operations;
- the occurrence of work stoppages related to health and safety incidents;
- loss of senior management or inability to hire or retain employees;
- fluctuations in exchange rates, currency devaluations and other macroeconomic monetary policies;
- the occurrence of labor disruptions and industrial actions;

power cost increases as well as power stoppages, fluctuations and usage constraints;

supply chain shortages and increases in the prices of production imports;

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 adequacy of the Group s insurance coverage;

the manner, amount and timing of capital expenditures made by Gold Fields on both existing and new mines, mining projects, exploration project or other initiatives;

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

fraud, bribery or corruption at Gold Field s operations that leads to censure, penalties or negative reputational impacts; 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 2014, fiscal 2013 and fiscal 2012 and as of December 31, 2014, 2013 and 2012 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 fiscal 2011, the six-month period ended December 31, 2010 and the year ended June 30, 2010 and as of December 31, 2011 and 2010 and June 30, 2010 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 consolidated financial statements which have been prepared in accordance with U.S. GAAP. As a result of the Spin-off, the financial results of Sibanye Gold, which include the KDC and Beatrix mines, have been presented as discontinued operations in the consolidated financial statements for fiscal 2013 and the comparative statements of operations and statement of cash flows have been presented as if Sibanye Gold had been discontinued for all periods presented below. The Other Operating Data presented has been calculated as described in the footnotes to the table below:

	Fiscal Period Ended June 30, 2010	Six-Month Period Ended December 31, 2010	Fiscal Period Ended December 31, 2011	2012	2013	2014
Statement of Operations Data						
Revenues	2,355.5	1,490.8	3,499.1	3,530.6	2,906.3	2,868.8
Production costs (exclusive of depreciation and amortization)	1,342.3	756.5	1,627.9	1,862.6	1,819.9	1,808.1
Depreciation and amortization	352.9	220.6	421.4	425.8	568.5	677.3
Corporate expenditure	29.2	14.2	30.8	38.2	39.4	27.3
Employee termination costs	1.1	0.9	0.8	6.1	35.5	42.2
Exploration expenditure	86.6	53.2	125.4	135.3	77.9	36.2
Feasibility and evaluation costs		9.3	95.2	103.5	68.0	
Profit/(loss) on sale of property, plant and equipment	0.1	0.3	(1.0)	0.2	10.2	(1.3)
Asset impairments and write-offs			9.5	41.6	215.3	14.0
Decrease in provision for post-retirement health care costs	(0.2)					
Royalties[(1)]		(30.1)	(109.6)	(116.8)	(90.5)	(86.1)
Accretion expense on provision for environmental rehabilitation	8.8	5.1	11.1	13.9	10.4	15.4
Interest and dividends	7.6	4.9	11.8	16.3	8.5	4.2
Finance expense	(38.0)	(23.8)	(52.3)	(55.6)	(72.4)	(80.8)
Gain/(loss) on financial instruments	27.7	1.0	4.4	(0.4)	(0.3)	(11.5)
Foreign exchange (losses)/gains	(8.5)	(1.4)	9.1	(13.8)	7.3	8.4
Profit/(loss) on disposal of investments and subsidiaries	111.7	(0.4)	12.8	27.6	17.8	78.0

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	Fiscal Period Ended June 30, 2010	Six-Month Period Ended December 31, 2010	Fiscal Period Ended December 31, 2011	2012	2013	2014
Impairment of investments	(8.1)		(0.5)	(10.5)	(10.3)	(6.8)
South African Equity Empowerment Transactions		(126.3)				
Other expenses	(25.7)	(25.4)	(47.3)	(37.9)	(104.2)	(44.2)
Income/(loss) before tax, impairment of investment in equity investee, share of equity investees (losses)/income and discontinued operations	601.6	229.8	1,004.4	712.7	(162.5)	108.2
Income and mining tax expense	(266.5)	(136.9)	(384.5)	(359.4)	(105.7)	(121.6)
Income before impairment of investment in equity investee, share of equity investees (losses)/income and discontinued operations	335.1	92.9	619.9	353.3	(268.2)	(13.4)
Impairment of investment in equity investee			(6.8)			(7.4)
Share of equity investees (losses)/income	(31.1)	1.8	(0.8)	(63.1)	(18.4)	(4.4)
Income/(loss) from continuing operations	304.0	94.7	612.3	290.2	(286.6)	(25.2)
Income/(loss) from discontinued operations, net of tax	166.3	(28.8)	340.7	362.3	20.5	
Net income/(loss)	470.3	65.9	953.0	652.5	(266.1)	(25.2)
Less: Net income/(loss) attributable to non-controlling interests	79.3	53.3	71.5	(1.8)	(18.2)	2.0
Continuing operations	80.1	54.1	71.6	(1.9)	(18.2)	2.0
Discontinued operations	(0.8)	(0.8)	(0.1)	0.1		
Net income/(loss) attributable to Gold Fields shareholders	391.0	12.6	881.5	654.3	(247.9)	(27.2)
Continuing operations	223.9	40.6	540.7	292.1	(268.4)	(27.2)
Discontinued operations	167.1	(28.0)	340.8	362.2	20.5	
Basic earnings/(loss) per share attributable to Gold Fields shareholders ($)						
Continuing operations	0.32	0.06	0.75	0.40	(0.36)	(0.04)
Discontinued operations	0.24	(0.04)	0.47	0.50	0.03	
Diluted earnings/(loss) per share attributable to Gold Fields shareholders ($)						
Continuing operations	0.32	0.06	0.74	0.40	(0.36)	(0.04)
Discontinued operations	0.24	(0.04)	0.47	0.50	0.03	
Dividend per share (Rand)	1.30	0.70	1.70	3.90	0.75	0.42
Dividend per share ($)	0.17	0.10	0.24	0.50	0.08	0.04
Other Operating Data Continuing Operations						
All-in-sustaining costs net of by-product revenue per ounce of gold sold[(2)]				1,310	1,202	1,053
All-in-cost net of by-product revenue per ounce of gold sold[(2)]				1,537	1,312	1,087
All-in-sustaining costs gross of by-product revenue per equivalent ounce of gold sold[(2)]				1,331	1,206	1,053
All-in-cost gross of by-product revenue per equivalent ounce of gold sold[(2)]				1,539	1,307	1,086

Notes:

(1) 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 minerals obtained (regardless of the operating margin), Gold Fields changed the classification of royalty

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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.

(2) Gold Fields has calculated all-in sustaining costs net of by-product revenue per ounce of gold sold by dividing total all-in sustaining costs net of by-product revenue, as determined using the guidance provided by the World Gold Council, by only gold ounces sold for 2012, 2013 and 2014. Total all-in sustaining costs, as defined by the World Gold Council, are operating costs excluding amortization and depreciation as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), plus all costs not included therein relating to sustaining current production including sustaining capital expenditure. The value of by-product revenues (i.e. silver and copper) is deducted from operating costs excluding amortization and depreciation as it effectively reduces the cost of gold production. The all-in costs net of by-product revenue starts with all-in sustaining costs net of by-product revenue and adds additional costs which relate to the growth of the Group, including non-sustaining capital expenditure and exploration, evaluation and feasibility costs not associated with current operations. All-in sustaining costs and all-in costs are reported on a per ounce of gold basis, net of by-product revenues (as per the World Gold Council definition), as well as on a per ounce of gold equivalent basis, gross of by-product revenues. Changes in total all-in sustaining and all-in 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. Total all-in sustaining and all-in cost per ounce are not U.S. GAAP measures and have been calculated using IFRS information. Management, however, believes that total all-in sustaining cost and total all-in cost per ounce will be helpful to investors, governments, local communities and other stakeholders in understanding the economics of gold mining. For a description of all-in sustaining costs and all-in costs and a reconciliation of Gold Fields all-in sustaining costs and all-in costs to its operating costs excluding amortization and depreciation costs for fiscal 2014, fiscal 2013 and fiscal 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost .

		As of December 31,				
	June 30, 2010	2010	2011	2012	2013	2014
			($ million, unless otherwise stated)			
Balance Sheet Data						
Cash and cash equivalents	500.7	809.5	744.0	655.6	325.0	458.0
Assets held for sale					47.0	31.0
Receivables	305.4	411.4	483.4	522.7	272.6	226.5
Inventories	234.9	256.3	297.7	402.1	402.7	373.3
Short-term deferred income and mining taxes					29.0	6.9
Material contained on heap leach pads	91.5	111.3	187.9	65.0		
Total current assets	1,132.5	1,588.5	1,713.0	1,645.4	1,076.3	1,095.7
Property, plant and equipment, net	6,639.7	7,482.0	7,016.8	7,388.9	4,933.0	4,453.3
Goodwill	1,154.9	1,295.2	1,075.4	1,020.1	845.5	756.3
Deferred income and mining taxes				24.1	22.6	10.9
Inventories				111.8	109.0	148.1
Non-current investments	254.3	344.3	272.2	458.0	268.9	286.5
Total assets	9,181.4	10,710.0	10,077.4	10,648.3	7,255.3	6,750.8

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	As of December 31,					
	June 30, 2010	2010	2011	2012	2013	2014
	($ million, unless otherwise stated)					
Accounts payable and provisions	551.9	670.6	669.9	734.0	445.0	498.5
Short-term deferred income and mining taxes				17.9	16.0	10.3
Interest payable	4.5	4.1	11.2	11.0	12.4	11.2
Income and mining taxes payable	104.3	156.1	264.4	192.1	34.6	58.2
Current portion of long-term loans	691.1	261.7	547.0	40.0	121.5	140.2
Total current liabilities	1,351.8	1,092.5	1,492.5	995.0	629.5	718.4
Long-term loans	430.0	1,136.6	1,360.7	2,321.2	1,938.6	1,770.7
Deferred income and mining taxes	982.5	1,051.8	1,019.4	901.8	309.3	252.9
Provision for environmental rehabilitation	275.7	324.4	336.9	373.6	269.2	300.1
Provision for post-retirement health care costs	2.8	2.7	2.1	2.1		
Long-term incentive plan						8.3
Other non-current liabilities		19.7	13.5	13.9	10.9	9.1
Total liabilities	3,042.8	3,627.7	4,225.1	4,607.6	3,157.5	3,059.5
Share capital	57.8	58.8	59.0	61.0	62.9	63.0
Additional paid-in capital	5,005.4	5,313.2	5,374.6	5,452.3	4,439.0	4,465.0
Retained earnings	834.4	779.6	772.5	1,054.3	741.1	684.1
Accumulated other comprehensive (loss)/income	(96.5)	562.4	(423.3)	(653.0)	(1,249.0)	(1,617.4)
Total equity attributable to Gold Fields shareholders	5,801.1	6,714.0	5,782.8	5,914.6	3,994.0	3,594.7
Noncontrolling interests	337.5	368.3	69.5	126.1	103.8	96.6
Total equity	6,138.6	7,082.3	5,852.3	6,040.7	4,097.8	3,691.3
Total liabilities and equity	9,181.4	10,710.0	10,077.4	10,648.3	7,255.3	6,750.8
Other Financial Data						
Number of ordinary shares as adjusted to reflect changes in capital structure (including treasury shares)	705,903,511	720,796,887	724,591,516	730,393,143	768,016,593	772,272,821
Net Assets (excluding non-controlling interest)	5,801.1	6,714.0	5,782.8	5,914.6	3,994.0	3,594.7

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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. All exchange rates are sourced from I-Net Bridge (Proprietary) Limited, or I-Net Bridge, being the average rate.

Year ended	Average
June 30, 2010	7.58[(1)]
December 31, 2011	7.22[(1)]
December 31, 2012	8.19[(1)]
December 31, 2013	9.60[(1)]
December 31, 2014	10.82[(1)]
Through April 7, 2015	11.75[(1)]

Six-month period ended	Average
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.

Month ended	High	Low
October 31, 2014	11.33	10.84
November 30, 2014	11.26	10.94
December 31, 2014	11.70	11.00
January 31, 2015	11.72	11.40
February 28, 2015	11.80	11.29
March 31, 2015	12.47	11.74

The closing rate for the Rand on April 7, 2015 as reported by I-Net Bridge was Rand 11.80 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.

Gold Fields revenues are primarily derived from the sale of gold that it produces. Gold Fields does not generally enter into forward sales, derivatives or other hedging arrangements in order to establish a price in advance of the sale of its gold production. As a result, it is exposed to changes in the gold price, which could lead to reduced revenue should the gold price decline. For example, during 2014, the gold price fluctuated between $1,142 and $1,385 per ounce. See Quantitative and Qualitative Disclosures about Market Risk . The market price for gold has historically been volatile and is affected by numerous factors over which Gold Fields has no control, such as general supply and demand, speculative trading activity and global economic drivers.

Should the gold price decline below Gold Fields production costs, it may experience losses and should this situation remain for an extended period, Gold Fields may be forced to curtail or suspend some or all of its growth projects, operations and/or reduce operational capital expenditures. Gold Fields might not be able to recover any losses it incurred during, or after, such events. A sustained period of significant gold price volatility may also adversely affect Gold Fields ability to undertake new capital projects or continue with existing operations or make other long-term strategic decisions. The use of lower gold prices in reserve calculations and life of mine plans could also result in material impairments of Gold Fields investment in mining properties or a reduction in its reserve estimates and corresponding restatements of its reserves and increased amortization, reclamation and closure charges.

In Peru, 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 and a decline in copper prices, which have also fluctuated widely, would adversely affect the revenues, profit and cash flows of the Cerro Corona mine.

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

The mineral reserves stated in this annual report are estimates based on assumptions regarding, among other things, Gold Fields costs, expenditures, commodity prices, 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 adversely revises any of the assumptions that underlie its mineral reserves reporting, Gold Fields may need to revise its mineral reserves downwards. See Information on the Company Reserves of Gold Fields as of December 31, 2014.

Gold Fields is in the process of rebasing the production profile of its South Deep mine. As a result, the mineral reserve information for South Deep as of December 31, 2014 primarily reflect mining depletion of last year s figures except where material differences were encountered for technical or economic reasons, in which case suitably revised models and schedules were implemented. Therefore, the information regarding South Deep s ore reserves as of December 31, 2014 has not been prepared on the same basis as the ore reserves information for Gold Fields other operations or on the same basis as in fiscal 2013 or 2012; and may not be directly comparable to that reported by the Group s other mines in the current year or South Deep and the Group s other mines in prior years. For further information about the methodology used to prepare South Deep s ore reserves information as of December 31, 2014, see Information on the Company Reserves of Gold Fields as of December 31, 2014 Methodology .

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To the extent that Gold Fields makes acquisitions, it may experience problems in executing the 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 companies or assets. For example, on October 1, 2013, Gold Fields completed the acquisition of the Granny Smith, Darlot and Lawlers gold mines, or the Yilgarn South Assets, in Western Australia from Barrick Gold Corporation, or Barrick. See Information on the Company Gold Fields Mining Operations Australasia Operations 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. There can be no assurance that any acquisition will achieve the results intended, and, as such, could have a material adverse effect on Gold Fields business, operating results and financial condition.

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

Over recent periods, there has been an increase in union activity in some of the countries in which Gold Fields operates that has had a material adverse impact on Gold Fields operations, production and financial performance.

In South Africa, a recent increase in labor unrest has resulted in more frequent industrial disputes and extended negotiations that have negatively affected South Africa s sovereign debt rating and subsequently the credit ratings of a number of the country s leading mining companies, including Gold Fields. In particular, strikes during the second half of fiscal 2012 impacted Gold Fields operations and caused work stoppages, resulting in significant production losses, primarily at the Spin-off operations. While the outcome of the wage negotiations with the unions in fiscal 2015 was relatively positive, and while Gold Fields now has fewer employees in South Africa after the Spin-off, in light of the recent labor unrest there can be no guarantee that future negotiations will not be accompanied by further strikes, work stoppages or other disruptions.

Furthermore, guidelines and targets have been provided to facilitate compliance with the open-ended broad-based socio-economic empowerment requirements espoused in Section 2 of the Mineral and Petroleum Resources and Development Act, or MPRDA, and in the broad-based socio-economic empowerment charter for the South African mining and minerals industry known as the Mining Charter, as well as the amendments to that charter that took effect from September 13, 2010, known as the Amended Mining Charter. The Mining Charter, as amended, contains guidelines which provide that all mining companies must achieve, among other things, 26% ownership by historically disadvantaged South Africans, or HDSAs, of mining assets by March 2015 and a minimum of 40% HDSA demographic representation at the executive management, senior management, middle management, junior management and core and critical skills levels (subject to offsets) in order to comply with the empowerment requirements of the MPRDA. The government of South Africa has also announced that it intends to conduct a review of the Mining Charter in fiscal 2015. See Gold Fields mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute. and Information on the Company Environmental and Regulatory Matters South Africa Mineral Rights . The ongoing implementation and enforcement of these requirements, including as a result of any changes thereto following the announced review, may be contentious.

Gold Fields operations in Ghana and Peru have recently been, and may in the future be, impacted by increased union activities and new labor laws. In particular, there can be no guarantee that (i) labor unions in either country will not undertake strikes or go-slow actions impacting the Group s operations or those of other related industries or suppliers, or that (ii) changes in local regulations will not result in increased costs and penalties being incurred by the Group.

In Ghana, in April 2013, employees represented by the Ghana Mineworkers Union, or GMWU, the Professional Managerial Staff Union and the Branch Union at both Tarkwa and Damang undertook illegal

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industrial action, resulting in the temporary suspension of production at both operations. The strike lasted six days and ended after Gold Fields and the GMWU reached a settlement. While the wage negotiations with the unions in fiscal 2013 were completed, in light of the recent labor unrest there can be no guarantee that negotiations in the future will not be difficult or accompanied by further strikes, work stoppages or other labor actions.

In Peru, the Group may see increased union activity over the course of fiscal 2015 as a result of reduced commodity and mineral prices which may lead to reductions in the annual income of employees. This may in turn cause unions to seek better and/or additional benefits to compensate for any such decrease in their annual income, such as through increased activities and/or industrial action. In addition, while the Peruvian government has introduced a three year remediation program which prioritizes the imposition of corrective measures and establishes a three-year moratorium on the imposition of environmental fines save in exceptional cases, there has been an increase in labor inspection activities over the course of fiscal 2014, and this may continue into fiscal 2015. See Information on the Company Environmental and Regulatory Matters Peru.

In the event that Gold Fields experiences further industrial relations related interruptions at any of its operations or in other industries that impact 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, operating costs, production targets, operating results, financial condition, reputation and future prospects. In addition, lower levels of mining activity can have a longer term impact on production levels and operating costs, which may affect operating life. Mining conditions can deteriorate during extended periods without production, such as during and after strikes, and Gold Fields will not re-commence mining until health and safety conditions are considered appropriate to do so.

Existing labor laws (including those that impose obligations on Gold Fields regarding worker rights) 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.

Gold Fields mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute.

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. For example, Gold Fields operations in South Africa are subject to legislation regulating the exploitation of mineral resources through the granting of rights required to prospect and mine for minerals. This includes broad-based BEE legislation designed to effect the entry of HDSAs into the mining industry and increase their participation in the South African economy. The Mineral and Petroleum Resources and Development Act, or the MPRDA, came into effect on May 1, 2004 and transferred ownership of mineral resources to the South African people with the South African government acting as custodian in order to, among other things, promote equitable access to the nation s mineral resources by South Africans, expand opportunities for historically disadvantaged persons who wish to participate in the South African mining industry and advance social and economic development. As custodian, the South African government exercises regulatory control over the exploitation of mineral resources and does so by exercising the power to grant the rights required to prospect and mine for minerals. Mining companies were required to apply for the right to mine and/or prospect and to convert then-existing mining rights to new order mining rights. In order to qualify for these rights, applicants need to satisfy the South African government that

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the granting of such a right will advance the open-ended broad-based socio-economic empowerment requirements of the MPRDA. The MPRDA also required that mining companies submit social and labor plans, or SLPs which set out their commitments relating to human resource development, labor planning and economic development planning to the DMR. In order to provide guidance on the fulfillment of these broad-based socio-economic empowerment requirements to the mining industry, the DMR published the Mining Charter, which became effective on May 1, 2004. The Mining Charter includes guidelines envisaging that each mining company should achieve a 15% HSDA ownership of mining assets within five years and a 26% HSDA ownership of mining assets within 10 years. See Information on the Company Environmental and Regulatory Matters South Africa Mineral Rights The MPRDA .

In 2010, the DMR introduced the Amended Mining Charter containing guidelines envisaging, among other things, that mining companies should achieve a minimum of 40% HDSA demographic representation by 2014 at executive management (board) level, senior management (executive committee) level, core and critical skills, middle management level and junior management level. See Information on the Company Environmental and Regulatory Matters South Africa Mineral Rights. In April 2013, Gold Fields submitted a new SLP for South Deep to replace its original SLP submitted in 2010 and is awaiting a response from the DMR.

In fiscal 2014, the DMR launched audits of mining companies, which were conducted by a third party appointed by the DMR to assess such companies compliance with the BEE guidelines of the Mining Charter and Amended Mining Charter. However, the DMR subsequently abandoned the externally conducted audit process. It is therefore unclear what the status of the process is and what the outcomes were. It is also unclear whether or not the information provided during this audit process will be considered or used by the DMR for any purpose in the future. In fiscal 2015, the DMR directed mining companies to provide information related to compliance with the Amended Mining Charter via an electronic reporting template. This template has raised a number of concerns among mining companies due to its inflexible approach towards the assessment of compliance with the Amended Mining Charter.

On March 31, 2015, the DMR made an interim report of consolidated results of the self-assessment by reporting companies of compliance with the Mining Charter, reporting relatively broad compliance with the non-ownership requirements of the Amended Mining Charter. However, the DMR did not report the results of compliance with the HDSA ownership guidelines of the Mining Charter and noted that there is no consensus on certain applicable principles.

On the same date, the Chamber of Mines reported that the DMR believes that empowerment transactions by mining companies concluded after 2004 where the HDSA ownership level has fallen due to HDSA disposal of assets or for other reasons, should not be included in the calculation of HDSA ownership for the purposes of, among other things, the 26% HDSA ownership guidelines under the Mining Charter. The position of Gold Fields, is consistent with that of the Chamber of Mines, and is that such empowerment transactions should be included in the calculation of HDSA ownership. The DMR and the Chamber of Mines have jointly agreed to approach the South African courts to seek a declaratory order which will provide a ruling on the relevant legislation and the status of the Mining Charter.

If the DMR were to prevail in court, mining companies, including Gold Fields, may be required to undertake further transactions in order to increase their HDSA ownership which would result in the dilution of existing shareholders. In such event, mining companies may be required to maintain a minimum HDSA ownership level indefinitely. The DMR may also suspend or cancel the existing mining rights of, or prevent the obtaining of new mining rights by, mining companies, including Gold Fields, deemed not to be in compliance with the ownership requirements of the MPRDA. It is also possible, should the Chamber of Mines prevail in court, that the DMR may enact new regulations to, among other things, increase HDSA ownership guidelines for mining companies which would result in the dilution of existing shareholders. The DMR may also suspend or cancel existing mining rights of, or prevent the obtaining of new mining rights by, mining companies, including Gold Fields, deemed not to be in compliance with the other requirements of the MPRDA. If the DMR were to determine that Gold Fields is not in compliance with the other requirements of the MPRDA, Gold Fields may be required to engage in remedial steps, including changes to management and actions that require shareholder approval.

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If the DMR were to determine that Gold Fields is not in compliance with the MPRDA, for any reason, including HDSA ownership, Gold Fields may challenge such a decision in court. Any such court action may be expensive and there is no guarantee that Gold Fields challenge would be successful.

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 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 BEE requirements could have a material adverse effect on the value of Gold Fields securities.

Failure by Gold Fields to comply with mineral rights legislation in any of the jurisdictions in which it operates may cause it to lose the right to mine, fail to acquire new rights to mine and may have a material adverse effect on Gold Fields business, operating results and financial condition.

Further, Gold Fields may, in the future, incur significant costs as a result of changes in the interpretation of existing laws and guidelines, such as through the review of the Mining Charter in fiscal 2015 that has been announced by the South African government, or the imposition of new laws whether relating to the mining industry or otherwise, which may 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.

Gold Fields has been informed that it is the subject of a regulatory investigation in the United States by the U.S. Securities and Exchange Commission, or SEC, relating to the Black Economic Empowerment, or BEE, transaction associated with the granting of the mining license for its South Deep operation. In South Africa, the Directorate for Priority Crime Investigation, or the Hawks, has informed the Company that it has started a preliminary investigation into this BEE transaction to determine whether or not to proceed to a formal investigation, following a complaint by the Democratic Alliance. At this stage, it is not possible to determine what effect the ultimate outcome of these investigations, any regulatory findings and any related developments may have on the Company. See Information on the Company Legal Proceedings and Investigations Regulatory Investigations.

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, operating results and financial condition.

Due to the nature of mining and the extensive environmental footprint of the operations, environmental and industrial accidents and pollution may result in operational disruptions such as stoppages which could result in increased production costs as well as financial and regulatory liabilities.

Gold mining by its nature involves significant risks and hazards, including environmental hazards and industrial and mining accidents. These may include, for example, seismic events, fires, cave-ins and blockages, flooding, discharges of gases and toxic substances, contamination of water, air or soil resources, radioactivity and

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other accidents or conditions resulting from mining activities including, among other things, blasting and the transport, storage and handling of hazardous materials.

The occurrence of any of these hazards or risks could delay or halt production, increase production costs and result in financial and regulatory liability for Gold Fields (including as a result of the occurrence of hazards that took place at the Spin-off operations when they were owned by Gold Fields), which could have a material adverse effect on Gold Fields business, operating results and financial condition.

Due to ageing infrastructure at our operations, unplanned breakdowns and stoppages may result in production delays, increased costs and industrial accidents.

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 infrastructure in South Africa, Ghana and Australia falls into this category. Ageing infrastructure may also cause the Group to be unable to maintain throughput at its operations in Peru. Although Gold Fields has comprehensive strategies in place to address these issues, including maintenance and process plant optimization projects, incidents resulting in production delays, increased costs or industrial accidents may occur. Such incidents may have a material adverse effect on Gold Fields business, operating results and financial condition.

If Gold Fields loses senior management or is unable to hire and retain sufficient technically skilled employees or sufficient HDSA representation in management positions, 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. In particular, there is a shortage of mechanized mining skills in the South African gold mining industry. Gold Fields may be unable to hire or retain appropriate senior management, 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. Additionally, as a condition of our mining license at South Deep, we must ensure that there is sufficient HDSA participation in our management and core and critical skills, and failure to do so could result in fines or the loss or suspension of our mining license. If Gold Fields is not able to hire and retain appropriate management and technically skilled personnel or is unable to obtain sufficient HDSA representation in management positions or if there are not sufficient succession plans in place, this could have a material adverse effect on its business (including production levels), operating results 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 change in the value of these non-U.S. dollar currencies.

Gold is principally sold throughout the world in U.S. dollars. Gold Fields costs of production are incurred principally in U.S. dollars, Australian dollars, Rand and other currencies. Recent volatility in the Rand (including significant depreciation of the Rand against the U.S. dollar in recent years) and depreciation of the Australian dollar against the U.S. dollar in fiscal 2014 has made our costs in South Africa and Australia and results of operations less predictable than when exchange rates are more stable. 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 business, 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 and could have a material adverse effect on Gold Fields business, operating results and financial condition if not offset by increased gold prices.

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Gold Fields may experience unforeseen difficulties, delays or costs in implementing its business strategy and projects, including any strategic projects, cost-cutting initiatives, divestments and other initiatives and any such strategy or project may not result in the anticipated benefits.

The ability to grow the business will depend on the successful implementation of Gold Fields existing and proposed strategic initiatives, such as the ramping up of production at South Deep (which accounts for 73% of Gold Fields mineral reserves), and the achievement of a 15% free cash flow margin, or FCF Margin, at U.S.$1,300/oz. See Information on the Company Strategy.

The successful implementation of the Company s strategic initiatives depends upon many factors, including those outside its control. For example, the successful achievement of a 15% FCF Margin at U.S.$1,300/oz. will depend on, among other things, prevailing market prices for input costs. Gold Fields may also prove unable to deliver on production targets and other strategic initiatives, including ramping-up of key capital projects, such as the South Deep mine in South Africa. Unforeseen difficulties, delays or costs may adversely affect the successful implementation of Gold Fields business strategy and projects, and such strategy and projects may not result in the anticipated benefits. For example, in 2014 South Deep experienced a 34% decrease in production principally due to the introduction of an extensive safety-related ground support remediation intervention and the imposition of a work stoppage by the DMR following three fatalities at the mine. Any such difficulties, delays or costs could prevent Gold Fields from fully implementing its business strategy, which could have a material adverse effect on its business, operating results and financial condition.

Gold Fields is in the process of implementing initiatives relating to its strategic alignment, including the reduction of marginal mining, cost-efficiency initiatives, increased brownfield exploration, production planning, cost-cutting and divestments. Any future contribution of these measures to profitability will be influenced by the actual benefits and savings achieved and by Gold Fields ability to sustain these ongoing efforts. Strategic alignment and cost-cutting initiatives may involve various risks, including, for example, labor unrest, operating licence withdrawal, and potential knock-on effects to other company projects and jurisdictions. The risk is elevated in South Africa, given Gold Fields mining licence obligations. See Gold Fields mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute.

In addition, these measures may not be implemented as planned; turn out to be less effective than anticipated; only become effective later than anticipated; or not be effective at all. Any of these outcomes, individually or in combination, may have a material adverse effect on Gold Fields business, operating results and financial condition.

As part of its strategy, Gold Fields has stated that it intends to dispose of certain of its exploration and development assets. With respect to these and any other dispositions, Gold Fields may not be able to obtain prices that it expects for assets it seeks to dispose of or to complete the contemplated disposals in the timeframe contemplated or at all. Any of the above could have a negative impact on Gold Fields business, operating results and financial condition.

Mining companies are increasingly required to operate in a sustainable manner and to provide benefits to affected communities. Failure to comply with these requirements can result in legal suits, additional operational costs, investor divestment and loss of social licence to operate , which could adversely impact Gold Fields business, operating results and financial condition.

Many mining companies face increasing pressure over their social license to operate which can be understood as the acceptance of the activities of these companies by local stakeholders. While formal permission to operate is ultimately granted by host governments, many mining activities require social permission from host communities and influential stakeholders to carry out operations effectively and profitably.

These businesses are under pressure to demonstrate that, while they seek a satisfactory return on investment for shareholders, the environment, human rights and other key sustainability issues are responsibly managed and stakeholders, such as employees, host communities and the countries in which they operate, also benefit from their commercial activities. The potential consequences of these pressures and the adverse publicity in cases where companies are believed not to be creating sufficient social and economic benefit or are perceived to not be

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responsibly managing other sustainability issues may result in additional operating costs, reputational damage, active community opposition (possibly resulting in stoppages), allegations of human rights abuses, legal suits and investor withdrawal.

In order to maintain its social license to operate, Gold Fields may need to design or redesign parts of its mining operations to minimize their impact on such communities and the environment, either by changing mining plans to avoid such impact, by modifying operations, or by relocating the affected people to an agreed location. Responsive measures may also include the full restoration of livelihoods of those impacted. In addition, Gold Fields is obliged to comply with the terms and conditions of all the mining rights it holds in South Africa. In this regard, the SLP provisions of our mining rights must make provision for local economic development, among other obligations. See Information on the Company Environmental and Regulatory Matter South Africa Mineral Rights . Gold Fields also undertakes social and economic development spending in Australia, Ghana and Peru, both voluntarily and as a condition of its mining licenses. See Information on the Company Sustainable Development . In addition, as Gold Fields has a long history of mining operations in certain regions or has purchased operations which have a long history, issues may arise regarding historical as well as potential future environmental or health impacts in those areas.

Delays in projects attributable to a lack of community support can translate directly into a decrease in the value of a project or into an inability to bring the project to, or maintain, production. The cost of measures and other issues relating to the sustainable development of mining operations could place significant demands on personnel resources, could increase capital and operating costs and could have a material adverse impact on Gold Fields reputation, business, operating results and financial condition.

Gold Fields is subject to various regulatory costs, such as mining taxes and royalties, changes to 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 business, operating results and financial condition.

In South Africa, the African National Congress, or the ANC, has adopted two recommended approaches to interacting with the mining industry. While the ANC has rejected the possibility of mine nationalization for now, the first approach contemplates, among other things, greater state intervention in the mining industry, including the revision of existing royalties, the imposition of new taxes and an increase in the South African government s holdings in mining companies. The second approach contemplates the South African government taking 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 adopted policies 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 2012, the Ghanaian government increased taxes on mining companies. These changes included an increase in the corporate income tax from 25% to 35%, an increase in stool/land rents to U.S.$3,750 per km^2 from U.S.$0.2 per km^2, an increase in customs duties on mining equipment to 5% and the introduction of a temporary special import levy of 1% to 2%. Further, in Ghana, the ownership of land on which there are mineral deposits is separate from the ownership of the minerals. Mining companies must pay royalties of 5% of the total revenue earned from minerals. The government also 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, the general corporate income tax rate was reduced from 30% to 28% with effect from January 1, 2015, and will be further reduced in future until it reaches 26% in 2019. In turn, the dividends income tax rate

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applicable to non-resident shareholders has increased from 4.1% to 6.8% and will be further increased until it reaches 9.3% in 2019. These changes in rates are not immediately applicable to Gold Fields La Cima and Gold Fields Corona (BVI) as they have executed Legal Stability Agreements, which provide stability regarding certain aspects of the income tax, hiring and export legal regimes, with the Private Investment Promotion Agency, or PROINVERSION, which have stabilized the income tax rates in force on the date of their execution. However, after 2017, when the Legal Stability Agreements expire, Gold Fields La Cima and Gold Fields Corona (BVI) will be subject to the general regime in force at that time.

Since July 2012, mining companies have also been required to pay an annual supervisory contribution to the the Supervisory Body of Investment in Energy and Mining (*Organismo Supervisor de la Inversión en Energía y Minería*), or the OSINERGMIN, as well as to the Assessment and Environment Supervising Agency (*Organismo de Evaluación y Fiscalización Ambiental*), or the OEFA. See Information on the Company Environmental and Regulatory Matters Peru Mining Royalty and Other Special Mining Taxes and Charges.

In addition, a 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. See Information on the Company Environmental and Regulatory Matters Peru Mining Royalty and Other Special Mining Taxes and Charges.

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 2014, approximately 9%, 32%, 45% and 14% of Gold Fields production was in South Africa, Ghana, Australia and Peru, respectively. Changes or instability in the economic, political or social environment in any of these countries or in neighboring countries could affect an investment in Gold Fields.

High levels of unemployment and a shortage of critical skills in South Africa, despite increased government expenditure on education and training, remain issues and deterrents to foreign investment. The volatile and uncertain labor environment, which severely impacts the local economy and investor confidence, has led, and may lead, to further downgrades in national credit ratings, making investment more expensive and difficult to secure. See Gold Fields operations and profits have been and may be adversely affected by union activity and new and existing labor laws. This may restrict Gold Fields future access to international financing and could have a material adverse effect on Gold Fields business, operating results and financial condition.

Furthermore, while the South African government has stated that it does not intend to nationalize mining assets or mining companies, certain new smaller political parties have stated publicly and in the media that the government should embark on a program of nationalization. Any threats of, or actual proceedings to, nationalize any of Gold Fields assets, could halt or curtail operations, 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 respective investments.

There has also been regional social instability in the area around Gold Fields mining operations in Peru, where recent political developments in fiscal 2014 have resulted in the election of local and regional officeholders who have taken public positions opposed to mining operations. There is also the potential for social instability or protests regarding mining activity in the communities near Gold Fields South Deep mine relating to, among other things, community investment, environmental concerns, service delivery by local government or other issues. These developments could result in Gold Fields experiencing opposition in connection with its operations in Peru or South Africa. Such opposition at any of Gold Fields operations, in particular if it causes any stoppages, as well as any protests aimed at other mining operations that affect its operations, could have a material adverse effect on Gold Fields business, operating results and financial condition.

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Power cost increases may adversely affect Gold Fields business, operating results and financial condition.

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. Eskom applied to the National Energy Regulator of South Africa, or NERSA, for tariff increases and for 2015 NERSA granted Eskom an average tariff increase of 12.69% effective April 1, 2015, being 8% plus 4.69% due to the clawing back by Eskom of prudent costs from the Regulatory Clearing Account for the three year period from April 2010 to March 2013. It has also been reported that Eskom intends to request permission to raise the power tariff by 25%, instead of 12.69%, in order to make up a cashflow shortfall. NERSA has given permission for Eskom to raise rates further but it is unclear what the actual rate increase will be. In addition, the South African Minister of Finance has announced a two per cent per kilowatt hour environmental levy on electricity. The actual legislated increase applicable to the South African mining industry effective April 1, 2014 was 8%. Should Gold Fields experience further power tariff increases, its business, operating results and financial condition may be adversely impacted.

In Australia, Gold Fields St. Ives and Agnew/Lawlers mines contract for the supply of electricity with BHP Nickel-West under a power purchasing agreement. Granny Smith is expected to receive its future energy supply from a new gas pipeline, which has been constructed by the nearby Tropicana mine to supply gas to its operations. Access to this pipeline is subject to the construction of a gas power station, successful negotiations on gas supply and regulatory approval. If any of Gold Fields Australian operations were to lose their supply, or if Granny Smith is not able to access the proposed pipeline, 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, concluded tariff negotiations for 2013, 2014 and 2015 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). ECG s rate for the period January 1, 2012 to December 31, 2013 was $0.1809/kWh. ECG s tariffs from January 1, 2014 to December 31, 2014 was $0.216/kWh and that from January 1, 2015 to December 31, 2015 is $0.23/kWh. Gold Fields Ghana has agreed tariffs with VRA with a base tariff of $0.1674/kWh. Although Gold Fields Ghana has also entered into an agreement with Genser Energy, or Genser, for the supply of off-grid electricity, 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.

Electricity supply in South Africa remains constrained and future power disruptions are possible. Labor unrest in South Africa during fiscal 2012 disrupted the supply of coal to Eskom s power station resulting in interrupted supply. In the first quarter of fiscal 2014, rain impacted coal supply and placed serious strain on Eskom s ability to provide power. In November 2014, Eskom declared a power emergency and required large industrial users, including Gold Fields South Deep operation, to reduce their electricity usage by 10% for five hours as part of a broader load shedding program. Eskom has warned that, while it has adopted a policy of asking households to reduce usage before asking industrial users to do so in order to reduce the economic impact of such disruptions, power constraints will continue.

Gold Fields has been warned of possible load shedding under its voluntary load curtailment agreement with Eskom. Under this agreement, Gold Fields is required to reduce demand by up to 25% of load at the time, depending on the severity of the shortage, for a specified period of time during which the national grid is unable to maintain its load. Any further 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.

The Department of Energy is developing a power conservation program in an attempt to improve the power situation in South Africa and Eskom is embarking on the construction of new power stations, among other resources. However, there can be no assurance that these and other interventions will provide sufficient supply for the needs of the country or for Gold Fields to run its operations at full capacity or at all.

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Although the VRA has not imposed any power cuts in Ghana since August 2006, frequent power interruptions have occurred in the power supplied by the ECG. There was an increase in power interruptions in fiscal 2014 which has led to an ongoing load shedding exercise. While the Ghanaian Ministry of Power has projected that the situation will improve by the end of March 2015, there can be no guarantee that further power interruptions will not occur. While Gold Fields has taken steps to source power from an independent power producer to complement its self-generation source, there can be no guarantee that Gold Fields will be able to source enough power to make up for any shortfall in the power supplied by ECG.

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

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 operating results 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.

The price of oil has been volatile, fluctuating between $56 and $115 per barrel of Brent Crude in 2014. As of March 16, 2015, the price of oil was at $53 per barrel of Brent Crude. Gold Fields entered into oil price hedging arrangements in respect of its Australian operations. Absent these arrangements and assuming there is no government intervention to stabilize oil prices, management estimates that for every $10 per barrel increase in the oil price, other factors remaining equal, the total all-in-cost at its operations in Ghana, Australia and Peru would increase by approximately $18, $5 and $7 per ounce, respectively. The all-in cost of certain of Gold Fields mines, particularly its West African mines, are most sensitive to changes in the price of oil.

Furthermore, the price of steel has also been volatile. Steel is used in the manufacture of most forms of fixed and mobile mining equipment, which is a relatively large contributor to the operating costs and capital expenditure of a mine.

Fluctuations in oil and steel prices have a significant impact on operating costs and capital expenditure estimates and, in the absence of other economic fluctuations, could result in significant changes in the total expenditure estimates for new mining projects or render certain projects non-viable.

Gold Fields insurance coverage may not adequately satisfy all potential claims in the future.

Gold Fields has an insurance program, however, it may become subject to liability 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. For example, should Gold Fields be subject to any regulatory or criminal fines or penalties, these amounts would not be covered under its insurance program. 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 it or any cross-claims made.

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

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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, operating results and financial condition. See Directors, Senior Management and Employees Employees Labor Relations South Africa , Directors, Senior Management and Employees Employees Labor Relations Ghana , 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 and cost to Gold Fields mining and processing operations, with its principal energy sources being electricity, purchased petroleum products, natural gas and coal. 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), or Clean Energy Act, and associated legislation establishing a national carbon pricing scheme, or Scheme, passed into law in November 2011. The Scheme was subsequently repealed with effect from July 1, 2014. The overall impact of the Scheme for the period prior to July 1, 2014 was approximately A$12 million per annum on Gold Fields Australian operations (including the Yilgarn South Assets). See Information on the Company Environmental and Regulatory Matters Australia Environmental.

A carbon tax has been mooted in South Africa for some time, with the most recent indication of the government s resolve to introduce the tax being the announcement, by the Minister of Finance in his 2015 Budget Speech, of the South African Treasury s intention to release draft carbon tax legislation for public consultation during the first half of 2015 with a view to the implementation of the tax by mid-2016. At this time it is not possible to determine the ultimate impact of the proposed carbon tax on the Company. 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. Inconsistency of regulations particularly between developed and developing countries may affect both Gold Fields decision to pursue opportunities in certain countries and 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 adversely impact the business, operating results and financial condition of Gold Fields operations.

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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 illegal and artisanal miners could lead to depletion of mineral reserves, potentially affecting the economic viability of mining certain areas and shortening the lives of the operations as well as causing possible operational disruption, project delays, disputes with illegal miners and communities, pollution or damage to property for which Gold Fields could potentially be held responsible, leading to fines or other costs. Rising gold and copper prices may result in an increase in gold and copper thefts. The occurrence of any of these events could have a material adverse effect on Gold Fields business, operating results and financial condition.

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. 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. If there is a significant increase in the incidence of HIV/AIDS infection and related diseases among the workforce, this may have a material adverse effect on Gold Fields business, operating results and financial condition. See Directors, Senior Management and Employees Employees Health and Safety Health HIV/AIDS Program.

Additionally, the spread of contagious diseases such as respiratory diseases are exacerbated by communal housing and close quarters. 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 additional costs and compliance requirements 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 and health and safety laws, regulations, permitting requirements and standards. For example, Gold Fields is required to secure estimated mine closure liabilities. The funding methods used to make provision for the required portion of the mine closure cost liabilities, in accordance with in-country legislation, are as follows:

South Africa: contributions into environmental trust funds and guarantees;

Ghana: reclamation bonds underwritten by banks, and restricted cash;

Australia: due to legislative changes in Western Australia becoming effective in July 2014, companies are now required to pay an annual levy to the State of 1% of the total mine closure liability. This levy goes into a State-administered fund known as the Mine Rehabilitation Fund which will be used to rehabilitate legacy sites or sites that have been prematurely closed or abandoned; and

Peru: bank guarantees.

Gold Fields may in the future incur significant costs to comply with such environmental and health and safety 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 well as actions by authorities relating to environmental and health and safety matters, including mine closures, the suspension of operations and prosecution for industrial accidents as well as significant penalties and fines for non-compliance. 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.

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The principal health risks associated with Gold Fields mining operations in South Africa arise from occupational exposure and potential 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. Employees have sought and may continue to seek compensation for certain illnesses, such as silicosis, from their employer under workers compensation and also, at the same time, in a civil action under common law (either as individuals or as a class) as is the case with the silicosis individual and class action lawsuits. Such actions may also arise in connection with the alleged incidence of such diseases in communities proximate to Gold Fields mines.

A consolidated application has been brought against several South African mining companies, including Gold Fields, for certification of a class action on behalf of current or former mineworkers (and their dependants) who have allegedly contracted silicosis and/or tuberculosis, while working for one or more of the mining companies listed in the application. The certification application will be heard in October 2015, and will be preceded by various legal technical applications and court processes. In addition to the class action, an individual silicosis-related action has been instituted against Gold Fields and one other mining company. See Information on the Company Legal Proceedings and Investigations Silicosis. If a significant number of such claims were suitably established against it, the payment of compensation for the claims and for any significant additional costs arising out of these issues could have a material adverse effect on Gold Fields business, reputation, operating results and financial condition.

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. 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 also 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 May and July 2014, the DMR imposed Section 54 work stoppage orders on Gold Fields South Deep operation following three fatalities at the mine, which led to the deferral of about 16,000 ounces of production. Gold Fields also embarked on a secondary support intervention which restricted access to certain parts of the mine, leading to the deferral of approximately 48,225 ounces of production in fiscal 2014 with knock-on effects in fiscal 2015. 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.

Gold Fields could incur significant costs as a result of pending or threatened litigation, which could have a material adverse effect on Gold Fields business, operating results and financial condition. See Information on the Company Legal Proceedings and Investigations Silicosis. Further, any new regulations, potential litigation or 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 and could have a material adverse effect on Gold Fields business, operating results and financial condition. See Information on the Company Environmental and Regulatory Matters Health and Safety.

To the extent that Gold Fields seeks to add to its reserve base through exploration, 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 exploration 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. To the extent that ore bodies are to be 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

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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.

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

Under South African and Ghanaian laws, respectively, Gold Fields South Deep, Tarkwa and Damang 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. 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.

Gold Fields continues to use all reasonable and practical measures to remove underground water to permit the routine safe functioning of South Deep. South Deep was issued with a water use licence in November 2011. Certain conditions and other aspects of the approved license were identified as requiring modification and an application to address these was submitted to the Department of Water Affairs and Sanitation, or DWAS, in February 2012. A further amended water use license application was submitted to the DWAS in November 2013, primarily to reflect the results of a re-assessment of expected water use requirements and a changing water balance. No response was received from the DWAS in relation to the 2013 amendment. In November 2014, an agreement was reached with the DWAS to withdraw the 2013 amendment and to submit an updated amendment during the second quarter of fiscal 2015. The new amendment will reflect a variety of water management projects and initiatives that were implemented during fiscal 2014 and that are planned for implementation in fiscal 2015 and 2016. A presentation was provided to the DWAS in March 2015 to appraise them of the proposed structure and content of the new amendment, prior to the planned re-submission in April or May 2015. Gold Fields expects to incur significant expenditure to achieve and maintain compliance with the license requirements at South Deep and other regulatory requirements.

Gold Fields is also implementing a water and environmental management strategy in an effort to satisfy the conditions of its water use license and other relevant water and environmental regulatory requirements. However, there can be no assurance that Gold Fields will be able to meet all of its water and environmental regulatory requirements, primarily due to the inherent uncertainties related to certain requirements of the legislation, which are subject to ongoing discussions between government and the mining industry through the Chamber of Mines.

Any failure on Gold Fields part to achieve or maintain compliance with the requirements of its water use 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 legislative requirements or results in additional operating or closure cost liabilities.

Acid mine drainage, or AMD, and acid rock drainage, or ARD (collectively called acid drainage, or AD), are caused when certain sulphide minerals in rocks are exposed to oxidizing conditions (such as the presence of oxygen, combined with water). AD can occur under natural conditions or as a result of the sulphide minerals that are encountered and exposed to oxidation during mining or during storage in waste rock dumps, ore stockpiles or tailings dams. The acidic water that forms usually contains iron and other metals if they are contained in the host rock.

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AD generation, and the risk of potential long-term AD issues, specifically at Gold Fields Cerro Corona and South Deep mines, is ongoing. Immaterial levels of surface AD generation also occur at Gold Fields Tarkwa, Damang and St. Ives mines. Any AD which is currently generated is contained on Gold Fields property at all operations where it occurs and is managed as part of each mine s operational water management strategy. The relevant regulatory authorities are also kept appraised of the Group s efforts to manage AD through various submissions and other communications.

Gold Fields continues to investigate technical solutions at both its South Deep and Cerro Corona mines to better inform appropriate strategies for long-term AD management (mainly post-closure), as well as to work towards a reliable cost estimate of these potential issues. None of these studies have allowed Gold Fields to generate a reliable estimate of the total potential impact on the Group. In addition, there can be no assurance that Gold Fields will be successful in preventing or managing long term potential AMD issues at these operations.

Gold Fields mine closure cost estimate (namely environmental rehabilitation provisions) for fiscal 2014 contains the aspects of AD management (namely tailings facilities, waste rock dumps, ore stockpiles and other surface infrastructure), which Management has been able to reliably estimate.

No adjustment for any effects on the Company that may result from potentially material (mainly post-closure) AD impacts at South Deep and Cerro Corona, has been made in the consolidated financial statements, other than through the Group s normal environmental rehabilitation provisions.

The existence of material long-term AD 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, 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 current native title claims. For example, a number of mining tenements held by St. Ives are the subject of an ongoing native title claim brought by the Ngadju People, or the Ngadju Native Title Claim. In July 2014, the Federal Court of Australia, or the Federal Court, held that the re-granting of certain of St. Ives tenements in 2004 by the State of Western Australia was not compliant with processes set out in the Native Title Act 1993 (Cth), or Native Title Act, and that the re-granted tenements were therefore invalid to the extent the exercise of rights under the tenements is inconsistent with the Ngadju People s native title rights. Gold Fields announced on December 12, 2014 that an appeal had been lodged against the decision. See Information on the Company Legal Proceedings and Investigations Ngadju Native Title Claim. 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 such as the Ngadju Native Title Claim 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, 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.

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

Gold Fields utilizes and is reliant on various information technology and communications systems, in particular SAP, payroll and time and attendance applications. Damage or interruption to Gold Fields information

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technology and communications systems, whether due to accidents, human error, natural events or malicious acts, may lead to important data being irretrievably lost or damaged, thereby adversely affecting Gold Fields business, prospects and operating results.

Gold Fields has provided certain guarantees on notes issued by Gold Fields Orogen Holding (BVI) Limited. If Gold Fields were to become obligated to make payments under these guarantees, its operating results would be materially and adversely impacted.

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.

On March 12, 2015, Orogen launched a consent solicitation process seeking to obtain a consent from the holders of the Notes to, among other things, the release of Sibanye Gold as Guarantor of the Notes, or the Consent Solicitation. A meeting of Note holders seeking to approve the Consent Solicitation was held on April 7, 2015 and was adjourned due to lack of a quorum to April 22, 2015. There can be no guarantee that the Consent Solicitation will be approved and that Sibanye Gold will be released as Guarantor of the Notes. If the Consent Solicitation is not approved, Sibanye Gold will continue to be a Guarantor of Notes and the Indemnity Agreement will remain in place. If Gold Fields or the other Guarantors were to become obligated to indemnify Sibanye Gold, it could have a material adverse effect on Gold Fields business, operating results and financial condition.

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.

Our high debt levels pose risks to our viability and may make us more vulnerable to adverse economic and competitive conditions, as well as other adverse developments.

Gold Fields carries significant debt relative to its shareholder equity. As of December 31, 2014, Gold Fields consolidated debt was approximately $1.91 billion. Approximately $0.79 billion of Gold Fields consolidated debt securities come due over the 36 months following the date of this annual report.

Gold Fields significant levels of debt can adversely affect it in several other respects, including:

- limiting its ability to access the capital markets;
- exposing it to the risk of credit rating downgrades, which would raise its borrowing costs and could limit its access to capital;
- hindering its flexibility to plan for or react to changing market, industry or economic conditions;
- limiting the amount of cash flow available for future operations, acquisitions, dividends, or other uses;
- making it more vulnerable to economic or industry downturns, including interest rate increases;

increasing the risk that it will need to sell assets, possibly on unfavorable terms, to meet payment obligations; or

increasing the risk that it may not meet the financial covenants contained in its debt agreements or timely make all required debt payments.

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The effects of each of these factors could be intensified if Gold Fields increases its borrowings. Any failure to make required debt payments could, among other things, adversely affect Gold Fields ability to conduct operations or raise capital, which could have a material adverse effect on Gold Fields business, operating results or financial condition.

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.

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. 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 only if certain conditions are met.

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

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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 and the Board of Directors discretion to declare cash dividends or other similar payments, dividends 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 CMA. 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.

Shareholders equity interests in Gold Fields will be diluted to the extent of future exercises or settlements of rights under the Gold Fields Limited 2012 Share Plan, the Gold Fields Limited 2005 Share Plan, and any additional rights. See Directors, Senior Management and Employees The Gold Fields Limited 2012 Share Plan and Directors, Senior Management and Employees The Gold Fields Limited 2005 Share Plan . Gold Fields shares are also subject to dilution in the event that the Board is required to issue new shares in compliance with BEE 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 involved in underground and surface gold and copper mining and related activities, including exploration, development, extraction, processing and smelting. Gold Fields also has an interest in a platinum group metal (and associated by-product metals) exploration project in Finland (currently earmarked for divestment). See Information on the Company Planned Disposals .

In 2014, Gold Fields South African, West African, Australasian and American operations produced 9%, 32%,45% and 14% of its total gold production, respectively. Gold Fields South African operation is South Deep. Gold Fields also owns the St. Ives mine, the Agnew mine and the Yilgarn South Assets 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 99.53% 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, 2014, Gold Fields reported attributable proven and probable gold and copper reserves of approximately 48.1 million ounces of gold and 620 million pounds of copper, as compared to the 48.6 million ounces of gold and 708 million pounds of copper, reported as of December 31, 2013. See Reserves of Gold Fields as of December 31, 2014 Methodology .

In fiscal 2014, Gold Fields processed 33.513 million tonnes of ore and produced 2.294 million ounces of gold equivalent ounces. On an attributable basis, Gold Fields produced 2.219 million ounces of gold equivalent ounces.

Competitive Position

Gold Fields is a producer of gold and major holder of gold reserves in South Africa, Australia, Ghana, 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 and 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 6.25, 4.85, 4.44 and 2.22 million ounces, respectively, in 2014 and together accounted for approximately 18% of the total global gold production for the year, according to the information provided by the companies and industry reports.

Based on fiscal 2014 production, the first, second and third largest gold producers in the world were Barrick Gold, Newmont Mining and AngloGold, respectively. According to publicly available sources, at March 16, 2015, Barrick Gold had 16 operations in eight countries, Newmont Mining had eight operations in four countries and AngloGold had 20 operations in 10 countries. In fiscal 2014, Gold Fields was the seventh largest gold producer in the world.

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. In order to maintain

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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, 2013

Since the end of fiscal 2013, the following significant events have occurred:

On March 20, 2014, Gold Fields completed the sale of the Talas Copper-Gold Project to Robust Resources Limited. See Gold Fields Mining Operations West Africa Operations Talas Copper-Gold Project . On July 24, 2014, Gold Fields also disposed of its investment in Yanfolila. On August 19, 2014, Gold Fields disposed of its 51% stake in the Chucapaca exploration project in southern Peru. See Operating and Financial Review and Prospects Overview Disposal of Chucapaca and Operating and Financial Review and Prospects Overview Disposal of Yanfolila .

On March 12, 2015, Gold Fields announced the Consent Solicitation. A meeting of Note holders seeking to approve the Consent Solicitation was held on April 7, 2015 and was adjourned due to lack of a quorum to April 22, 2015. See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources U.S.$1 billion Notes Issue .

Planned Disposals

During fiscal 2013, Gold Fields decided to disband the Growth and International Projects, or GIP, division. As part of this restructuring, Gold Fields identified and earmarked for divestment growth projects that were not aligned with the Group s business objectives. Projects earmarked for divestment include the Arctic Platinum Project in Finland and Woodjam in Canada.

The Spin-off

See Operating and Financial Review and Prospects Overview The Spin-off .

Organizational Structure

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

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Group Structure[1][2]

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Notes:

(1) As of April 7, 2015, 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.

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.

Strategy

General

The transformation of Gold Fields has its roots in CEO Nick Holland s keynote address to the Melbourne Mining Club in August 2012. During this speech, he challenged the gold mining industry to reinvent itself with a more credible case for gold mining equities, by addressing investor perceptions prevailing at the time, that, collectively, they were not offering sufficient leverage to the then-high gold price.

Gold Fields response to this challenge in the second half of fiscal 2012 was to adopt an ambitious and ongoing transformation process aimed at turning itself into a focused, lean and globally diversified gold mining company that generates meaningful free cash flow and provides investors with superior leverage to the price of gold. At the same time, our ability to generate cash enables us to meet the legitimate socio-economic demands of many of our other stakeholders, in line with our vision of leadership in sustainable gold mining.

At its core, this process entails a shift away from a focus on the pursuit of growth in production and reserve ounces at any cost, and the adoption of a new focus on growing its margins and improving free cash flow per ounce.

This fundamental shift in strategy was embodied in Gold Fields overarching objective of achieving a 15% FCF Margin at a gold price of US$1,300/oz, which has become the guiding principle for what it does, and is germane to the progressive transformation that the Group has seen over the last two and a half years.

The early adoption of the Group s focus on improving cash flow proved to be beneficial to the Group by providing it with an inbuilt safety cushion that is able to withstand lower gold prices, especially when the gold price declined significantly early in fiscal 2013 and again in fiscal 2014.

The trade-off between production volumes and production quality inherent in the Group s strategy has resulted in its adoption of a number of supporting and complementary strategies, first reported on in its 2013 Integrated Annual Review. Progress on these is outlined below:

Focus on what the Group is good at

The philosophical orientation guiding Gold Fields transformation journey is to focus on those activities that it is good at. Following a process of serious analysis and introspection, the Group came to the conclusion that its core competencies are the operation of mechanized mines, mergers and acquisitions and brownfields (or near-mine) exploration.

One area in which the Group has been less successful is greenfields exploration and in taking projects from initial discovery through construction into production. Despite having spent in excess of U.S.$1 billion on greenfields exploration since the founding of the modern Gold Fields in 1998, and having had some of the best exploration professionals in the business, Gold Fields has never taken a single project through this entire process. This demonstrates how elusive greenfields exploration success can be.

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In fact, Gold Fields entire portfolio of current operating assets has been acquired. In contrast to its lack of success with greenfields exploration, the Group has been very successful at brownfields exploration, in particular at its orogenic-style assets in Australia and at Damang in Ghana. As a consequence of this outcome, the Group made the difficult decision to stop greenfields exploration as the key driver of growth, and to focus instead on acquisitions and brownfields exploration. Salares Norte in Chile which is a project in resource development, is a product of greenfields exploration but has since graduated up the maturity ladder and continues to be an active project. The Group therefore disbanded its GIP division in late fiscal 2013, and refocused its growth efforts on mergers and acquisitions and brownfields exploration. The Group s growth strategy and philosophy is discussed in more detail below.

With respect to operating mines, the Group concluded early in fiscal 2012 that its core competency lay in the operation of mechanized mines rather than in hard-rock, deep-level, labor intensive mining that characterized the KDC and Beatrix mines in South Africa, which at that time formed part of the Gold Fields portfolio. In late fiscal 2012, the Group therefore decided to separate those assets from Gold Fields by creating Sibanye Gold Limited under a new, focused management team. Gold Fields remaining portfolio is one that comprises mechanized operations throughout the world.

Fit-for-purpose corporate, regional and operational structures

The transformation of Gold Fields, combined with its relentless focus on cash generation, necessitated the implementation of fit-for-purpose corporate, regional and operational structures in which managers and employees are encouraged to act as dynamic, engaged owners, and are rewarded for doing so.

In response, the Group devolved full operational accountability for sustainable cash generation to its regions, supported by appropriate resourcing of its management teams at the different levels in the organization. Inevitably, there was a corresponding rationalization of the Group s corporate office functions, mainly housed at the Group s head office in Johannesburg, which now only focuses on a relatively narrow set of strategic and Group activities.

During fiscal 2014, the Group s new corporate, regional and operational structures were further bedded down and entrenched throughout its operations, including in the South Africa Region. As a result, Gold Fields now enjoys a cost-effective, focused, flexible and fit-for-purpose management structure that is appropriate to both its size and its strategic priorities.

Focus on cash generation and free cash flow margin, not ounces for ounces sake

Cost containment is a critical pillar of Gold Fields cash-generating strategy and the Group made considerable progress, as reflected in the 17% decline in its AIC per ounce during fiscal 2014. This was on top of a 15% decline in AIC during fiscal 2013, bringing cumulative cost reductions between fiscal 2012 and fiscal 2014 to 29%. A number of initiatives were pivotal in achieving the lower cost base, namely:

- The cessation of marginal mining at various operations;
- The restructuring and rightsizing of the Group s corporate regional and operational structures;
- An 8% reduction in the Group s global workforce (equivalent to 1,309 employees and contractors) during fiscal 2014, which is in addition to the 711 employees and contractors that left the Group in fiscal 2013;
- The rationalization and prioritization of capital expenditure and the deferral of non-essential capital, while managing the sustainability of our mines;
- The cancellation of near-mine growth projects that demonstrated inadequate returns;

The disbandment of the Group s GIP division; and

General cost savings driven by ongoing business process re-engineering, or BPR.

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During fiscal 2014, these efforts continued with a view to protecting the Group s margins in the current low gold price environment. Effective cost management is also expected to prove beneficial to the Group s margin when the gold price eventually recovers, as it is expected to.

In addition to the focus on operational cost containment, the Group took the decision to scale down its involvement in activities which are typically the domain of larger, industry-leading companies. The Group no longer aspires to be a pioneer of research and development in areas such as technology, but to be fast adopters of best practice. This has helped the Group to reduce the costs of developing and applying cutting-edge practices, while still ensuring that it is able to leverage their benefits. A noticeable exception is at South Deep, where Gold Fields is continuing to invest heavily in the training of mechanized mining skills, of which there is a critical shortage in South Africa.

Furthermore, the Group has scaled back its participation in a wide range of professional and industry bodies which in the past inflated its corporate costs as well as its general and administrative expenditure. One example of this is the Group s cancellation of its membership of the World Gold Council. During fiscal 2014, the Group reduced its overall corporate costs to approximately U.S.$10 per ounce, which is among the lowest in the industry.

Protecting the long-term sustainability of the Group s ore bodies

One of the serious risks associated with a low gold price environment and the attendant rationalization, prioritization and deferral of scarce capital is that producers may be tempted to engage in practices that may have a short-term beneficial impact on cash flows, but that have a potentially devastating effect on the long-term sustainability and integrity of their ore bodies. Regrettably, evidence of this is starting to emerge throughout the industry in the form of high-grading as well as excessive cutbacks in brownfields exploration, stripping and ore reserve development.

To ensure that its business has a strong future, the Group has made continued exploration and development of its underground and surface ore bodies a strategic priority. These are among the last activities that the Group would cut in a sustained low gold price environment.

In addition, Gold Fields strategic objective of generating a sustainable free cash flow margin of at least 15%, at a planning gold price of U.S.$1,300 per ounce, provides it with an inbuilt safety cushion that is able to withstand a drop in gold prices. Included in this price are the costs associated with maintaining the integrity of the Group s ore bodies. Should prices go down to levels of around U.S.$1,100/oz or lower for a sustained period of time, the Group would be looking at a new operating and planning protocol for these lower prices to protect the integrity of its ore bodies.

The Group s strategic guidance to all of its mines is to mine at or below the reserve grades of their ore bodies and, when prices recover, to maintain and grow its margins rather than be lured by incremental increases in ounces produced.

A new paradigm in growth proactive portfolio management

Gold Fields new strategy has a direct bearing on its approach to growth. Not only does it mean that the Group must scrutinize every dollar spent on growth, it also defines the quality of the assets that it seeks to acquire.

In essence, it means that the Group can no longer afford the capital and time-intensive greenfields exploration-led growth strategy of prior years, hence the disbandment of the Group s GIP division in late fiscal 2013; the closing down of its greenfields exploration portfolio; and the disposal of projects in the Group s portfolio that were not aligned with its overarching group objective, including the Chucapaca and Yanfolila projects in Peru and Mali, respectively.

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The projects remaining in the Group s portfolio are the Woodjam Project in British Columbia, Canada, and the Arctic Platinum Project in Finland, which are earmarked for disposal. The Group also still holds the Far Southeast, or FSE, Project in the Philippines and the Salares Norte Project in Chile, both of which the Group intends to retain in its portfolio in recognition of the embedded value in these assets. See Information on the Company Developments Since December 31, 2013 Planned Disposals , Information on the Company Gold Fields Mining Operations Australasia Operations Far Southeast Scoping Study , and Information on the Company Gold Fields Mining Operations Salares Norte and Piedra .

To replace its previous exploration-led approach to growth, the Group has adopted a more opportunistic acquisition approach. All new opportunities must meet the following main criteria:

- They must be in production and improve the quality of the Group s portfolio on a free cash flow per ounce basis; and
- They should be located in or near the Group s existing regions, in well-understood, stable countries that offer favorable regulatory regimes, and that offer near-mine growth potential and/or synergies with the Group s existing operations or regional structures.

These criteria mean that in future, the Group s growth portfolio will be premised on a larger number of smaller, higher quality and lower-cost mines that offer immediate cash flow benefits. Management believes that the Group s acquisition of the Yilgarn South Assets in Western Australia in October 2013 provides the benchmark in this regard.

Central to the Group s new growth strategy is the adoption of an active portfolio management approach to the management of all of the assets in its portfolio as well as any future projects that it may consider acquiring.

This requires an ongoing strategic review of all assets in the portfolio as well as potential acquisition targets with a view to improving the quality of the Group s overall portfolio. It implies that the Group is prepared to trade existing assets for better, new assets, if they are expected to improve the quality of its portfolio.

Gold Fields is comfortable with its corporate structure, which is defined by its limited red tape and which does not have too many levels of hierarchical responsibilities. The Group believes that its size makes it more flexible and nimble. The Group currently has eight operating mines and conceptually, management would ideally like to add two more mines to its portfolio in the short to medium term.

Innovation, up-skilling and mechanization

The transformation of Gold Fields into a mid-tier producer has clearly had a profound impact on the profile of the Group s workforce. The most obvious, and painful, impact has been the need to reduce the number of employees to bring down the Group s cost base to a more sustainable level. This process started in fiscal 2013, when 711 employees were made redundant, and continued in fiscal 2014 with 1,309 retrenchments, or 8% of our total workforce, mostly at its mines in Ghana and at South Deep. With 8,954 employees and 6,486 contractors on its books at the end of fiscal 2014, management believes that the Group s human resource base is now close to where it should be in terms of numbers.

However, Gold Fields transformation has also required a different set of skills. The profile of the Group s employees at its operations in Australia, Peru and Ghana by and large meets its skills requirements, and is supported by the continued development and training of its workforce.

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At South Deep, Gold Fields is pioneering mechanized gold mining on a scale and depth not previously seen in South Africa, and the success of the operation is largely dependent on its people. The Group s strategy is to grow its own people through focused internal training efforts and to recruit the best local mechanized mining skills to supplement the existing talent pool. During fiscal 2014, Gold Fields spent around U.S.$13.4 million globally on training and developing its employees.

A significant effort has been made to introduce international best practice standards at South Deep. In addition to its existing mechanized mining training center, the Group also brought over an experienced team from its mines in Australia to transfer skills and mine management is starting to collaborate with the South African platinum industry in setting training baselines for mechanized mining. The Group has also recruited new leadership from the successful Two Rivers mechanized underground platinum mine.

Collaborative value creation at the national and community level

Mining, when executed responsibly, is a significant force for sustainable growth. The Group s investment has significant multiplier effects on employment, livelihoods and the national economy. This value creation impacts a wide range of stakeholders, including employees, host governments, host communities, businesses and suppliers as well as the providers of risk capital.

Management believes that the mining industry s ability to create and distribute value could be significantly enhanced if it worked more closely with governments, trade unions and communities in boosting mining economies. In fiscal 2013, CEO Nick Holland alluded to efforts to grow the mining pie that would enable all stakeholders to receive a greater share of the wealth created by mining.

Management remains of the view that this will only be achieved through strong partnerships with all stakeholders, supported by stable fiscal, legislative and regulatory environments and underpinned by recognition of the full costs and benefits of mining. As a committed corporate citizen in all the jurisdictions in which it operates, the Group is willing to play its role in these partnerships.

Entire communities are directly and often exclusively dependent on the sustainability and growth of the mining sector and one of the biggest challenges facing mining companies is addressing what is known as the social license to operate , namely the building of relationships and trust with host communities. While the consequences of not obtaining this social license may not always be dramatic, there is potential for operational disruption or even project delays and cancellations.

It takes substantial time, effort and resources to establish and maintain a strong social license to operate and, once it is lost, it is very hard to regain. Furthermore, Gold Fields ability to grow through the expansion of existing mines and the development of new projects as and when deemed appropriate, will be determined by its ability to win the trust of communities in its areas of interest. See Risk Factors Mining companies are increasingly required to operate in a sustainable manner and to provide benefits to affected communities. Failure to comply with these requirements can result in legal suits, additional operational costs, investor divestment and loss of social licence to operate , which could adversely impact Gold Fields business, operating results and financial condition .

While the Group has always invested heavily in communities through its corporate social investment programs, in fiscal 2013 it committed to a different strategy for community-level value creation, namely the creation of Shared Value . This means pursuing mine-level business strategies that not only generate positive socio-economic impacts but that also enhance the value of the Group s business. During fiscal 2013, the Group implemented three Shared Value projects, focusing on local procurement, mathematics and science skills and water supply and quality. A range of new, value-creating projects are currently being rolled out.

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The Group s strategic priorities for fiscal 2015

During fiscal 2015, Gold Fields will continue to build on the strategies that it has implemented and rolled out over the past two years. The five strategic priorities for fiscal 2015, which reflect this continued focus, are:

- South Deep the Group s top priority;
- Cash flow and margin making money at current prices;
- Making dividend payments of between 25% and 35% of normalized earnings;
- Balance sheet reducing the net debt to EBITDA ratio to 1.0 times by the end of 2016; and
- Growth (in the form of brownfields exploration and opportunistic, value-accretive acquisitions).

These priorities support Management s long-term Vision for Gold Fields, namely global leadership in sustainable gold mining.

The sustainability of the Group s business is intended to be ensured by understanding the links between all the inputs and outputs of its operations, enabling management to maximize the benefits for all stakeholders and reduce the risk to the business. Integrated thinking, which is defined by the SA Institute of Chartered Accountants as ensuring the long-term sustainability of organizations through the sustained creation of value for all stakeholders , underpins this approach.

Management believes that integrated management of the Group is ensured through four key performance areas that the Group will be focusing on in the years ahead to ensure that integrated thinking is further entrenched in its business. These are: business optimization; people; finance; and the social license to operate. These broad performance areas will inform how the Group measures the business performance of its senior managers and will determine these managers annual bonus payments.

Redefining growth

Management believes that growth at Gold Fields is not just a matter of increasing the Group s mineral reserves or of boosting its production profile, but about growing cash flow per ounce and per share in the medium- and long-term.

A strategic shift towards quality

In this context, Gold Fields immediate growth strategy is to generate growth in both reserves per share and in sustained cash flow margin per ounce through a process of Active Portfolio Management . In fiscal 2014, this resulted in:

- The cessation of all early greenfields exploration activity;
- Refocusing from greenfields exploration to low-risk near-mine exploration and cash-generative acquisition opportunities that are aligned with Gold Fields core competencies; and
- The disposal of growth projects that are marginal, located in high-risk locations and/or are primarily focused on metals other than gold.

This has resulted in a short-term reduction in Gold Fields mineral resources in fiscal 2014. In the past, this would have been a cause for concern. In light of the Group s new focus, however, it is not only acceptable but to be expected that every new ounce Gold Fields brings into production should directly support the delivery of superior returns to current and future shareholders and the upgrading of its existing portfolio. It is the starting point for a truly cash-generative growth pipeline that is well-aligned with Gold Fields current and long-term business priorities.

Beyond this, the Group intends to, over the next two to three years:

Continue to apply Active Portfolio Management , including through the application of stringent hurdle rates for all new growth opportunities and the disposal of its non-franchise assets;

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Try to repeat the successful integration of the Yilgarn South Assets by pursuing further opportunistic, bolt-on mergers and acquisitions where these offer immediate cash generation and strategic alignment;

Fund growth through equity financing, alternative financing or the disposal of existing projects, rather than through an exclusive focus on debt funding if possible; and

De-risk new growth opportunities through technical or financial partnerships with other companies.

Reflecting these priorities, in fiscal 2014 Gold Fields:

Did not invest any funds in greenfields exploration;

Increased its near-mine exploration (Damang & Australia) spend by 81% to US$58 million (2013: US$32 million);

Reduced its total growth-related expenditure by 78% to US$36 million (2013: US$162 million), of which the bulk was spent on the Salares Norte Project in Chile; and

Raised US$107 million in cash or shares through the disposal of its holding in the Chucapaca project in Peru, excluding future royalty contributions, the Yanfolila Project in Mali and the Talas Project in Kyrgyzstan.

In line with the major organizational restructuring process initiated in fiscal 2013, Gold Fields has consolidated its growth portfolio, including through the selection of appropriate acquisition targets and the disposal of assets, under the Group s corporate development department to ensure its alignment with strategic objectives. All other growth-related activities, including day-to-day management of projects, fall under the responsibility of Gold Fields regional operations, in order to leverage their local expertise, management capabilities and infrastructure.

Active Portfolio Management

Gold Fields Active Portfolio Management approach is based on the assessment of all existing assets, near-mine exploration opportunities and acquisition targets against three key criteria:

The right address , namely growth opportunities located in stable, mining-friendly operating environments in the Group s existing regions that pose only limited potential barriers to successful project execution and profitable future production;

Gold focus , namely growth opportunities that are well-aligned with Gold Fields core competency, including the identification, development and extraction of gold-bearing ore bodies. As such, over 50% of future output needs to be gold; and

Commercial sustainability , namely growth opportunities that can ultimately offer a 15% free cash flow margin at a gold price of US$1,300/oz and add value to its portfolio.

The ultimate aim of this approach is to improve the quality of Gold Fields portfolio on an ongoing, long-term basis. To this end, Gold Fields disposed of a number of growth assets that failed to meet these three criteria. Nonetheless, two growth assets were found to be of sufficient quality to justify their retention, namely the Salares Norte project in Chile and the Far Southeast Project in the Philippines.

An integrated approach to growth

As with production, Gold Fields integrates sustainability into all of its growth activities. This is due to its:

Desire to be seen, as a result of its actions, track record and stakeholder relationships, as the partner of choice for host governments, local communities and peer companies; and

Recognition that the success or failure of major growth projects (as well as the sale value that they can command) increasingly depends on how well companies can manage sustainable development issues, particularly relationships with host communities.

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Gold Fields integrated approach to growth is driven by the management team at each of its regional operations, in line with Group-level standards. This ensures a consistent approach towards integrated growth management, while also allowing requisite flexibility for locally-appropriate and project-specific decision making. In this context, Gold Fields regional growth teams continue to:

- Apply Group-level best-practice sustainability standards (tailored to suit local circumstances) across all growth projects;
- Apply integrated risk management to all growth activity, covering financial, technical, political, social and environmental issues and dynamics likely to influence project success;
- Integrate the creation of Shared Value into core project development activities from the very start;
- Work with Group sustainability and risk management experts to ensure the smooth transition of growth opportunities through the project lifecycle; and
- Implement comprehensive crisis management plans across all growth projects.

The Group s regional growth teams are supported in this respect by Group-level guidance based on international best practice. This includes:

- The ISO 14001- and OHSAS 18001-certified Environment, Health and Safety Management System;
- Gold Fields Community Policy;
- Gold Fields Community Relations Handbook;
- Gold Fields Community Relations and Stakeholder Engagement Guidelines; and
- Gold Fields Shared Value strategy.

By building in the highest standards from the start, the Group s regional growth teams aim to ensure that good-practice operational management is built into the DNA of any new mines that may ultimately be delivered, as is the case for the Group s existing operations. These practices are also intended to give purchasers of Gold Fields growth assets confidence that potential legacy issues have been identified and responsibly managed from inception to disposal. This is an increasingly important factor as it is a growing trend that projects have their social liabilities factored into their pricing.

Earning and maintaining a social license to operate

The value offered by an integrated approach to growth is most apparent with respect to the securing and maintenance of a strong political and social license to operate. Indeed, companies social license to operate can, in many jurisdictions, be the key determinant of project success. This is true both in higher-risk, frontier operating environments, as well as in the kind of better-established, lower-risk growth environments that Gold Fields is increasingly targeting.

Gold Fields places strong emphasis on getting it right from the start in respect of projects that it wishes to pursue. This means operating in a way that generates trust and confidence amongst local stakeholders, and ensuring that each project has the kind of early political and social backing

that will ultimately support its long-term execution and operation.

One of the advantages of Gold Fields strategic refocusing on near-mine exploration is that there is generally support for mine regeneration and expansion within its existing local communities. This is because these communities are often directly or indirectly economically reliant on the continued and profitable operation of Gold Fields mines.

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Gold Fields approach to growth-focused stakeholder engagement is based on its Community Relations Handbook and Guidelines, which are aligned to the AccountAbility AA 1000 principles of inclusivity, materiality and responsiveness. This includes extensive and ongoing engagement with, among others, local community members, local traditional representatives, local and national government officials, as well as local and national non-governmental organizations, or NGOs. More specifically, this approach is supported by the installation of community relations experts at each project, ongoing stakeholder mapping, analysis and monitoring, as well as detailed risk analysis and the implementation of effective risk management action plans.

Some of Gold Fields key interactions between its regional growth teams and local stakeholders in 2014 include those relating to:

- Water availability and access for the Salares Norte project, which is located in an arid, relatively unpopulated part of the Atacama region of Chile. A formal water rights application was made to the local authorities in the first quarter of fiscal 2014;
- The finalization of an officially-recognized agreement for the Free, Prior and Informed Consent, or FPIC, of the Kankana-ey community for the progression of the FSE Project in the Philippines;
- The signing of a memorandum of agreement with the Kankana-ey communities and the passing of a resolution in favour of granting Gold Fields an FTAA license by the Kankana-ey people s elders in February 2015;
- The creation of local value at the FSE project, including capacity-building for local community members. This is to ensure they are able to positively contribute to this process and benefit from its outcomes as the project develops; and
- Ongoing engagement with local indigenous groups at the Agnew/Lawlers, Granny Smith and St Ives mines in Australia regarding land access for near-mine drilling and the protection of cultural heritage.

Aside from supporting its own growth activities, a proactive sustainability approach also supports Gold Fields ability to divest itself of unsuitable growth projects a key issue in the context of Active Portfolio Management. Project divestment can place particular pressure on relations with local communities, due to frustrated expectations around employment creation and revenue generation, as well as Gold Fields withdrawal from hard-won stakeholder relationships.

In this context, the company s regional growth teams actively work with community relations specialists to explain the transition process, mitigate the impacts of the Group s withdrawal and honor its existing commitments. This helps to ensure Gold Fields can maintain the value of its divested assets by handing over a secure political and social license to purchasers. Furthermore, the company actively seeks out purchasers who will not undermine its own reputation through their subsequent operational standards and approach to stakeholder relations.

Gold Fields vision of global leadership in sustainable gold mining commits the company to:

- Maximize the enduring value from gold mining for all stakeholders;
- Understand and respond to the needs of stakeholders in a responsible manner;
- Represent a trusted and valued mining partner;
- Enhance the environments in which its activities take place, while limiting its negative impacts; and

Leave a positive legacy by creating shared value for all stakeholders.

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Gold Fields as an employer of choice

Gold Fields People Strategy aims to drive a high-performance culture across all operations. Despite the challenges posed by the current low gold price, Gold Fields remains committed to being an employer of choice. This means ensuring that employees:

- Receive market-aligned pay and benefits;
- Have access to a wide range of training and development opportunities;
- Work in a safe, productive and respectful environment; and
- Are acknowledged and recognized for their role in value creation.

In line with its new, cash-generative production profile and low-cost operating model, the Group has established a leaner, more efficient and better skilled workforce. This has driven increased emphasis on employee efficiency, accountability and rewards, and enhanced training for key personnel, with particular emphasis on further developing mechanized mining skills at South Deep.

The comprehensive restructuring of Gold Fields since fiscal 2013, in particular the Spin-off, has led to a significant reduction in the size of the Group s workforce but also to a change in the workforce profile, which now predominantly comprises labor-efficient mechanized mining skills.

These processes continued during 2014, driven by:

- The re-basing of production and development at South Deep;
- The integration of the Yilgarn South Assets, which included workforce rationalisation at Agnew/Lawlers; and
- The closure of Tarkwa s North Heap Leach facility and workforce restructuring at Damang.

The ongoing right-sizing of Gold Fields workforce has played an important role in ensuring the Group s long-term sustainability in the wake of continued cost pressures and supports the ability to generate free cash flow despite a very challenging gold price.

Following the reduction in its headcount, Gold Fields has focused on ensuring that employees and contractors are:

- Effectively deployed to operate efficiently and safely across the remaining production base;
- Incentivized in line with the company s sustainable cash-generation targets; and
- Equipped with the appropriate skills to achieve a world-class mechanized mining performance.

Government

As the issuers of mining licenses, developers of policy and overseers of regulation, host governments are among Gold Fields most important stakeholders. Engagement with national governments typically takes place on a collective basis through local chambers of mines. Gold Fields also regularly engages with regional regulatory authorities and municipal authorities in its host communities. It is Gold Fields policy not to provide financial contributions to political parties and lobby groups, unless explicitly approved by the Gold Fields Board of Directors.

It is natural and right that governments seek to maximize the social benefits that accrue from the extraction of scarce natural resources. As a matter of policy, Gold Fields fully complies with the fiscal and taxation regulations and laws of the countries it operates in, understanding that these fiscal contributions are critical to fund governments, its employees and public sector infrastructure and projects. Nonetheless, attempts to secure

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these benefits through higher levels of targeted taxation can, in the long-term, have the opposite effect. Indeed, the weak commodities market, including the low price of gold, is throwing into sharp relief just how damaging short-term attempts to secure a greater proportion of companies earnings can be. Mining investment is falling, new growth projects are being left undeveloped and existing projects are facing closure even without additional fiscal uncertainty. The implications for longer-term national and host community development are obvious.

Gold Fields generates significant value for all the societies in which it operates, some of which can be quantified and some which cannot. The Group recognizes that the payment of taxes, royalties, dividends and other sums to host governments is vital if national mineral wealth is to be converted into broad-based, sustainable development. In fiscal 2014, the Company s payments in this regard amounted to U.S.$194 million, compared to U.S.$380 million in fiscal 2013.

Compared to global norms, all of Gold Fields countries of operation enjoy relatively strong democratic governance standards and are considered to pose low to moderate corruption risks by third-parties. Furthermore, Ghana and Peru adhere to the Extractive Industries Transparency Initiative, or EITI. Collectedly, this helps Gold Fields payments to government actively contribute to broader socio-economic development in its host societies.

Gold Fields recognizes that not all of the value it creates at a national-level benefits its host communities. To address this deficit and to maintain its social licence to operate, Gold Fields implements a range of Socio-Economic Development, or SED, initiatives, in addition to community procurement and employment, in its host communities that focus on the key priorities in these communities. Gold Fields spent US$16 million on SED programmes in both fiscal 2014 and fiscal 2013.

Gold Fields is also implementing innovative Shared Value projects in local communities. These are sustainable projects that support Gold Fields own business objectives, whilst also generating positive socio-economic impacts for local people, whether in the form of skills transfers, enterprise development or employment creation.

Community relations

Overview

Many mining companies face increasing pressures over their social license to operate , namely the acceptance or approval of their activities by local stakeholders. While formal permission to operate is ultimately granted by host governments, the practical reality is that many operations also need the social permission of host communities and other influential stakeholders to carry out their operations effectively and profitably.

As such, Gold Fields believes it is important to both minimize the negative impacts that its operations have on local stakeholders, while maximizing the positive benefits. In current market conditions, which have the potential to curtail the ability of Gold Fields to deliver local benefits, active stakeholder engagement, in combination with the company s Shared Value development approach (set out below) is particularly important as it shifts the focus from spending to the actual social and business impacts.

In light of this, Gold Fields actively identifies and engages with the representatives of the following groups on a regular basis, both formally and informally:

Central and local government;

Informal community groups;

NGOs;

Organized labor; and

Local businesses.

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Such engagement is guided by, for example:

- Applicable legislation;
- South Deep s mandated Social and Labor Plan, or SLP;
- Gold Fields Community Policy and Guidelines (including the Community Relations Handbook).

These are aligned with a range of good international industry practice standards, including:

- The International Council on Mining and Metal s, or ICMM s, 10 Principles and Community Development Toolkit and Position Statement on Indigenous Peoples;
- The International Finance Corporation Performance Standards;
- The Equator Principles;
- The AA1000 Stakeholder Engagement Standard; and
- The ISO 26000 Social Responsibility Standard.

In the case of significant operational changes, relevant public consultation processes are also defined within our Environmental and Social Impact Assessments, or ESIAs.

The finalization of a summary version of the Community Relations Handbook, that will be accessible to all employees, was completed in early fiscal 2015.

Gold Fields requires that all its regional operations establish grievance mechanisms through which communities can voice their concerns and complaints with the Company, including on environmental issues.

Community value distribution

Despite its substantial economic impact on the national level, not all of Gold Fields contributions necessarily trickle down to host communities. In order to maintain its social license to operate, Gold Fields is committed to more direct initiatives focused on the delivery of benefits to host communities. These include, for example:

- Direct employment;
- Indirect employment;

Skills development;

Educational investment;

Health investment; and

Infrastructure support.

Such initiatives are supplemented by Gold Fields Shared Value projects.

The relatively low gold price and the restructuring of Gold Fields key operations has made maintaining historical levels of SED spending challenging. Furthermore, it is not yet clear whether SED spending is the most effective way in which to support long-term, sustainable community development.

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In this context, Gold Fields introduced Shared Value to the business in 2012, making it one of the earliest adopters of this approach. Taking a leadership role is integral to how Gold Fields implements Shared Value; the Company facilitates collaboration between multiple stakeholders to solve environmental issues such as water security, which have been identified as a community priority.

This Shared Value approach is based on four key pillars:

- Strategic interventions to proactively address socio-economic challenges that can drive community tensions, NGO activism or more restrictive regulation;
- The integration of business activities and the management of community relations to maximize contributions to host communities and realize business efficiencies;
- Participation in collaborative action with other stakeholders to address shared social challenges; and
- Transparency around Gold Fields economic contributions to its host societies, in line with the World Gold Council s guidelines on Responsible Gold Mining and Value Distribution .

Given the nature of the Shared Value approach, broad-based, meaningful stakeholder engagement plays a key role in ensuring that SED initiatives deliver well-recognized benefits for all involved.

Reserves of Gold Fields as at December 31, 2014

Methodology

Gold Fields is in the process of rebasing the production profile of its South Deep mine to ensure the best strategic value option for the asset is operationalized. This process involves comprehensive reviews, assessments, planning and simulation modeling for South Deep as it evolves from a mine-build project into a full production facility. The rebasing exercise remains a work in progress. Consequently, the December 31, 2014 Mineral Reserves for South Deep primarily reflect mining depletion of last year s figures except where material differences were encountered for technical or economic reasons, in which case suitably revised models and schedules were implemented.

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 7, only the reserves at each of Gold Fields operations, growth and advanced exploration projects as at December 31, 2014 which qualify as reserves for purposes of the SEC s Industry Guide 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, amended July 2009). 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, ore loss, mining recovery and other factors.

All of Gold Fields operations report reserves using cut-off grades or net smelter return cut-offs, or NSR, in the case of multi-metal deposits. Cut-off grade is the grade that distinguishes the economic material within an ore body that is to be extracted and treated from the remaining material. Cut-off grade is typically calculated using an appropriate metal price and the development, stoping, processing, general and administration and sustaining capital costs to derive a total cost per tonne. NSR is the net revenue (total revenue less production costs) that the owner of a mining property receives from the sale of the mine s metal products less transportation and refining costs. Modifying factors used to calculate the cut-off grades include adjustments to mill delivered amounts due to dilution and ore loss incurred in the course of mining, expected return on investment, and sustaining capital. Modifying factors applied in estimating reserves are primarily based on historical empirical information, but commonly incorporate adjustments for planned operational improvements. Tonnage and grade may include some

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mineralization below the selected cut-off grade to ensure that the reserve comprises blocks of adequate size and continuity to facilitate practical mining. Reserves also take into account operating cost levels as well as necessary capital and sustaining capital provisions required at each operation, and are supported by life of mine plans.

South Africa

At South Deep (except as noted above), the estimation of reserves is based on surface drilling, underground diamond drilling, surface three-dimensional reflection seismics, ore body facies modeling, structural modeling, underground mapping, detailed ore zone wireframes and geostatistical estimation. The reefs, which are sedimentary in nature and reflect extensive intra-basinal fluvial deposits, are initially explored by drilling from the surface on an approximately 500 meter to 2,000 meter grid. Once underground access is available, diamond drilling is undertaken on an approximate 30 meter to 90 meter grid, to provide the necessary ore body definition to support mine design and production scheduling.

The following sets out the drill spacing ranges used to classify the different categories of reserves at South Deep.

Reserve Classification	Sample Spacing Range Min/Max	Maximum Distance Data is Projected
	(meters)	
Proved	0 to 60	220
Probable	60 to 650	650

For proved reserves, the ore body must be fully destressed, with planned grade control diamond drilling designed at an approximate 50 meter by 50 meter grid spacing, depending on the accessibility for the diamond drill rigs. The destress mining extracts 2.2 meter high cuts that are generally mined horizontally at 17 meter vertical intervals, and it reduces the in situ rock stress from approximately 80 MPa to 30 to 40 MPa to facilitate bulk mechanized mining. Estimation is constrained within both geologically homogenous structural and defined facies zones, and is generally derived from either ordinary or simple kriged small-scale grids.

For 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 reef elevations and key stratigraphic surfaces. Reserves classified as probable are generally adjacent to those classified as proved. Estimation is constrained within homogenous structural and facies zones, and is derived using a localized direct conditioning technique (used to derive recoverable block estimates) based on simple kriging.

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 and internal technical corporate review and external independent consultant review when deemed necessary. 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 sedimentary facies within each conglomerate horizon. These facies are extrapolated along palaeocurrent and grade trends into new, undeveloped areas taking into account inherent proximal to distal depositional relationships and 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 meter grid of reverse circulation

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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. Advance grade control drilling is employed in certain areas to provide detailed estimation to greater depths than normal grade control drilling where information is required to confirm structural and grade trends.

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, rock hardness and structures.

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, geotechnical and geometallurgical purposes. Infill drilling programs are usually conducted using both diamond drilling and reverse circulation, depending on the resolution required. Grade control drilling programs use reverse circulation.

Australia

At the Australian operations, the estimation of reserves for both underground and open pit operations is based on exploration and sampling information gathered through appropriate techniques, primarily from diamond drilling, reverse circulation drilling, air-core and sonic drilling techniques. 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 10 meters by 10 meters up 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 the Australian operations, 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. The blast hole rock chips are used as grade control samples and are drilled on an average 5.5 meter by 4.8 meter grid.

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Reserve Statement

As at December 31, 2014, Gold Fields had aggregate attributable proved and probable reserves of approximately 48.1 million ounces of gold and 620 million pounds of copper, as set forth in the following tables:

	Gold ore reserve statement as at December 31, 2014[1]									
	Proved reserves			Probable reserves			Total reserves			Attributable gold production in fiscal 2014[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]	13.25	5.9	2.496	191.65	5.3	32.400	204.90	5.3	34.896	0.18
Australia										
St. Ives	1.06	4.8	0.163	2.80	4.9	0.445	3.86	4.9	0.608	0.3
Granny Smith	0.67	7.1	0.154	3.73	5.8	0.698	4.41	6.0	0.852	0.3
Darlot				0.36	7.4	0.085	0.36	7.4	0.085	0.1
Agnew/Lawlers	0.26	8.9	0.074	3.30	7.4	0.786	3.56	7.5	0.860	0.3
Total Underground	**15.25**	**5.9**	**2.887**	**201.84**	**5.3**	**34.414**	**217.09**	**5.3**	**37.301**	**1.1**
Surface (Production Stockpile)										
South Africa										
South Deep										
Ghana										
Tarkwa	4.51	0.7	0.106	53.97	0.4	0.694	58.49	0.4	0.800	
Damang				3.48	0.8	0.092	3.48	0.8	0.092	
Australia										
St. Ives	4.50	1.0	0.147				4.50	1.0	0.147	
Granny Smith	0.10	6.5	0.020				0.10	6.5	0.020	
Darlot										
Agnew/Lawlers	0.06	2.6	0.005				0.06	2.6	0.005	
Peru										
Cerro Corona	3.82	0.8	0.101				3.82	0.8	0.101	
Surface (Open Pit)										
Ghana										
Tarkwa	69.91	1.3	3.028	71.75	1.3	2.913	141.66	1.3	5.941	0.50
Damang[4]	1.56	1.5	0.078	18.09	1.6	0.942	19.64	1.6	1.019	0.16
Australia										
St. Ives[4]	0.02	3.9	0.003	9.46	3.4	1.045	9.48	3.4	1.048	0.11
Peru										
Cerro Corona	46.54	0.9	1.419	9.83	0.7	0.229	56.37	0.9	1.648	0.15
Total Surface	**131.02**	**1.2**	**4.907**	**166.58**	**1.1**	**5.915**	**297.60**	**1.1**	**10.822**	**0.92**
Grand Total	**146.27**	**1.7**	**7.794**	**368.42**	**3.4**	**40.329**	**514.69**	**2.9**	**48.122**	**2.03**
Totals by Mine										
South Deep[3]	13.25	5.9	2.496	191.65	5.3	32.400	204.90	5.3	34.896	0.18
Tarkwa	74.43	1.3	3.134	125.72	0.9	3.608	200.15	1.0	6.742	0.50
Damang	1.56	1.5	0.078	21.57	1.5	1.034	23.13	1.5	1.111	0.16
St. Ives	5.58	1.7	0.313	12.26	3.8	1.490	17.84	3.1	1.803	0.36
Granny Smith	0.77	7.0	0.174	3.73	5.8	0.698	4.50	6.0	0.872	0.32
Darlot				0.36	7.4	0.085	0.36	7.4	0.085	0.08
Agnew/Lawlers[4]	0.32	7.7	0.079	3.30	7.4	0.786	3.62	7.4	0.865	0.27
Cerro Corona	50.36	0.9	1.520	9.83	0.7	0.229	60.19	0.9	1.749	0.15
Grand Total	**146.27**	**1.7**	**7.794**	**368.42**	**3.4**	**40.329**	**514.69**	**2.9**	**48.122**	**2.03**

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 recovery factors are as follows: (i) South Deep 96.5%; (ii) Tarkwa 97.2%; (iii) Damang 92% to 93.5%; (iv) St. Ives 86% to 94%; (v) Agnew/

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Lawlers 94.3%; (vi) Granny Smith 92%; (vii) Darlot 95.9%; and (viii) Cerro Corona 51% to 70% for gold and 56% to 89% 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 operation has 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 420,000 per kilogram ($1,300 per ounce at an exchange rate of R10 per $1.00) was applied in valuing the ore reserve. For the Ghana operations, ore reserve figures are based on an optimized pit at a gold price of $1,300 per ounce. For the Australian operations, ore reserve figures are based on a gold price of A$1,370 per ounce (at an exchange rate of A$1.05 per $1.00). Open pit ore reserves at the Australian operations are similarly based on optimized pits and the underground operations on appropriate mine design and extraction schedules. The gold price used for reserves is lower than the three-year trailing average, calculated on a monthly basis, of the London afternoon fixing price of gold. For the Cerro Corona gold reserves, the optimized pit is based on a gold price of $1,300 per ounce and a copper price of $3.00 per pound, which, due to the nature of the deposit and the importance of net smelter returns, need to be considered together.

(c) 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 7.3%; (ii) Tarkwa 30 cm hangingwall and 20 cm footwall; (iii) Damang 17% to 20% (includes both planned and unplanned); (iv) St. Ives 20% (open pits) and 5% to 40% (underground); (v) Agnew/Lawlers 10%; (vi) Granny Smith 10%; (vii) Darlot 15%; and (viii) 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 90%; (iii) St. Ives 80% to 95% (open pits) and 85% to 95% (underground); (iv) Agnew/Lawlers 90-95%; (v) Granny Smith 91%; (vi) Darlot 90-95%; (vii) South Deep 96%; (viii) Cerro Corona 100%.

(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 3.8 to 4.2 g/t; (ii) Tarkwa 0.48 g/t for mill feed; (iii) Damang 0.71 g/t for fresh ore and 0.52 g/t for oxide ore; (iv) St. Ives 0.95 g/t for mill feed open pit, and 2.7 g/t to 3.1 g/t for mill feed underground; (v) Agnew/Lawlers 3.2 to 5.4 g/t for mill feed underground; (vi) Granny Smith 3.5 to 3.8 g/t; (vii) Darlot 4.3 to 4.95 g/t; and (viii) Cerro Corona $18.50 to 25.00/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) An ounces-based Mine Call Factor based primarily on historic performance but also on realistic planned improvements where appropriate is applied to the reserves. The following Mine Call Factors have been applied: Damang 95 to 98%, St. Ives and South Deep 98%, with Agnew/Lawlers, Granny Smith, Darlot, Tarkwa and Cerro Corona at 100%.

(2) Actual gold produced after metallurgical recovery.

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

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

The following table sets forth the proved and probable copper reserves of the Cerro Corona mine as at December 31, 2014 that are attributable to Gold Fields.

	Copper ore reserve statement as at December 31, 2014[1][2]									
	Proved reserves			**Probable reserves**			**Total reserves**			**Attributable gold production in fiscal 2014**
	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	50.4	0.5	525	9.8	0.4	95	60.2	0.47	620	71.2

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 61% to 88%, depending on the material type mined and processed.

(2) For the copper reserves, the optimized pit is based on a gold price of $1,300 per ounce and a copper price of $3.0 per pound, which, due to the nature of the deposit, need to be considered together.

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Gold and copper price sensitivity

The amount of gold mineralization that Gold Fields can economically extract, and therefore can classify as reserves, is sensitive to fluctuations in the price of gold. The following table indicates Gold Fields attributable reserves at different gold prices that are 10% above and below the $1,300 per ounce gold price used to estimate Gold Fields attributable reserves, however the reserve sensitivities are not based on detailed depletion schedules and should be considered on a relative and indicative basis only.

	$1,170/oz[1]	**$1,300/oz[1]**	**$1,430/oz[1]**
		(Moz)	
South Deep[2]	32.8	34.9	36.8
Tarkwa	5.6	6.7	7.8
Damang	1.0	1.1	1.2
St. Ives[3]	1.4	1.8	2.1
Agnew/Lawlers[3]	0.8	0.9	0.9
Granny Smith[3]	0.8	0.9	0.9
Cerro Corona[4]	1.7	1.7	1.7

Notes:

(1) Darlot is excluded from the sensitivities as a result of the current short life of mine, which is just over one year, and limited mining flexibility.
(2) The equivalent gold prices used for the sensitivities in South Africa are ZAR380,000/kg, ZAR420,000/kg, ZAR460,000/kg,
(3) The equivalent gold prices used for the sensitivities in Australia are A$1,230/oz, A$1,370/oz & A$1,500/oz.
(4) Under the current tailings dam design at Cerro Corona, reserves would not respond to an upward movement of the gold price because of current capacity constraints at the tailings storage facility for the Cerro Corona mine. A decrease of 10% in gold price is insufficient to affect the level of gold reserves.

The London afternoon fixing price for gold on April 7, 2015 was U.S.$1,211 per ounce. Gold Fields attributable gold reserves decreased from 48.6 million ounces at December 31, 2013 to 48.1 million ounces at December 31, 2014, primarily due to mining depletion.

The London Metal Exchange, or LME, cash settlement price for copper on April 7, 2015 was U.S.$6,041 per tonne.

Gold Fields methodology for determining its reserves is subject to change and is based upon estimates and assumptions made by management regarding a number of factors as noted above under Methodology . Accordingly, the sensitivity analysis of Gold Fields reserves provided above should not be relied upon as indicative of what the estimate of Gold Fields reserves would actually be or have been at the gold or copper prices indicated, or at any other gold or copper price, nor should it be relied upon as a basis for estimating Gold Fields ore reserves based on the current gold or copper price or what Gold Fields reserves will be at any time in the future. See Risk Factors Gold Fields reserves are estimates based on a number of assumptions, which, if changed, may require Gold Fields to lower its estimated reserves.

Description of Mining Business

The discussion below provides a general overview of the mining business as it applies to Gold Fields.

Exploration

Exploration activities are focused on replacing production depletion and on growth in ore reserves to maintain operational flexibility and sustainability. The Group focuses on the extension of existing ore bodies and the the discovery and delineation of new ore bodies both at existing sites and at undeveloped sites. Once a potential ore body has been discovered, exploration is extended and intensified in conjunction with comprehensive infill drilling, in order to enable clearer definition of the ore body and its technical and economic

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characteristics so as to profile the potential portions to be mined. Geological, geochemical, geophysical, geostatistical and geo-metallurgical techniques are constantly refined to improve effectiveness and the economic viability of prospecting and mining activities.

Mining

Gold Fields currently mines only gold, with copper and silver as by-products. The mining process can be divided into two principal activities: (i) developing access to the ore body; and (ii) extracting the ore body once accessed. These two processes apply to both surface and underground mines.

Underground Mining

Developing access to the ore body

For Gold Fields South African underground mine, primary access to the ore body is provided through vertical shaft systems, while access is through single or multiple decline haulages extended from surface portals at the Australian operations.

Horizontal and decline development at various intervals off the shaft or main decline, known as levels, extend laterally and provide access to the ore horizon. Ore drives open up the ore body for mining.

Extracting the ore body

Once an ore body has been accessed and opened up for mining, production activities consisting of drilling, blasting, supporting and cleaning activities are carried out on a daily basis. All mines are fully mechanized.

At South Deep, the broken ore is loaded from the stope face into trucks using mechanical loaders and hauled along decline corridors to ore pass systems which connect the corridors to the cross cuts below. The ore is then transported by rail or conveyor and tipped into the shaft transfer system and hoisted to the surface. Mining methods employed include de-stress mining (to provide the appropriate geotechnical conditions for subsequent stoping), long hole open stoping (for reef targets greater than 15 meters in height) and drifting and benching (for reef targets less than 15 meters in height). The mining voids generated once the ore is removed are filled with treated tailings product termed backfill which provides ground support for the mined out areas.

At the Australian underground operations, the broken ore is loaded straight from the stope face into trucks, using mechanical loaders, and hauled to the surface by underground dump trucks via the decline. Application of backfill to the mined out areas is based on local conditions and is not always required in shallow underground mining areas.

Open Pit-Mining

Opening up the ore body

In open-pit mining, access to the ore is achieved by stripping the overburden in benches of fixed height to expose the ore below. This is most typically achieved by drilling and blasting an area, loading the broken rock with excavators into dump trucks and hauling the rock and/or soil to dumps. The overburden material is placed on designated waste rock dumps.

Extracting the ore body

Extraction of the ore body in open pit mining involves the same activity as in stripping the overburden. Lines on the pit floor are established demarcating ore from waste material and the rock is then drilled and blasted. Post blasting, the ore is loaded into dump trucks and hauled to the crusher at the metallurgical plant or stockpile, while the waste is hauled to waste rock dumps.

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Rock Dump and Production Stockpile Mining

Gold Fields mines surface rock dumps and production stockpiles using mechanized earth-moving equipment.

Mine Planning and Management

Operational and planning management on the mines receives support from regional technical support functions as well as corporate management. The current philosophy is one of top-down/bottom-up management, with the operational and commercial objectives at each mine defined by the personnel at the mine based on parameters, objectives and guidelines provided by Gold Fields corporate office. This is based on the premise that the people on the ground have the best understanding of the local business and what is realistically achievable.

Each operation identifies a preferred strategic option which, once approved by the Executive Committee, is used to inform how the detailed one-year operational plan is configured, which is rolled out into a life of mine, or LoM plan, prior to the commencement of each fiscal year. The plans are based on financial parameters determined by the Gold Fields Executive Committee, or the Executive Committee. See Directors, Senior Management and Employees Executive Committee . The operational plan is presented to the Executive Committee, which takes it to the Board for approval before the commencement of each fiscal year. The planning process is anchored by a Group Planning calendar, and is sequential and based upon geological models, evaluation models, resource models, mine design, depletion schedules and, ultimately, financial analysis. Capital planning is formalized pursuant to Gold Fields capital spending planning process. Projects are categorized and reviewed in terms of total expenditure, return on investment, net present value and impact on AIC per ounce and all projects involving amounts exceeding R360 million (South Africa), A$40 million (Australia) and U.S.$40 million (Ghana/Peru) are submitted to the Board for approval. Material changes to the plans have to be referred back to the Executive Committee and the Board.

Capital Expenditure

On an IFRS basis (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), Gold Fields spent U.S.$608.9 million, U.S.$739.2 million and U.S.$1,224.0 million in capital expenditure during fiscal 2014, fiscal 2013 and fiscal 2012, respectively. The capital expenditure for fiscal 2013 and fiscal 2014 excludes that of the KDC and Beatrix mines. The major expenditure items in fiscal 2014 were U.S.$106.1 million on capital waste mining at Tarkwa, U.S.$91.9 million on the development and equipping of the South Deep mine, U.S.$55.6 million on the development and infrastructure of the Waroonga and New Holland underground complexes at Agnew/Lawlers, U.S.$29.4 million on the development of underground mines at St. Ives, U.S.$27.7 million on the tailings storage facility at Cerro Corona and U.S.$19.3 million on the tailings storage facility at Tarkwa. The major expenditure items in fiscal 2013 were U.S.$202.4 million on the development and equipping of the South Deep mine, U.S.$112.8 million on capital waste mining at Tarkwa, U.S.$54.7 million on the development of underground mines at St. Ives, U.S.$36.1 million on the development of the Waroonga underground complex at Agnew and U.S.$28.5 million on new mining equipment at Tarkwa. The major expenditure items in fiscal 2012 were U.S.$314.5 million on the development and equipping of the South Deep mine, U.S.$112.4 million on development at underground mines at St. Ives, U.S.$118.0 million on capital waste mining at Tarkwa, U.S.$12.7 million on the water treatment plant and U.S.$62.5 million on new mining equipment at Tarkwa, U.S.$2.6 million on new mining fleet at Damang and U.S.$31.7 million on the development of the Waroonga underground complex at Agnew. For more information regarding Gold Fields capital expenditure, see Information on the Company Gold Fields Mining Operations South African Operations South Deep Mine Capital Expenditure , Information on the Company Gold Fields Mining Operations West Africa Operations Tarkwa Mine Capital Expenditure , Information on the Company Gold Fields Mining Operations West African Operations Damang Mine Capital Expenditure , Information on the Company Gold Fields Mining Operations Australasia Operations St. Ives Capital Expenditure , Information on t Company Gold Fields Mining Operations Australasia Operations Agnew/Lawlers Capital Expenditure , Information on the Company Gold Fields Mining Operations Australasia Operations Darlot Capital Expenditure , Information on the Company Gold Fields Mining Operations Australasia Operations Granny Smith Capital Expenditure , Information

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Processing

Gold Fields has eight active gold processing facilities (one in South Africa, two in Ghana, four in Australia and one in Peru). A typical processing plant circuit includes two phases: comminution (crushing and grinding the ore) and treatment/electrowinning (gold recovery).

Comminution

Comminution is the process of crushing and breaking up the ore to expose and liberate the gold and make it available for treatment. Conventionally, this process occurs in multi-stage crushing and milling circuits, which include the use of jaw and gyratory crushers and rod, tube, ball and semi-autogenous grinding, or SAG, mills. Most of Gold Fields milling circuits utilize SAG milling where the ore itself and steel balls are used as the primary grinding media. Through the comminution process, ore is ground to a pre-determined size before proceeding to the treatment phase.

Treatment

In most of Gold Fields metallurgical plants, gold is extracted into a leach solution by leaching with cyanide in agitated tanks. Gold is then extracted onto activated carbon from the solution using either the carbon in leach, or CIL, process or the carbon in pulp, or CIP, process. The activated carbon is then eluted and the gold recovered by electrowinning. Certain Gold Fields mines also utilize gravity-recovered-gold circuits that use a centrifuge to separate the coarse gold based on density differences at the front end of the treatment circuit before the ore progresses to the CIL or CIP.

As a final recovery step, gold recovered from the carbon using the above process is smelted to produce gold doré bars. These bars are then transported to a refinery which is responsible for further refining.

At Cerro Corona, gold/copper concentrate is produced using a standard flotation process. The copper concentrate is then shipped to a third-party smelter for further processing.

Refining and Marketing

South Africa

On October 16, 2013, GFO and GFI Joint Venture Holdings Proprietary Limited, or GFIJVH, acting jointly in their capacities as participants in an unincorporated joint venture which owns and operates the South Deep mine, known as the South Deep Joint Venture, entered into a new refining agreement with Rand Refinery Proprietary Limited, or Rand Refinery. Rand Refinery is a non-listed private company in which Gold Fields holds a 2.8% interest, with the remaining interests held by other South African gold producers.

This new refining agreement superseded and replaced any and all previous refining agreements between the South Deep Joint Venture and Rand Refinery. Pursuant to this new refining agreement, Rand Refinery undertook, among other things, to (i) refine all unrefined gold produced by South Deep, (ii) on each delivery date of unrefined gold to Rand Refinery, notify Gold Fields treasury department in writing of the estimated gold and/or silver content of the unrefined gold so delivered, expressed in troy ounces and (iii) retain the refined gold and the refined silver for the South Deep Joint Venture pending written instructions from Gold Fields treasury department that the refined gold and/or refined silver have been sold and may be delivered to the buyer in accordance with the buyer s instructions. Rand Refinery assumes responsibility for the unrefined gold upon arrival of the unrefined gold at the Rand Refinery premises in Johannesburg, South Africa. Rand Refinery invoices the South Deep Joint Venture with the refining charges, who then arranges for direct settlement to Rand

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Refinery. The refining agreement will continue indefinitely until either party terminates it upon at least 12 months written notice.

Gold Fields treasury department sells all the refined gold produced by South Deep to authorized counterparties at a price benchmarked against the London afternoon fixing price.

Ghana

Up until January 12, 2015, all gold produced by Gold Fields at the Tarkwa and Damang mines in Ghana was refined by Rand Refinery.

With effect from January 12, 2015, gold produced at the Tarkwa and Damang mines is refined by MKS (Switzerland) S.A., or MKS, pursuant to refining agreements entered into by Gold Fields Ghana (in respect of the Tarkwa mine) and Abosso (in respect of the Damang mine) with MKS. Under these agreements, MKS collects the gold from either the Tarkwa or Damang mine and transports it either to its Switzerland refinery or to its Indian refinery, or the Designated Refinery, where the gold is then refined. The MKS refinery in India will be the default Designated Refinery unless either party provides the other party with notice to the effect that a shipment of gold must be transported to MKS s refinery in Switzerland, provided that MKS shall only be entitled to provide Gold Fields Ghana and Abosso with such notice if (i) the arrival date of the gold at the refinery will fall on a day other than a business day in India or during a period of weak physical demand for gold in India; or (ii) the Indian import regulations for the gold have materially and adversely changed.

Once the gold has been refined, Gold Fields Ghana and Abosso shall be entitled to (i) sell the refined gold through Gold Fields treasury department, acting as agent for and on their behalf; or (ii) require MKS to purchase the refined gold; or (iii) request a prepayment in respect of the refined gold. All sales are benchmarked against the afternoon LBMA Gold Price. The London Gold Fix pricing mechanism has been replaced by a new electronic LBMA price-discovery process from March 20, 2015. The price continues to be set twice daily, at 10:30 and 15:00 London time. The new LBMA Gold Price is operated and administered by an independent third-party provider, ICE Benchmark Administration, or the IBA, who were chosen following consultation with market participants. IBA provides the price platform, methodology as well as the overall administration and governance for the LBMA Gold Price. The IBA s platform provides an electronic, auction-based, tradeable, auditable and fully IOSCO-compliant solution for the London bullion market. MKS assumes responsibility for the gold upon collection at either the Tarkwa or Damang mine.

The MKS refining agreements expire on January 12, 2018, provided that after January 2017, either party may terminate an agreement by giving the other party no less than three months prior written notice of such termination.

Australia

In Australia, all gold produced by St. Ives, Agnew/Lawlers, Darlot and Granny Smith, each an Australian operating company, is refined by the Western Australian Mint. The Western Australian Mint applies competitive charges for the collection, transport and refining services. The Western Australian Mint takes responsibility for the unrefined gold at collection from each of the operations where they engage a sub-contractor, Brinks Australia. Brinks delivers the unrefined gold to the Western Australian Mint in Perth, Australia, where it is refined and the refined ounces of gold and silver are credited to the relevant metal accounts held by each Australian Operating Company with the Western Australian Mint. The arrangement with the Western Australian Mint continues indefinitely until terminated by either party upon 90 days written notice.

Gold Fields treasury department in the corporate office in Johannesburg, South Africa sells all the refined gold produced by the Australian Operating Companies. On collection of the unrefined gold from an Australian Operating Company s mine site, the relevant Australian Operating Company will notify Gold Fields treasury department of the estimated refined gold content, expressed in troy ounces, available for sale. After such confirmation, Gold Fields treasury department will sell the refined gold to authorized counterparties at a price

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benchmarked against the London afternoon fixing price. All silver is sold to the Western Australian Mint at market rates.

Peru

Gold Fields La Cima S.A., or La Cima, has three contracts for the sale of approximately 85% of concentrate from the Cerro Corona mine, one with a Japanese refiner, one with a South Korean refiner and one with a German refiner. Under these contracts, La Cima is to sell approximately 29% of the concentrate to each company and to use reasonable efforts to spread the deliveries evenly throughout the year. Risk passes when the concentrate is loaded in the port of Salaverry, Peru or an alternative port chosen by La Cima. Pricing for copper under each of the contracts is based on the daily LME settlement price for copper. Pricing for gold under each of the contracts is based on the daily average of the London Bullion Market Association initial and final guarantees, which represents an average of the London morning and afternoon fixing price. All production in excess of the amounts sold under long term contracts is sold on the spot market.

Gold Fields Mining Operations

Gold Fields has eight producing mines located in South Africa, Ghana, Australia and Peru. Gold Fields acquired the Yilgarn South Assets from Barrick on October 1, 2013. Of the three operating mines acquired from Barrick, two (Granny Smith and Darlot) remain discrete operating entities, while the third (Lawlers) has now been incorporated with Agnew to form an integrated Agnew/Lawlers mine. See Information on the Company Gold Fields Mining Operations Australasia Operations . Gold Fields conducts underground and surface mining operations at St. Ives, underground-only operations at Agnew/Lawlers, Granny Smith, Darlot and South Deep and surface-only open pit mining at Damang, Tarkwa and Cerro Corona. Some processing of surface rock dump material occurs at Damang and South Deep. Material processed from production stockpiles occurs at Tarkwa, Damang and St. Ives.

Total Operations

The following table details operating and production results (including gold equivalents) for each of fiscal 2012, 2013 and 2014, excluding the Sibanye Gold assets.

	Fiscal 2012	Fiscal 2013[1]	Fiscal 2014[1]
Production			
Tonnes (000)	43,926	38,255	33,513
Recovered grade (g/t)	1.5	1.7	2.1
Gold produced (000 oz)[2]	2,124	2,104	2,294
Results of operations ($ million)			
Revenues	3,530.6	2,906.3	2,868.8
Operating costs (excluding amortization and depreciation)[3]	1,673.9	1,678.7	1,684.9
All-in sustaining cost net of by-product revenue per ounce of gold sold ($)[3]	1,310	1,202	1,053
All-in cost net of by-product revenue per ounce of gold sold ($)[3]	1,537	1,312	1,087
All-in sustaining cost gross of by-product revenue per equivalent ounce of gold sold ($)[3]	1,331	1,206	1,053
All-in cost gross of by-product revenue per equivalent ounce of gold sold ($)[3]	1,539	1,307	1,086

Notes:

(1) Includes Yilgarn South Assets since acquisition on October 1, 2013.
(2) In fiscal 2012, 2.031 million ounces were attributable to Gold Fields, in fiscal 2013, 2.022 million ounces were attributable to Gold Fields, and in fiscal 2014, 2.222 million ounces were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Ghana and Peru operations during each of those periods.

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(3) For a reconciliation of Gold Fields operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost . See Operating and Financial Review and Prospects All-in Sustaining and All-in Cost .

Underground Operations

The following table details the operating and production results for Gold Fields underground operations for fiscal 2012, 2013 and 2014, excluding the Sibanye Gold assets

	Fiscal 2012	Fiscal 2013[1]	Fiscal 2014[1]
Production			
Tonnes (000)	4,335	5,419	6,575
Recovered grade (g/t)	4.9	4.6	5.3
Gold produced (000 oz)[3]	689	805	1,119

Notes:

(1) Includes Yilgarn South Assets since acquisition on October 1, 2013.
(2) In fiscal 2012, 0.689 million ounces were attributable to Gold Fields, in fiscal 2013, 0.805 million ounces were attributable to Gold Fields and in fiscal 2014, 1.119 million ounces were attributable to Gold Fields (excluding Sibanye Gold).

Tonnes milled from the underground operations increased from 5.4 million tonnes in fiscal 2013 to 6.6 million tonnes in fiscal 2014. The amount of gold produced from underground operations increased from 0.805 million ounces in fiscal 2013 to 1.119 million ounces in fiscal 2014. The increases in tonnes milled and in gold produced were primarily a result of the inclusion of the Yilgarn South Assets for a full year in 2014 as opposed to one quarter only in 2013.

Surface Operations

The following table details the operating and production results (including gold equivalents) for Gold Fields surface operations for fiscal 2012, 2013 and 2014, excluding the Sibanye Gold assets.

	Fiscal 2012	Fiscal 2013[1]	Fiscal 2014[1]
Production			
Tonnes (000)	39,591	32,836	26,938
Recovered grade (g/t)	1.1	1.2	1.3
Gold produced (000 oz)[3]	1,435	1,292	1,175

Notes:

(1) Includes Yilgarn South Assets since acquisition on October 1, 2013.
(2) In fiscal 2012, 1.333 million ounces were attributable to Gold Fields and in fiscal 2013, 1.210 million ounces were attributable to Gold Fields and in fiscal 2014, 1.100 million ounces were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Ghana and Peru operations during each period.

Tonnes milled and treated from the surface operations decreased from 32.8 million tonnes in fiscal 2013 to 26.9 million tonnes in fiscal 2014, mainly due to cessation of crushing at the heap leach operations at Tarkwa and St. Ives.

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South African Operations

Gold Fields South African operations consist of the South Deep mine.

South Deep Mine

Introduction

South Deep is situated 45 kilometers south-west of Johannesburg, in the Gauteng Province of South Africa. South Deep is a capital project and remains a developing mine where the permanent infrastructure to support expanded production has now been installed. South Deep uses trackless mechanized mining methods comprising an array of techniques and mobile machines to achieve the most efficient extraction system for any given area in the ore body.

South Deep is engaged in underground mining and comprises one metallurgical plant and two operating shaft systems, the older South Shaft complex and the newer Twin Shaft complex. The South Shaft complex includes a main shaft and three sub-vertical (SV) shafts, two of which are operational. The Twin Shaft complex consists of a single-barrel main shaft for hoisting personnel, rock materials and an adjacent bratticed ventilation shaft, used for both drawing used air and hoisting rock. The South Shaft complex operates to a depth of 2,650 meters below surface and the Twin Shaft complex operates to a depth of 2,995 meters below surface. South Deep s workings are at depth and therefore require significant cooling infrastructure. The South Deep operation has access to the national electricity grid, water, and road infrastructure and is located near regional urban centers where it can obtain needed supplies and services.

History

The current South Deep operations derive from the Barrick Gold Western Areas Joint Venture, which Gold Fields acquired in a series of transactions in the second half of fiscal 2007. The Barrick Gold Western Areas Joint Venture was named the South Deep Joint Venture.

Geology

South Deep is a deep-level underground gold mine located along the northern and western margins of the Witwatersrand Basin, which have been the primary contributors to South Africa s production of a significant portion of the world s recorded gold output since 1886.

The Witwatersrand Basin comprises a 6,000 meter vertical thickness of sedimentary rocks, extending laterally for some 350 kilometers northeast to southwest by some 1,200 kilometers northwest to southeast, generally dipping at shallow angles toward the center of the basin. The basin outcrops at its northern extent near Johannesburg, but to the west, south and east it is overlaid by up to 4,000 meters of volcanic and sedimentary rocks. The Witwatersrand Basin is Archaean in age, meaning the sedimentary rocks are of the order of 2.8 billion years old.

Gold mineralization occurs within laterally extensive quartz pebble conglomerate horizons called reefs, which are developed above unconformable surfaces near the basin margin. As a result of faulting and primary controls on mineralization processes, the goldfields are not continuous and are characterized by the presence or dominance of different reef units. The reefs are generally less than two meters in thickness and are widely considered to represent laterally extensive braided fluvial deposits or unconfined flow deposits, which formed along the flanks of alluvial fan systems around the edge of an inland sea. Dykes and sills of diabase or dolerite composition are developed within the Witwatersrand Basin and are associated with several intrusive and extrusive events.

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Gold generally occurs in native form, often associated with pyrite, carbon and uranium. Pyrite and gold within the reefs display a variety of forms, some obviously indicative of detrital transport within the depositional system and others suggesting crystallization within the reef itself.

The most fundamental controls of gold distribution are the primary sedimentary features such as facies variation and channel directions. Consequently, the modeling of sedimentary features within the reefs and the correlation of payable grades within certain facies is key to in situ reserve estimation as well as effective operational mine planning and grade control.

Gold mineralization at South Deep is hosted by conglomerates of the Upper Elsburg reefs and the VCR. The Upper Elsburg reefs sub-crop against the VCR in a northeasterly trend, which defines their western limits. To the east of the sub-crop, the Upper Elsburg reefs are preserved in an easterly diverging sedimentary wedge attaining a total thickness of approximately 120 meters, which is subdivided into the lower Individuals and the overlying Massives. To the west of the sub-crop, only the VCR is preserved.

The stratigraphic units at South Deep generally dip southward at approximately 12 to 15 degrees and the gold-bearing reefs occur at depths of 1,500 meters to 3,500 meters below surface.

Production at South Deep is currently derived from the Upper Elsburg Reefs. In general terms, the Upper Elsburg succession represents an easterly prograding sedimentary sequence, with the Massives containing higher gold grades and showing more proximal sedimentological attributes in the eastern sector of the mining authorization than the underlying Individuals. The sedimentary parameters of the Upper Elsburg reef units influence the overall tenor of the reefs with gold grade displaying a gradual, general decrease toward the East, away from the sub crop.

The North-South trending normal West Rand and Panvlakte faults, which converge on the Western side of the lease area, are the most significant large-scale faults in the area and form the western limit to gold mineralization for the mine.

Mining

South Deep is a mine that has been built to extract one of the largest ore bodies in the world. Its 38 million ounces of mineral reserves are understood to a high level of confidence and key required infrastructure has now been installed to deliver the mine as a low cost, long life mechanized mining operation. Due to its deep level and mechanized nature, South Deep has no real benchmark operation in the industry and the current focus therefore remains on establishing the basics at the mine to drive productivity and leverage unit costs. In addition, a wholesale strategic review of the operation is being undertaken with the objective of positioning and rebasing South Deep as a core franchise asset, that aims in the first instance to achieve self-funding (i.e. breaking even) as soon as possible and then to deliver consistent FCF Margin going forward.

South Deep was hindered in May 2014 by a four-month suspension of production due to the introduction of an extensive ground support remediation program. The remediation program took most of the legacy haulages and arterial routes on 95 level and above, from where a significant proportion of current production is sourced, out of service with a commensurate impact on production. The full implication of the largely completed ground support program on the fiscal 2015 production plan is still being assessed.

The review by an appointed independent geotechnical review board of South Deep s current mining layout and methodology, as well as the geotechnical support regime, commenced in fiscal 2014. The need for a fundamental change in the current regional pillar configuration of 240m x 60m has been recognized, which will require reduced pillar spacing to strengthen the geotechnical regime and will result in more mining corridors as mining moves deeper.

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Importantly, this currently remains a work in progress and although a 180m x 60m configuration is preferred over the 150m x 50m or 120m x 40m layouts, geotechnical modeling and final independent peer review is scheduled for the first half of fiscal 2015 to validate the work being completed by external consultants. Further optimization and the tailoring of selected pillar layouts to adapt to local conditions across the mine, will still be necessary. Final approval and sign-off of the new pillar configuration and the impact on the life of mine plan design parameters can realistically only be expected in the first half of fiscal 2015.

In addition, two alternative mining methods are under review. The first method is the 4.5m x 4.5m destress method and the second is the inclined mining slot method. Both of these methods, if successful, could significantly de-risk the South Deep build-up plan and future production profiles, and could also have a meaningful positive impact on mining costs. It is too early to assess whether either of these methods could be commercially implemented.

The following projects are planned at South Deep for fiscal 2015:

- Development on 100 and 105 levels. This development in an easterly direction will provide access to the ore body, additional ore handling facilities plus increase the number of airways and cooling infrastructure to the current mine;
- Construction of a 100 2W bulk air cooler; and
- Pilot trials for the 4.5m x 4.5m destress method.

Detailed below are the operating and production results at South Deep for fiscal 2012, 2013 and 2014:

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Production			
Tonnes (000)	2,106	2,347	1,323
Recovered grade (g/t)	4.0	4.0	4.7
Gold produced (000 oz)	270	302	201
Results of operations ($ million)			
Revenues	450.8	425.7	254.8
Operating costs (excluding amortization and depreciation)[(1)]	302.9	321.8	245.5
All-in sustaining cost net of by-product revenues per ounce of gold sold ($)[(1)]	732	1,541	1,548
All-in costs net of by-product revenues per ounce of gold sold ($)[(1)]	2,308	1,763	1,732

Notes:

(1) For a reconciliation of Gold Fields operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost . AIC and AISC are calculated per ounce of gold sold, excluding gold equivalent ounces. See Operating and Financial Review and Prospects All-in Sustaining and All-in Cost .

Total tonnes milled and gold production decreased from 2.3 million tonnes and 0.302 million ounces in fiscal 2013 to 1.3 million tonnes and 0.201 million ounces in fiscal 2014, respectively, primarily due to the reasons discussed above.

South Deep s power usage has increased over the years as it builds up production and prepares for the development of long-term infrastructure. Eskom has supplied the additional power requirements for the build up and has installed additional transformers and new transmission lines. Eskom applied to the National Energy Regulator of South Africa, or NERSA, for tariff increases and for 2015 NERSA granted Eskom an average tariff increase of 12.69% effective April 1, 2015 being 8% plus 4.69% due to the clawing back by Eskom of prudent costs from the Regulatory Clearing Account for the three year period from April 2010 to March 2013. It has also been reported that Eskom intends to request permission to raise the power tariff by 25%, instead of 12.69%,

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in order to make up a cashflow shortfall. NERSA has given permission for Eskom to raise rates further but it is unclear what the actual rate increase will be. In addition, the South African Minister of Finance has announced a two per cent per kilowatt hour environmental levy on electricity. In order to mitigate the cost impact of these increases, numerous power saving projects were initiated to reduce power consumption. South Deep will be developing a long-term energy security plan (which will include an assessment of renewable energy options) to manage supply risks currently faced by Eskom. In the short term, a load curtailment arrangement has been negotiated with Eskom to minimize production disruptions and ensure the continued safe operation of the mine. See Risk Factors Power cost increases may adversely affect Gold Fields business, operating results and financial condition .

Given the material influence that the broad spectrum of current studies and initiatives can potentially have on the South Deep plan, a holding pattern has been adopted with regard to the mineral reserve declaration for December 2014, in that the December 2013 model will be depleted by the fiscal 2014 mining production. The depleted fiscal 2013 model will by nature reflect last year s assumptions on modifying factors, production rates and cost modeling, but until new metrics and rates are validated this is deemed to be prudent. This approach is meant to ensure that this year s mineral reserve declaration does not invoke untested and unconfirmed revisions to various technical inputs to the life of mine plan, which could prove inaccurate or potentially misleading. See Reserves of Gold Fields as of December 31, 2014 Methodology .

Assuming that Gold Fields does not materially increase or decrease reserves estimates at South Deep and that there are no significant changes to the life of mine plan and based on the method described above, South Deep s December 31, 2014 proven and probable managed reserves of 38.0 million ounces (approximately 34.9 million ounces of which are attributable to Gold Fields, with the rest attributable to non-controlling shareholders) will be sufficient to maintain production through to approximately fiscal 2087. However, as discussed earlier in Risk Factors and Mine Planning and Management , there are numerous factors which can affect reserve estimates and the mine plan, which could thus materially change the life of mine.

South Deep is engaged in underground mining and is thus subject to all of the underground mining risks discussed in Risk Factors . The primary safety issues facing South Deep underground operations include seismicity (including seismically induced falls of ground), falls of ground due to gravity and the risk of pedestrians being struck by mobile equipment. To prevent falls of ground accidents, South Deep has implemented a comprehensive health and safety strategy. For more information about this strategy as well as details about workplace injuries at South Deep, see Directors, Senior Management and Employees Employees Health and Safety Safety and Directors, Senior Management and Employees Employees TRIFR, Fatalities and Fatal Injury Frequency Rate .

Processing

All processing at South Deep is carried out at a single gold extraction plant. The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factors during fiscal 2014 for the plant.

Processing Techniques

Plant	Year commissioned[1]	Comminution phase	Treatment phase	Capacity[1]	Average milled for fiscal 2014	Approximate recovery factor for fiscal 2014[2]
				(tonnes/month)		
Twin Shaft Plant	2002	Primary SAG and Secondary Ball milling	Leach or CIP, with elution and electrowinning	330,000	110,250	97%

Note:

(1) Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in a level of throughput over and above the designed nameplate capacity.
(2) Percentages roundes to the nearest whole percent.

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Capital Expenditure

On an IFRS basis (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), Gold Fields spent U.S.$91.9 million on capital expenditures at the South Deep operation in fiscal 2014, primarily on development, infrastructure and trackless equipment and housing and living conditions of employees. Gold Fields expects to spend approximately U.S.$78 million on capital expenditures at South Deep in fiscal 2015, primarily on development, infrastructure and trackless equipment.

West Africa Operations

The West Africa operations comprise the Tarkwa and Damang gold mines in Ghana. The West Africa region also had responsibility for, until its sale on June 2014 to Hummingbird Resources PLC, Gold Fields Yanfolila project in Mali. Until early 2014, the West Africa region also had responsibility for Gold Fields Talas Copper-Gold project in Kyrgyzstan which was sold to Robust Resources Limited. Gold Fields Ghana, which holds the interest in the Tarkwa mine, and Abosso, which owns the interest in the Damang mine, are owned 90.0% by Gold Fields and 10% by the Ghanaian government.

Both Gold Fields Ghana and Abosso concluded tariff negotiations for 2014 and 2015 with their respective power suppliers (the state electricity supplier, the VRA, supplies power to Gold Fields Ghana and the ECG, provides power to Abosso). The ECG s rate for the period January 1, 2012 to December 31, 2013 was US$0.1809/kWh. ECG s tariffs from January 1, 2014 to December 31, 2014 were $0.216/kWh and from January 1, 2015 to December 31, 2015 is US$0.23/kWh. Gold Fields Ghana has agreed tariffs with VRA with a base tariff of US$0.1674/kWh with effect from January 1, 2015 using a tariff model which inputs actual variables (including the generation mix and input prices) of the previous quarter to determine the tariff for the current quarter.

Although Gold Fields Ghana has concluded tariff negotiations with the VRA, there has been a delay in finalizing the draft Power Sale and Purchase Agreement, or PSPA, with the VRA, mainly because of a delay in the implementation of the Energy Commission s proposed Wholesale Electricity Market, or WEM, which would impact provisions of the PSPA. The implementation of the WEM is presently on hold due to load shedding exercises being carried out in Ghana.

The VRA is now proposing an interim PSPA, subject to regulatory changes made by the Energy Commission when the WEM is fully rolled out. Gold Fields Ghana intends to discuss the interim PSPA with the VRA in April 2015.

In order to reduce their reliance on power supplied by VRA and ECG, Gold Fields Ghana and Abosso have entered into a ten year power purchase agreement, or PPA, with independent power producer Genser Energy, or Genser. Genser has agreed to commission a clean coal power generation facility at Tarkwa. The delivery of power up to 7MW is expected to begin in April 2015 from an alternative Genser plant while the new facility is being completed. This power supply is expected to eventually replace all or a significant proportion of Tarkwa and Damang s current supply from the VRA and ECG. Over the ten-year contract, the PPA could potentially save around 47% on the cost of power currently supplied by the VRA and ECG. The PPA will, however, increase the company s carbon emissions, by replacing electricity currently generated mainly through hydropower with coal-generated electricity. See Risk Factors Power cost increases may adversely affect Gold Fields business, operating results and financial condition .

Tarkwa Mine

Introduction

The Tarkwa mine is located in southwestern Ghana, about 300 kilometers by road west of Accra. The Tarkwa mine consists of several open pit operations on the original Tarkwa property and the adjacent southern portion of the property, which was formerly referred to as the Teberebie property and was acquired by Gold Fields in August 2000. Gold Fields added a SAG mill, two ball mills and a CIL plant and a High Pressure Grinding Roll Facility.

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The Tarkwa mine operates under mining leases with a total area of approximately 20,800 hectares, the entirety of which are surface operations. The Tarkwa mine has access to the national electricity grid, water, road and railway infrastructure, although rail service has been non-operational for many years. Most supplies are trucked in from either the nearest seaport, which is approximately 90 kilometers away by road in Takoradi, or from Tema, near Accra, which is approximately 300 kilometers away by road.

History

Investment in large-scale mining in the Tarkwa area commenced in the last quarter of the nineteenth century. In 1993, Gold Fields of South Africa, or GFSA, took over an area previously operated by the State Gold Mining Corporation, or SGMC. SGMC had, in turn, acquired the property from private companies owned by European investors. Mining operations commenced in 1997 following initial drilling, feasibility studies and project development (which included the removal of overburden and the resettlement of approximately 22,000 people).

Geology

Gold mineralization at Tarkwa is hosted by Proterozoic Tarkwaian metasediments, which overlie but do not conform to a Birimian greenstone belt sequence. Gold mineralization is concentrated in conglomerate reefs and has some similarities to deposits in the Witwatersrand Basin in South Africa. The deposit comprises a succession of stacked, tabular palaeoplacer units consisting of quartz pebble conglomerates. Approximately 10 such separate economic units occur in the concession area within a sedimentary package ranging from 40 meters to 110 meters in thickness. Low-grade to barren quartzite units are interlayered between the separate reef units.

Mining

The existing surface operation currently exploits narrow auriferous conglomerates from six pits, namely Pepe, Akontansi, Teberebie, Atuabo, Maintrain and Kottraverchy. Tarkwa uses the typical open pit mining methods of drilling, blasting, loading and hauling.

During fiscal 2014, mineral reserves at Tarkwa increased by 3% (net of depletion) to 7.5 million ounces. Restructuring the mine to operate at lower total mining volumes (90 100Mtpa total mining) is expected to ensure operational flexibility and underpin targeted head grades to deliver 500,000 to 550,000 ounces of gold per year.

Production decreased by 12% at Tarkwa in fiscal 2014 due to the closure of its heap leach facilities (with all ore now being processed through Tarkwa s existing, high recovery CIL plant), higher-than-average rainfall during the first quarter of fiscal 2014 which reduced total tonnes mined from Tarkwa s open-pits and a shortage of blasted ore due to poor drill-rig availability between the first and third quarters of fiscal 2014. This was partly offset by an overall improvement in process plant performance.

Due to the increasing hardness of the ore as the pits drive deeper and the resultant lower dissolution recoveries, the North Heap Leach operation was stopped at the end of December 2013. Various alternative mining and processing options have been investigated to identify the best value option for Tarkwa. A carbon-in-leach only option proved to be the most operationally and financially viable choice, as it offers an increased throughput rate to 13.3Mtpa from fiscal 2015, with processing of the spent South Heap Leach material at the end of the production profile. The mineral reserves declared as at December 31, 2014 take into account the above strategy, with the objective of optimizing Tarkwa s mineral reserve, cash flow and net present value.

No greenfields projects were commenced in fiscal 2014. A geochemical soil sampling program was carried out in Tarkwa in fiscal 2014 to explore part of the concession, which previously had limited exploration.

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Detailed below are the operating and production results at Tarkwa for fiscal 2012, 2013 and 2014.

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Production			
Tonnes milled (000)	22,910	19,275	13,553
Recovered grade (g/t)	1.0	1.0	1.2
Gold produced (000 oz)[1]	719	632	558[3]
Results of operations ($ million)			
Revenues	1,198.9	893.1	706.7
Operating costs (excluding amortization and depreciation)[2]	494.4	473.7	373.9
All-in sustaining cost net of by-product revenues per ounce of gold sold ($)[2]	1,117	1,291	1,068
All-in costs net of by-product revenues per ounce of gold sold ($)[2]	1,117	1,291	1,068

Notes:

(1) In fiscal 2012, 2013 and 2014, 0.647 million ounces, 0.569 million ounces and 0.502 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operations.
(2) For a reconciliation of Gold Fields operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost . AIC and AISC are calculated per ounce of gold sold, excluding gold equivalent ounces. See Operating and Financial Review and Prospects All-in Sustaining and All-in Cost .
(3) Included in this number are approximately 31,000 ounces which relate to heap leach inventory, which is not being put through the mill.

In fiscal 2014, overall ore tonnage mined was 13.6 million tonnes compared with 19.3 million tonnes for fiscal 2013. Total waste mined decreased by 44.7 million tonnes, from 118.4 million tonnes in fiscal 2013 to 73.7 million tonnes in fiscal 2014. Compared to fiscal 2013 levels, gold production at Tarkwa decreased significantly in fiscal 2014 because of the closure of the Heap Leach facilities.

Assuming that Gold Fields does not increase or decrease ore reserves estimates at Tarkwa and that there are no changes to the current mine plan at Tarkwa, Tarkwa s December 31, 2014 proven and probable reserves of 7.5 million ounces (6.75 million ounces of which are attributable to Gold Fields, with the remainder attributable to the Ghanian government) will be sufficient to maintain production through approximately fiscal 2031 which includes re-treatment of the South Heap Leach at the end of the life of mine. However, as discussed earlier in Risk Factors and Mine Planning and Management , there are numerous factors which can affect reserve estimates and the mine plan, which could thus materially change the life of mine.

The Tarkwa mine is engaged in open pit mining and is thus subject to all the risks associated with open pit mining discussed in Risk Factors . For more information about workplace injuries at Tarkwa, see Directors, Senior Management and Employees Employees Health and Safety Safety and Directors, Senior Management and Employees Employees TRIFR, Fatalities and Fatal Injury Frequency Rate .

There were no strikes and/or labor stoppages in fiscal 2014 and none to date since December 31, 2014.

Processing

Tarkwa s ore is processed using SAG milling at its CIL plant. Prior to the restructuring, the operation also incorporated two separate heap leach circuits, the North Plant and the South Plant. As part of the restructuring, the South Heap Leach Facility was closed in December 2012 and stacking of ore ceased at the North Heap Leach facility in December 2013. The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factors during fiscal 2014, for each of the plants at Tarkwa.

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Processing Techniques

Plant	Year commissioned	Comminution phase	Treatment phase	Capacity[1]	Average milled for fiscal 2014	Approximate recovery factor for fiscal 2014[2]
				(tonnes/month)		
CIL Plant	2004	SAG milling (with ball mill)[3]	CIL treatment	1,025,000	1,113,417	97%

Notes:

(1) Nameplate capacity as designed. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.
(2) Percentages are rounded to the nearest whole percent.
(3) The ball mill was added in December 2008.

The expansion of the Carbon in Leach (CIL) plant from an annual throughput of 12.3 to 13.3 million tonnes per annum was completed by the end of December 2014. The expansion is expected to enable Tarkwa to increase its future production profile to a steady state level of approximately 550,000 ounces per annum.

Capital Expenditure

On an IFRS basis (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), Gold Fields spent U.S.$174.1 million on capital expenditures at the Tarkwa operation in fiscal 2014, principally for capital waste mining, primary and ancillary mining fleet, tailings storage facility construction and the CIL plant capacity increase. Gold Fields has budgeted approximately U.S.$197 million for capital expenditures at Tarkwa for fiscal 2015, principally for capital waste mining, primary and ancillary mining fleet and tailings storage facilities.

Damang Mine

Introduction

The Damang deposits are located in the Wassa West District in southwestern Ghana approximately 330 kilometers by road west of Accra and approximately 30 kilometers by road northeast of the Tarkwa mine. The mine exploits hydrothermal in addition to Witwatersrand-style palaeoplacer gold. The Damang mine consists of an open pit operation with a SAG and ball mill and CIL processing plant. Damang operates under a mining lease with a total area of approximately 8,100 hectares. The Damang mine has access to the national electricity grid and water and road infrastructure. Most supplies are brought in by road from the nearest seaport, Takoradi, which is approximately 135 kilometers away, or from Accra, which is approximately 360 kilometers away by road.

History

Mining on the Abosso concession began with underground mining in the early twentieth century. Surface mining at Damang commenced in August 1997 and Gold Fields assumed control of operations on January 23, 2002. Historically, the underground mine was in operation from 1878 until 1956.

Geology

Damang is located on the Damang Anticline, which is marked by Tarkwaian metasediments on the east and west limbs, around a core of Birimian metasediments and volcanics. Gold in the Tarkwaian metasediments and volcanics is predominantly found in the conglomerates of the Banket Formation and is similar to the Witwatersrand in South Africa; however, at Damang, hydrothermal processes have enriched much of this palaeoplacer mineralization. Within the region, the contact between the Birimian and Tarkwaian metasediments and volcanics is commonly marked by zones of intense shearing and is host to a number of significant shear hosted gold deposits, including Prestea, Bogoso, and Obuasi.

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Palaeoplacer mineralization occurs on the west limb of the anticline at Abosso, Chida, and Tomento, and on the east limb of the anticline at the Kwesie, Lima South, and Bonsa North locations. Hydrothermal enrichment of the Tarkwaian palaeoplacer occurs at the Rex, Amoanda, and Nyame areas on the west limb and the Damang and Bonsa areas on the east limb.

Mining

Damang uses the typical open pit mining methods of drilling, blasting, loading and hauling. The primary operational challenges include improved grade and dilution control, blasting optimization and maintaining load and haul efficiencies given that the mine has a number of different ore sources (Huni, Saddle Area, Juno and Lima South), and maintaining adequate and timely supply of appropriate plant feed blend (i.e. where possible a blend of fresh and oxide materials).

Damang experienced a significant improvement in operational performance during fiscal 2014, following extensive restructuring at the mine to ensure its commercial sustainability. In fiscal 2013, Gold Fields undertook a restructuring of Damang and introduced business improvement initiatives across the whole of Damang s operations which started yielding positive results in the fourth quarter of fiscal 2013. This turnaround continued through fiscal 2014. The focus on employee health and safety, operational efficiencies, mining mix, grade management and key activity costs has brought Damang back to commercial levels of production with a realistic time frame now available to bring additional brownfield opportunities to account.

In fiscal 2014, production at Damang increased 16%, mainly due to a focus on high-quality mining, a higher head grade, improved recovery as a result of the installation of an additional CIL tank, the transition from a three-shift mining system to a two-shift mining system with a commensurate reduction in the workforce by around 130 employees and lower capital expenditure. Mining activity at Damang was focused on areas with a lower strip ratio, while production levels were increased by reducing dilution and focusing on the optimum cut-off grades over the lifespan of the mine. Despite these interventions, in fiscal 2014 Damang s mine grade was still below the estimated reserve grade. In addition, production was affected by unplanned mill stoppages in the second and third quarters of fiscal 2014, resulting in the temporary shutdown of all processing at the mine for seven days.

The main focus at Damang remains the identification of additional ore sources along the 27 kilometres of strike between Damang and Tarkwa, where historical open pits were last drilled and mined when the gold price was between US$300/oz and US$400/oz. This strategy could contribute to an appreciable addition to mineral reserves over the next three years. A three year phased exploration program has been designed to test prioritized targets that show the potential to deliver cash generative ounces to the LoM plan to replace depletion, increase flexibility and grow the reserve base. Targets are prioritized if they represent extensions to active pits or known ore bodies in reasonable proximity to the plant and are favored if they are hydrothermal in style due to their generally higher gold grades.

In fiscal 2014, near mine exploration continued at Huni, Saddle and Juno South pits. Tomento North drilling and modelling was completed in fiscal 2014 and further infill drilling to refine the geological domains and identify pay shoots is scheduled for fiscal 2015.

Mineral reserves at Damang increased from 1.1 million ounces to 1.2 million ounces, net of depletion, as a result of the inclusion of Amoanda and Huni Cut-back 2. The mine has re-positioned well in fiscal 2014 and remains dedicated to achieving targeted head grades and sustaining plant throughput to deliver increased ounces and stabilize the all-in cost per ounce. Advance grade control, or AGC, drilling programs have continued with the objective of de-risking the operational plan and keeping 9 to 12 months of production within the AGC window on a rolling basis. Mining is designed to prioritize extraction from the pits with the highest economic value and is focused on the Huni, Saddle and Juno pits.

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The mineral reserves declared as at December 31, 2014 were constrained by the existing east tailings storage facility adjacent to the Damang pit. Re-assessment of all options across the entire mining lease will continue in fiscal 2015 to determine the best business case to improve cash flow. This will include potential extensions to the Amoanda and Tomento open pits, testing potential at Nyame and Chida, as well as a review of underground options compared against the existing Cut-back 2 option.

During the period under review, exploration activities at Gold Fields West African operations were dominated by resource conversion projects through infill drilling and extensions to known targets at Damang. No greenfields projects were commenced in fiscal 2014.

Detailed below are the operating and production results at Damang for fiscal 2012, 2013 and 2014.

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Production			
Tonnes milled (000)	4,416	3,837	4,044
Recovered grade (g/t)	1.2	1.2	1.4
Gold produced (000 oz)[1]	166	153	178
Results of operations ($ million)			
Revenues	277.8	216.4	224.6
Operating costs (excluding amortization and depreciation)[2]	179.1	171.1	177.6
All-in sustaining cost net of by-product revenues per ounce of gold sold ($)[2]	1,707	1,558	1,175
All-in costs net of by-product revenues per ounce of gold sold ($)[2]	1,753	1,558	1,175

Notes:

(1) In fiscal 2012, 2013 and 2014, 0.149 million ounces, 0.138 million ounces and 0.160 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in Abosso.

(2) For a reconciliation of Gold Fields operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost . AIC and AISC are calculated per ounce of gold sold, excluding gold equivalent ounces. See Operating and Financial Review and Prospects All-in Sustaining and All-in Cost .

Total tonnes milled increased from 3.8 million in fiscal 2013 to 4.0 million in fiscal 2014 primarily due to higher mill and crusher availability. Gold production increased from 0.153 million ounces in fiscal 2013 to 0.178 million ounces in fiscal 2014 primarily as a result of the higher throughput. As the plant is ageing, preventative maintenance has been increased to provide sustainable processing capacity, particularly given the increase in ore reserves and resources and extended mine life.

Assuming that Gold Fields does not increase or decrease reserves estimates at Damang and that there are no changes to the current mine plan, Damang s December 31, 2014 proven and probable reserves of 1.2 million ounces (approximately 0.12 million of which are attributable to the Ghanaian government, with the remainder attributable to Gold Fields) will be sufficient to maintain production through approximately fiscal 2020. However, as discussed earlier in Risk Factors and Mine Planning and Management , there are many factors that can affect reserve estimates and the mine plan, which could thus materially change the life of mine.

The Damang mine comprises open pit mining, and is thus subject to all of the risks associated with open pit mining discussed in Risk Factors . For more information about workplace injuries at Damang, see Directors, Senior Management and Employees Employees Health and Safety Safety and Directors, Senior Management and Employees Employees TRIFR, Fatalities and Fatal Injury Frequency Rate .

There were no strikes and/or work stoppages at Damang in fiscal 2014 and none to date since December 31, 2014.

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Processing

All ore at Damang is processed through a single facility. The following table sets forth the year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factor during fiscal 2014 for the plant.

Processing Techniques

Plant	Year commissioned	Comminution phase	Treatment phase	Capacity[1]	Average milled for fiscal 2014	Approximate recovery factor for fiscal 2014[2]
				(tonnes/month)		
Processing Plant	1997[3]	Primary and two-stage secondary crushing with SAG and ball milling	CIL treatment	333,333	337,000	91%

Notes:

(1) Nameplate capacity as designed. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.
(2) Percentages are rounded to the nearest whole percent.
(3) The secondary crusher was commissioned in 2010.

Preparatory construction works on the new Far East Tailings Storage Facility, or FETSF, commenced in fiscal 2013 but were suspended on September 13, 2013, when Abosso received notice of an application for an injunction to restrain it from proceeding with the FETSF on the basis that it was outside its mining lease area. In fiscal 2014, Gold Fields settled with these claimants and resumed work on the FETSF. A final five meter raise to the East Tailings Storage Capacity is also being considered and a detailed engineering study has been commissioned.

Capital Expenditure

On an IFRS basis (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), Gold Fields spent U.S.$16.0 million on capital expenditures at the Damang operation in fiscal 2014, principally on the FETSF, heavy mining equipment, or HME, capital component replacement and Huni and Juno resource drilling. Gold Fields has budgeted approximately U.S.$19 million for capital expenditures at Damang for fiscal 2015, principally for the FETSF, HME sustaining capital component, capital waste mining and Huni and Juno resource drilling.

Talas Copper-Gold Project

In northwestern Kyrgyzstan, Gold Fields owned a 100% interest in the Talas Copper-Gold Project which was previously with Orsu Metals Corporation, or Orsu. A transaction was completed on July 20, 2012 transferring the outstanding 40% of the project to Gold Fields for consideration of $10 million and a private placement for 25 million units of Orsu at a price of CAD$0.40 per unit, or the Subscription. Each unit consisted of one common share of Orsu and one-half of one common share purchase warrant. Each whole common share purchase warrant will be exercisable for a period of three years from the date of issue to acquire one common share of Orsu at a price of CAD$0.50.

The Talas Copper-Gold Project covered four exploration licenses which are prospective for copper-gold porphyry deposits. Gold Fields completed the sale of the Talas Copper-Gold Project to Robust Resources

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Limited in March 2014. The proceeds included U.S.$2.0 million in cash and issuance of shares to the value of U.S.$2 million in Robust Resources Limited (which have subsequently been sold), as well as a two percent net smelter royalty of all future metals recovered from the concession.

Arctic Platinum Project

APP is located approximately 60 kilometers south of the city of Rovaniemi in northern Finland. APP is assessing a number of potential surface mineable platinum group elements plus copper and nickel deposits located within the Portimo and Narkaus mafic layered intrusions. The principal prospects under consideration occur within the Suhanko Project area, comprising of the Konttijarvi, Ahmavaara, and Suhanko North deposits. APP has been earmarked for disposal due to the focus of the Group s strategy on gold deposits, following the dissolution of the Group s GIP division in fiscal 2013. Pending the sale, Gold Fields has reduced the APP s utilization of cash resources.

Yanfolila Project

Until June 2014, Gold Fields owned an 85% interest in the Yanfolila gold project in southwestern Mali (assuming a 10% interest will go to the Mali government upon granting of the mining license). Following the dissolution of the Group s GIP division in late fiscal 2013 and the Group s revision of its strategy (see Information on the Company Strategy), the Yanifolila project was earmarked for disposal. In June 2014, Gold Fields sold its 85% interest in the Yanfolila project in Mali to London-listed Hummingbird Resources for U.S.$21.1 million in the form of Hummingbird shares.

Australasia Operations

On October 1, 2013, Gold Fields acquired the Yilgarn South Assets in Western Australia from Barrick. Gold Fields acquired the assets for a total net consideration of U.S.$262 million after adjustments for working capital and employee entitlements. Gold Fields satisfied the purchase price by delivering 28.7 million of its common shares to Barrick and U.S.$135 million in cash.

The Yilgarn South Assets consist of the Granny Smith, Darlot and Lawlers gold mines. Following the acquisition, Gold Fields undertook a restructuring of its Australian operations which included the integration of Lawlers with Gold Fields adjacent Agnew mine.

Gold Fields Australian operations now consist of four gold mines: St. Ives, Agnew/Lawlers, Granny Smith and Darlot. Following the dissolution of the GIP division in fiscal 2013, Gold Fields relocated its exploration projects to its existing regional structures. As part of this restructuring, the Far Southeast Project now reports to the Australasia region.

St. Ives

Introduction

St. Ives is located 80 kilometers south of Kalgoorlie and 20 kilometers south of Kambalda, straddling Lake Lefroy in Western Australia. It holds exploration licenses, prospecting licenses and mining leases covering a total area of approximately 112,800 hectares. St. Ives is both a surface and underground operation, with a number of open pits, three operating underground mines and a metallurgical CIP plant. The St. Ives operation obtains electricity pursuant to a contract with BHP Nickel West that expires in January 2023 and has access to water, rail, air and road infrastructure. Consumables and supplies are trucked in locally from both Perth and Kalgoorlie.

History

Gold mining began in the St. Ives area in 1897, with WMC commencing gold mining operations at St. Ives in 1980. Gold Fields acquired the St. Ives gold mining operation from WMC in November 2001.

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Geology

The gold deposits of St. Ives are located at the southern end of the Norseman-Wiluna greenstone belt of the West Australian Goldfields Province. In the St. Ives area, the belt consists of Kalgoorlie Group volcanic rocks, Black Flag group felsic volcanic rocks and sediments and a variety of intrusive and overlying post-tectonic sediments. The area is structurally complex, with host rocks metamorphosed to upper greenschist and lower amphibolite facies. Gold mineralization discovered to date is best developed in the mafic-dominated parts of the sequence, hosted in minor structures, including vein arrays, breccia zones and central, quartz-rich and mylonitic parts of shear zones. Deposit styles and ore controls are varied, but deposits are commonly associated with subsidiary structures which splay off the regionally extensive Boulder-Lefroy Fault.

Mining

Gold production takes place over an extensive tenement area at St. Ives. St. Ives has the Lefroy processing plant and SAG mill that treats primary ore. St. Ives previously had a heap leach facility which treated low- and marginal-grade ore. This heap leach facility operated in a residual leach mode during fiscal 2013 and 2014. It will continue to do so during fiscal 2015.

In fiscal 2014, St. Ives reported decreased production and decreased operational costs. The lower production was due to higher-than-average rainfall in the first quarter of fiscal 2014 which inhibited open-pit operations at the Neptune operation and the closure of the underground Argo operation in the first quarter of fiscal 2014. The decreased operational costs were due to, among other things, lower volumes of material moved in the open pit and underground operations.

Capital development has commenced on the newly discovered high-grade Invincible deposit with a view to first open pit production during the second quarter of fiscal 2015. Neptune open pit stage 1 mining was completed in fiscal 2014, and evaluation of future stages is currently underway. The Cave Rocks and Athena underground mines are nearing completion and mining of final stopes is scheduled in the middle of fiscal 2015 for Cave Rocks and the end of fiscal 2015 for Athena.

Exploration of early stage targets along the highly prospective Invincible (Speedway) trend have provided positive results. Ongoing evaluation and elimination of marginal mineral reserves has contributed to improved quality but lower volumes, primarily at the Greater Santa Ana and Cave Rocks mines.

Detailed below are the operating and production results at St. Ives for fiscal 2012, 2013 and 2014.

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Production			
Tonnes (000)	7,038	4,763	4,553
Recovered grade (g/t)	2.0	2.6	2.4
Gold produced (000 oz)	450	403	362
Results of operations ($ million)			
Revenues	752.2	569.0	458.8
Operating costs (excluding amortization and depreciation)[(1)]	378.0	345.5	292.3
All-in sustaining cost net of by-product revenues per ounce of gold sold ($)[(1)]	1,659	1,218	1,164
All-in costs net of by-product revenues per ounce of gold sold ($)[(1)]	1,659	1,218	1,164

Notes:

(1) For a reconciliation of Gold Fields operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost . AIC and AISC are calculated per ounce of gold sold, excluding gold equivalent ounces. See Operating and Financial Review and Prospects All-in Sustaining and All-in Cost .

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From fiscal 2013 to fiscal 2014, ore processed at St. Ives decreased from 4.763 million tonnes to 4,553 million tonnes, respectively, due to a failure of the grinding circuit which resulted in a five-day maintenance shut-down in June and reduced throughput in the fourth quarter of fiscal 2014, due to the processing characteristics of the Neptune ore. Gold production decreased by 10.2% to 0.362 million ounces in fiscal 2014 compared to 0.403 million ounces achieved during fiscal 2013 due to the reduced throughput, closure of the Argo underground mine and delayed production from the open pits due to two significant rainfall events in the first quarter of fiscal 2014.

Assuming that Gold Fields does not increase or decrease reserves estimates at St. Ives and that there are no changes to the current mine plan, St. Ives December 31, 2014 proven and probable reserves of 1.80 million ounces will be sufficient to maintain production through approximately fiscal 2020. However, as discussed earlier in Risk Factors and Mine Planning and Management , there are numerous factors which can affect reserve estimates and the mine plan, which could thus materially change the life of mine.

St. Ives is engaged in underground mining and in both open pit and production stockpile surface mining, and is thus subject to all of the underground and surface mining risks discussed in Risk Factors . The primary safety risk at St. Ives is falls of ground at the underground operations, which is addressed through the use of ground support, paste filling of open stopes and sequencing of mine operations to improve overall stability of the ground. For more information about workplace injuries at St. Ives, see Directors, Senior Management and Employees Employees Health and Safety Safety and Directors, Senior Management and Employees Employees TRIFR, Fatalities and Fatal Injury Frequency Rate .

There were no strikes and/or material work stoppages at St. Ives in fiscal 2014 and none to date in fiscal 2015.

Processing

The table below sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factors during fiscal 2014, for the plant at St. Ives.

Processing Techniques

Plant	Year commissioned	Comminution phase	Treatment phase	Capacity[1]	Average milled for fiscal 2014	Approximate recovery factor for fiscal 2014[2]
				(tonnes/month)		
Lefroy Plant	2005	Single-stage crushing and SAG milling	CIP	375,000	379,417	94%

Notes:

(1) Nameplate capacity as designed. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.
(2) Percentages are rounded to the nearest whole percent.

Capital Expenditure

On an IFRS basis (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), Gold Fields spent A$130.1 million or U.S.$117.5 million on capital expenditures at St. Ives in fiscal 2014 primarily on underground development, exploration and capital works. Gold Fields has budgeted approximately A$157 million for capital expenditures at St. Ives in fiscal 2015. These funds are principally earmarked for exploration, underground development, capital waste mining, capital works and pre-strip of the Invincible open pit.

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Agnew/Lawlers

Introduction

Agnew/Lawlers is located 23 kilometers west of Leinster, approximately 375 kilometers north of Kalgoorlie and 630 kilometers northwest of Perth, Western Australia. Together, Agnew and Lawlers hold exploration licenses, prospecting licenses and mining leases covering a total area of approximately 69,300 hectares. During fiscal 2014, ore was mined from the Waroonga and New Holland underground mines.

Agnew/Lawlers has one metallurgical plant in operation and is serviced by sealed road infrastructure to the mine gate. Supplies are generally trucked in from Perth or Kalgoorlie. Agnew is largely a fly-in fly-out operation with local services, including air transport with a sealed runway and accommodation, provided pursuant to an arrangement with a nearby major mining company. Agnew has access to electricity pursuant to a contract with the same major mining company as St. Ives which expired on March 31, 2014, following which it was extended by interim agreements until June 2014 when a new PPA to supply electricity until May 31, 2019 was agreed. The bulk of the water is supplied from the mining operations and recovered from the in-pit tailings facility and previously mined pits. Gold Fields closed the Lawlers processing plant following the acquisition of the Yilgarn South Assets. As part of the integration of the Agnew and Lawlers mines, the plant remains on care and maintenance.

History

Gold was discovered at Agnew in 1895 and production was intermittent until WMC acquired the operation in the early 1980s and constructed the current mill in 1986. Since that time, numerous open pits and underground operations have been mined.

Gold was discovered around the same time at Lawlers. In 1984, Forsayth NL purchased the Great Eastern lease and constructed the Lawlers processing plant, or the Lawlers Mill. Modern open pit mining commenced in 1986. Genesis open pit mining commenced in 1991 with Fairyland open pit mining commencing in 1997. New Holland underground mine opened in 1998 and in 2001 Barrick acquired Lawlers as part of its merger with Homestake. In 2013, Gold Fields purchased Lawlers from Barrick, mining was stopped at Fairyland and the Lawlers Mill was placed on care and maintenance.

Geology

The Agnew and Lawlers deposits are located within the northwest portion of the Norseman-Wiluna greenstone belt of the Western Australian Goldfields. This greenstone belt consists of an older sequence of ultramafic flows, gabbros, basalts, felsic volcanics and related sedimentary rocks. The rocks are folded about the large, moderately north plunging Lawlers Anticline. The Agnew deposits are located on the western limb of this anticline, and major deposits discovered to date lie on sheared contacts between stratigraphic units. The anticline is cut by north-northeast trending faults such as the Waroonga and East Murchison Unit shear zones. The Lawlers deposits occur along the eastern limb of the Lawlers Anticline with the main Genesis-New Holland deposit located within the Scotty Creek Sediments west of Waroonga.

Mining

The principal production sources at Agnew/Lawlers are the Waroonga and New Holland underground mining complexes. The northern cutback of the Songvang open pit was completed in 2012 and this ore has supplemented underground feed to the Agnew Mill. The mining method at Waroonga involves longhole open stoping with paste filling. Access to the ore body is through a decline tunnel which accommodates workers, materials and equipment.

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At the New Holland underground mine at Lawlers, the selection of the stoping method is dependent upon the geometry of the ore structure. Two primary methods are employed: uphole retreat open stoping and room and pillar longhole. Access to the mine is via two declines.

At both Waroonga and New Holland, ore is trucked to a mine ore pad located at the base of either the Waroonga or New Holland open pits, where it is then hauled to the Agnew processing facility using haul trucks operated by a contractor.

In fiscal 2014, Agnew/Lawlers reported increased production due to the full year impact of the acquisition of the Lawlers mine.

At the Waroonga mine, access development has begun into the new high-grade, underground FBH deposit, or FBH, where first production is expected during the fourth quarter of fiscal 2015. Continued delineation of the high-grade ore shoots beneath Main North FBH reflected improved mineral reserves in fiscal 2014. Exploration drilling to the north of Kim lode has continued to return positive results from the Kath and Waroonga North projects, with initial resource models expected in fiscal 2015. Drilling at Cinderella has confirmed the interpretation and increased the size of two targeted lodes at depths of approximately 80 and 140m. Higher grade shoots have been interpreted within the Main North and Main South lodes during 2014. Capital development to mine FBH commenced in late fiscal 2014 and is progressing on plan.

Detailed below are the operating and production results at Agnew for fiscal 2012, 2013 and 2014. Lawlers amounts are included for the fourth quarter of fiscal 2013 and fiscal 2014.

	Fiscal 2012	Fiscal 2013[1]	Fiscal 2014[1]
Production			
Tonnes (000)	943	974	1,246
Recovered grade (g/t)	5.8	6.9	6.8
Gold produced (000 oz)	177	216	271
Results of operations ($ million)			
Revenues	294.4	302.8	342.5
Operating costs (excluding amortization and depreciation)[2]	148.1	135.0	173.0
All-in sustaining cost net of by-product revenues per ounce of gold sold ($)[2]	1,253	909	990
All-in costs net of by-product revenues per ounce of gold sold ($)[2]	1,253	909	990

Notes:

(1) Including Lawlers since acquisition on October 1, 2013.
(2) For a reconciliation of Gold Fields operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost . AIC and AISC are calculated per ounce of gold sold, excluding gold equivalent ounces. See Operating and Financial Review and Prospects All-in Sustaining and All-in Cost .

From fiscal 2013 to fiscal 2014, tonnes of ore processed at Agnew increased from 0.974 million tonnes to 1,246 million tonnes. Gold production increased to 0.271 million ounces in fiscal 2014 compared to 0.216 million ounces in fiscal 2013 due to Lawlers being included for the full year in 2014 as opposed to only one quarter in 2013.

Assuming that Gold Fields does not increase or decrease reserves estimates at Agnew/Lawlers and that there are no changes to the current mine plan, the December 31, 2014 proven and probable reserves at 0.87 million ounces will be sufficient to maintain production at Agnew/Lawlers through approximately fiscal 2019. However, as discussed earlier in Risk Factors and Mine Planning and Management, there are numerous factors which can affect reserve estimates and the mine plan, which could thus materially change the life of mine.

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Agnew/Lawlers engaged in underground mining and reclaiming stockpiles arising from the mined out Songvang operation. Agnew/Lawlers is thus subject to all of the underground and surface mining risks discussed in Risk Factors . The primary safety risk at Waroonga is falls of ground at the underground operations, which is addressed through the use of ground support, paste filling of open stopes and sequencing of mine operations to improve overall stability of the ground. The primary safety risk at New Holland is falls of ground at the underground operations, which is addressed through the use of ground support and sequencing of mine operations to improve stability of the ground. For more information about workplace injuries at Agnew/Lawlers, see Directors, Senior Management and Employees Employees Health and Safety Safety and Directors, Senior Management and Employees Employees TRIFR, Fatalities and Fatal Injury Frequency Rate .

There were no strikes or material work stoppages at Agnew/Lawlers in fiscal 2014 and none to date in fiscal 2015.

Processing

All processing at Agnew/Lawlers is provided through by a single processing facility. The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and the metallurgical recovery factor during fiscal 2014 for the plant. The Lawlers Mill was placed on a care and maintenance basis after existing stockpiles were treated shortly after the acquisition was completed.

Processing Techniques

Plant	Year commissioned	Comminution phase	Treatment phase	Capacity[1]	Average milled for fiscal 2014	Approximate recovery factor for fiscal 2014[2]
				(tonnes/month)		
Agnew Mill	1986	Two-stage ball milling	CIP treatment	100,000	103,863	94%

Notes:

(1) Nameplate capacity as stated by the manufacturer. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.
(2) Percentages are rounded to the nearest whole percent.

Capital Expenditure

On an IFRS basis (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), Gold Fields spent A$92.3 million or U.S.$83.4 million on capital expenditures at Agnew in fiscal 2014, primarily on mine development, exploration and capital works. Gold Fields has budgeted approximately A$84 million for capital expenditures at Agnew for fiscal 2015, primarily for exploration, mine development and capital works.

Granny Smith

Introduction

Granny Smith is located approximately 400 kilometers northeast of the town of Kalgoorlie in the Laverton Region in the Eastern Yilgarn Crater in Western Australia. Granny Smith is situated at an elevation of 400 meters above sea level.

Granny Smith is located 27 kilometers southwest of the town of Laverton and is accessible via the Mt. Weld Road. Laverton is 950 kilometers southeast by sealed road from Perth, and 400 kilometers south by sealed road to Kalgoorlie. Granny Smith holds exploration licenses, prospecting licenses and mining leases covering a total area of approximately 64,300 hectares.

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The operation runs on a fly-in fly-out basis with variable rosters. A well-maintained unsealed airstrip located approximately eight kilometers northeast of the camp provides air access from Perth for the majority of employees. Flights are made on weekdays and the average flight time is approximately two hours.

History

The Granny Smith deposits were discovered in 1987. In 1989, mining at Granny Smith commenced in the Granny Smith pit and continued in subsequent years, with the development of a series of open pits, including Wallaby. In 1990, the first gold from Granny Smith was poured. In 1998 the Wallaby deposit was discovered 11 kilometers southwest of Granny Smith. In November 2001, the first Wallaby ore was delivered to the mill.

The Wallaby Open Pit was mined from October 2001 until December 2006. Underground mining at Wallaby commenced in December 2005 and is ongoing. As noted above, Gold Fields acquired the mine in October 2013.

Geology

The Laverton region, located in the Eastern Yilgarn Craton in Western Australia, is second only to the Kalgoorlie region for gold endowment. At a regional scale, the map patterns of Laverton are dominated by the Mt. Margaret Dome in the northwest and the Kirgella Dome in the southeast. These domes are flanked to the east and west by north-northwest-striking shear zones, and the central zone between the two domes is dominated by north to north-northeast-striking sigmoidal shear zones. These distinctly different strikes to the shear zones developed early in the tectonic evolution and resulted in a favorable architecture for late-stage orogenic gold mineralization.

Mining

The Wallaby underground operation has been in full operation since December 2005. Access to the Wallaby underground mine is via a portal established within the completed Wallaby open pit. The mine operation is trackless, with truck haulage from underground via the ramp to the surface. The Wallaby underground mine is currently designed to exploit its six stacked mineralized lodes to a depth of 1.1 kilometers.

Two primary underground mining methods are used, with minor adjustments to suit localized geometry. Inclined room and pillar is used in areas with a moderate dip and moderate width zones, and transverse longhole stoping is used in zones which are thicker (six to 15 meters) with variable dips. Two other mining methods are used to a lesser extent. Narrow vein longhole stoping may be utilized in some areas with the benefit of reduced planned footwall dilution, and bulk longhole stoping is used in thicker zones under varying dip conditions.

In fiscal 2014, Granny Smith experienced reduced dilution, higher in-situ grades and greater mining recoveries than in the fourth quarter of fiscal 2013. Granny Smith also benefitted from the enhancement of process plant recovery from around 88% to 93% through improved process flow controls and replacement of larger cyclones with smaller cyclone.

Exploration during fiscal 2014 provided further support for the replication of numerous deeper lodes in the Wallaby underground deposit. Going forward, the Group s development strategy at Granny Smith will focus on identifying the potential of the Wallaby system.

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Detailed below are the operating and production results at Granny Smith for the three months ended December 31, 2013 (the period of Gold Fields ownership of the mine in fiscal 2013) and fiscal 2014.

	Three months ended December 31, 2013	Fiscal 2014
Production		
Tonnes (000)	330	1,472
Recovered grade (g/t)	5.9	6.7
Gold produced (000 oz)[1]	62	315
Results of operations ($ million)		
Revenues	82.3	399.8
Operating costs (excluding amortization and depreciation)[2]	48.8	182.6
All-in sustaining cost net of by-product revenues per ounce of gold sold ($)[2]	885	809
All-in costs net of by-product revenues per ounce of gold sold ($)[2]	885	809

Notes:

(1) In fiscal 2013, production is reported from October 1, 2013, the date on which Gold Fields effectively acquired the mine.
(2) For a reconciliation of Gold Fields operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost . AIC and AISC are calculated per ounce of gold sold, excluding gold equivalent ounces. See Operating and Financial Review and Prospects All-in Sustaining and All-in Cost .

In fiscal 2014, ore processed at Granny Smith amounted to 1,472 million tonnes compared with 0.330 million tonnes in fiscal 2013. Gold production increased by 408.1% from 0.062 million ounces in fiscal 2013 to 0.315 million ounces in fiscal 2014.

Assuming that Gold Fields does not increase or decrease reserves estimates at Granny Smith and that there are no changes to the current mine plan, Granny Smith s December 31, 2014 proven and probable reserves of 0.87 million ounces will be sufficient to maintain production through approximately fiscal 2019. However, as discussed earlier in Risk Factors and Mine Planning and Management , there are numerous factors which can affect reserve estimates and the mine plan, which could thus materially change the life of mine.

Granny Smith is engaged in underground mining and production stockpile surface mining, and is thus subject to all of the underground and surface mining risks discussed in Risk Factors . The primary safety risk at Granny Smith is falls of ground at the underground operations, which is addressed through the use of ground support, backfilling of open voids and sequencing of mine operations to improve overall stability of the ground. For more information about workplace injuries at Granny Smith, see Directors, Senior Management and Employees Employees Health and Safety Safety and Directors, Senior Management and Employees Employees TRIFR, Fatalities and Fatal Injury Frequency Rate .

There were no strikes and/or material work stoppages at Granny Smith in fiscal 2014 and none to date in fiscal 2015.

Processing

The Granny Smith processing plant consists of two parallel crushing circuits, SAG and ball milling, leach and CIP circuits and a gravity tailings retreatment circuit to concentrate and fine-grind sulphide minerals, primarily pyrite, for gold recovery. As the processing plant is capable of treating much higher tonnages than the Wallaby underground mine can supply, not all of the installed equipment is required for the processing of the Wallaby underground ore.

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The table below sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factors during fiscal 2014, for the plant at Granny Smith.

Processing Techniques

Plant	Year commissioned	Comminution phase	Treatment phase	Capacity[1][2]	Average milled for fiscal 2014	Approximate recovery factor for fiscal 2014[3]
				(tonnes/month)		
Granny Smith Processing Facility	1990	Crushing and SAG and Ball milling	Leaching/CIP, gravity circuit and refinery	283,000	122,650	93%

Notes:

(1) Nameplate capacity as stated by the manufacturer. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.
(2) The plant has gone through a number of upgrades and re-configurations over the years and has treated ore from different sources. The throughput capacity is in excess of three million tonnes per annum, however it is currently operated on a campaign basis of up to approximately 1.5 million tonnes per annum, and is only used to treat the ore from the Wallaby underground mine.
(3) Percentages are rounded to the nearest whole percent.

Capital Expenditure

On an IFRS basis, (as included in the geographical and segment information included in Note 26 to the consolidated financial statements) Gold Fields spent A$65.2 million, or U.S.$58.9 million, on capital expenditures at Granny Smith in fiscal 2014, primarily on processing, mining and development. Gold Fields has budgeted approximately A$96 million for capital expenditures at Granny Smith in fiscal 2015. These funds are principally earmarked for exploration, processing, mining and development.

Darlot

Introduction

Darlot is located in the Eastern Yilgarn Craton, approximately 55 kilometers southeast of Leinster and some 700 kilometers northeast of Perth in Western Australia. It holds exploration licenses, prospecting licenses and mining leases covering a total area of approximately 11,400 hectares. Darlot is currently an underground operation. The Darlot operation obtains electricity pursuant to a contract with an electricity generating contractor that expires in March 2015 and has access to water, rail, air and road infrastructure. Consumables and supplies are trucked in locally from both Perth and Kalgoorlie.

History

Gold was first discovered in the Lake Darlot region in an alluvial field in late 1894, which triggered a gold rush that lasted until 1913. Initial mining focused on alluvial deposits and production from these areas is poorly documented.

Modern exploration commenced in the late 1970s and focused on a re-evaluation of historical mining camps, and extensions and repetitions of known mineralized veins.

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During August 1996, while diamond drilling a 320 meter by 320 meter step-out program, a drill hole intersected a 33 meter section at a grade of 8.0g/t Au. This discovery drill hole for the Centenary orebody was approximately 1.2 kilometers east of the Darlot open pit. Underground development to the Centenary orebody from Darlot was initiated during December 1996 and by December 1998 stoping activities commenced. The Centenary orebody thereafter became the primary production source. As noted above, Gold Fields acquired the mine in October 2013.

Geology

Darlot is located in the Eastern Yilgarn Craton in Western Australia. The Yilgarn Craton is Archean-aged and comprises north-northwesterly trending greenstone belts and granitic intrusions. The Darlot Centenary deposit is located within the Mount Margaret mineral field which lies to the southern end of the Yandal Greenstone Belt.

The Centenary orebody is located approximately 1.2 kilometers east of the Darlot open pit and has been defined from approximately 150 to 700 meters below surface. Gold mineralization occurs within sub-horizontal to 20 degree westerly dipping stacked quartz veins bounded to the west by the Oval Fault and to the east by the Lords Fault.

Mining

The underground mine is accessed via two portals within the Darlot open pit, namely the Centenary and Millennium declines. A third decline named Federation with access to the underground mine is accessed from the Centenary decline. The mine is sub-divided into two mining areas, the Darlot lodes and Centenary orebody. The former is the down-dip extension of lodes, mined in the pit whereas the latter is located approximately 1.2 kilometers from the open pit. The Darlot lodes and Centenary orebody are further sub-divided into various lodes and mining areas. A number of laddered raises connect levels to a fresh air base and declines. Decline and lateral development is by electro-hydraulic twin boom jumbos. Ore is transported to the processing plant by haul trucks operating through the two declines. Gold production takes place at Darlot solely from underground operations.

Near-mine exploration during fiscal 2014 has delineated sufficient ore reserves to secure stable production in fiscal 2015. Exploration in fiscal 2015 will be focused on replacing production depletion and reserve growth to provide critical mass and flexibility. The Group has also confirmed the presence of a Centenary Depth Analogue, which will be the key focus for exploration and resource definition programs in fiscal 2015.

Detailed below are the operating and production results at Darlot for the three-month period from October 1, 2013 to December 31, 2013 (the period of Gold Fields ownership of the mine in fiscal 2013) and fiscal 2014.

	Three months ended December 31, 2013	Fiscal 2014
Production		
Tonnes (000)	158	525
Recovered grade (g/t)	3.9	5.0
Gold produced (000 oz)[1]	20	84
Results of operations ($ million)		
Revenues	26.0	106.2
Operating costs (excluding amortization and depreciation)[2]	21.6	81.9
All-in sustaining cost net of by-product revenues per ounce of gold sold ($)[2]	1,132	1,222
All-in costs net of by-product revenues per ounce of gold sold ($)[2]	1,132	1,222

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Notes:

(1) In fiscal 2013, production is reported from October 1, 2013, the date on which Gold Fields effectively acquired the mine.
(2) For a reconciliation of Gold Fields operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost . AIC and AISC are calculated per ounce of gold sold, excluding gold equivalent ounces. See Operating and Financial Review and Prospects All-in Sustaining and All-in Cost .

In fiscal 2014, ore processed at Darlot was 0.525 million tonnes compared to 0.158 million tonnes in 2013. Gold production was 0.02 million ounces in fiscal 2013 and 0.08 million ounces in fiscal 2014.

Assuming that Gold Fields does not increase or decrease reserves estimates at Darlot and that there are no changes to the current mine plan, Darlot s December 31, 2014 proven and probable reserves of 0.10 million ounces will be sufficient to maintain production through approximately fiscal 2016. However, as discussed earlier in Risk Factors and Mine Planning and Management , there are numerous factors which can affect reserve estimates and the mine plan.

Darlot is engaged in underground mining and is thus subject to all of the underground mining risks discussed in Risk Factors . The primary safety risk at Darlot is falls of ground at the underground operations, which is addressed through the use of ground support and sequencing of mine operations to improve overall stability of the ground. For more information about workplace injuries at Darlot, see Directors, Senior Management and Employees Employees Health and Safety Safety and Directors, Senior Management and Employees Employees TRIFR, Fatalities and Fatal Injury Frequency Rate .

There were no strikes or material work stoppages at Darlot in fiscal 2014 or to date in fiscal 2015.

Processing

Darlot has a mill that treats primary ore. The table below sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factors during fiscal 2014, for the plant at Darlot.

Processing Techniques

Plant	Year commissioned	Comminution phase	Treatment phase	Capacity[1]	Average milled for fiscal 2014	Approximate recovery factor for fiscal 2014[2]
				(tonnes/month)		
Darlot Mill	1988	Three stage crushing and two stage ball mills	CIL	64,000	43,738	96%

Notes:

(1) Nameplate capacity as stated by the manufacturer. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.
(2) Percentages are rounded to the nearest whole percent.

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Capital Expenditure

On an IFRS basis (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), Gold Fields spent A$16.3 million or U.S.$14.7 million on capital expenditures at Darlot in fiscal 2014, primarily on development. Gold Fields has budgeted approximately A$26 million for capital expenditures at Darlot in fiscal 2015. These funds are principally earmarked for exploration, development and capital works.

Far Southeast Scoping Study

In September 2010, Gold Fields entered into two option agreements with Lepanto, the 60% owner, and Liberty, the 40% owner of the gold-copper FSE in the Philippines, granting Gold Fields an option to acquire a total 60% interest in FSE for a total consideration of $340 million, or the Liberty and Lepanto options. After paying option fees of $10 million and making two down-payments of $44 million and $66 million in September 2010 and September 2011 respectively. In March 2012, Gold Fields exercised its 40% option and acquired Liberty s 40% interest in FSE after making a further $110 million payment. Gold Fields continues to hold its option to acquire an additional 20% stake in FSE from Lepanto for a further $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 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 had the discretion to exercise either option prior to the FTAA being granted as it did by exercising its Liberty option to acquire ownership of 40% of FSE.

The FTAA application for the FSE project was filed in November 2011. The application requires FPIC of the Kankana-ey indigenous people for Gold Fields exploration activities. In July 2013, the Kankana-ey people s elders voted in favor of FPIC for the project. In February 2015, a memorandum of agreement was signed with the communities, and the Kankana-ey people s elders passed a resolution in favour of granting Gold Fields an FTAA. Gold Fields targets completion of the FTAA process in 2016.

Americas Operations

Prior to fiscal 2013, Gold Fields owned a 98.5% economic interest in the Cerro Corona mine through its shareholding in La Cima. Gold Fields increased its economic interest in La Cima to 99.53% through a reduction in capital carried out in December 2013. Following the dissolution of the GIP division in fiscal 2013, Gold Fields relocated its exploration projects to its existing regional structures. As part of this restructuring, the Woodjam Project, Salares Norte and Piedra, and the Chucapaca Feasibility Study (which has since been sold) were relocated to Americas operations.

Cerro Corona

Introduction

The Cerro Corona mine became operational by the end of the first quarter of 2009. It forms part of a porphyry copper-gold deposit situated within the Hualgayoc Mining District in northern Peru. It is located in the highest part of the Western Cordillera of the Andes, in northern Peru, close to the headwaters of the Atlantic continental basin. Cerro Corona is located approximately 80 kilometers by road north of the City of Cajamarca. La Cima holds mining concessions covering a total area of approximately 4,400 hectares and Cerro Corona is being developed over an area of approximately 1,244 hectares of superficial land (the rights to which are held by Gold Fields). Cerro Corona s electricity is supplied through a long-term contract with a Peruvian power supplier and transported through the national power transmission system and a 34 kilometer transmission line constructed by the project. Cerro Corona s water requirements are provided primarily by retention of rainfall and pit dewatering; water is continuously recycled.

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History

In December 2003, Gold Fields, through a subsidiary, signed a definitive agreement to purchase an 80.7% economic and 92% voting interest in the Cerro Corona mine from a Peruvian family-owned company, Sociedad Minera Corona S.A., or SMC. The agreement called for a reorganization whereby the assets of Cerro Corona were transferred to La Cima, in July 2004. Following the approval of an environmental impact assessment on December 2, 2005, Gold Fields completed the purchase of the 92% voting interest (80.7% economic interest) in La Cima in January 2006, for a total consideration of $40.5 million. La Cima subsequently obtained all requisite additional permits to construct the mine. Construction commenced in May 2006.

Geology

The Cerro Corona gold-copper deposit is hosted by a 600- to 700-meter diameter sub-vertical cylindrical-shaped quartz diorite porphyry stock emplaced into mid-Cretaceous limestone and marls and siliclastic rocks. Within the porphyry, gold-copper mineralization is primarily hosted by extensive zones of stockwork veining. There are at least two phases of diorite placement, only one of which is mineralized. The non-mineralized diorite is generally regarded as the last phase, and is referred to as barren core. The latest re-modeling suggests that the Cerro Corona porphyry is probably composed of four or five satellite stocks with the last two being barren. The intrusive has been emplaced at the intersection of Andean-parallel and Andeannormal (transandean) structures. Supergene oxidation and leaching processes at Cerro Corona have led to the development of a weak to moderate copper enrichment blanket, allowing for the subdivision of the deposit, from the surface downward, into an oxide zone, a mixed oxide-sulphide zone, a secondary enriched (supergene) sulphide zone and a primary (hypogene) sulphide zone.

Mining

The Cerro Corona deposit is mined by conventional, bulk surface mining methods. The Cerro Corona operation involves a single surface mine. This ore is treated in a conventional milling and sulphide flotation concentrator capable of treating 6.2 million tonnes per annum of ore and producing between 100,000 and 190,000 tonnes per annum of copper and gold containing concentrate, which is treated mainly at smelters in Japan, Korea and Germany.

The single largest contractor employer is San Martin Contratistas Generales S.A., or San Martin. San Martin carries out all mining activities. All mine planning, excavation and head grade and engineering specifications to meet the required design performance through the life of mine are directly managed by La Cima personnel. Other contractors provide camp administration and catering, security, safety and laboratory operations. In addition, approximately 500 temporary contractors are involved in the construction of the tailings facility.

In fiscal 2014, Cerro Corona increased gold equivalent production by 3% and remained the Group s lowest cost producer by all-in cost per ounce, producing high-margin gold and copper.

A 66 kilometer re-logging program was completed in fiscal 2014 as part of a geo-metallurgy project, which is expected to increase the overall definition of the lithological contacts and increase knowledge of the ore body at depth including hypogene alteration, clay, density, rock hardness and silicification. This will improve metallurgical response modeling for the deeper sections of the hypogene ore body.

A pre-feasibility study has also been launched to determine if the prevailing tailings storage facility constraint on Cerro Corona s mineral reserves could be lifted and allow for the placement of additional tailing material over the life of mine. The study builds on previous work by incorporating the latest design updates for the tailings storage facility, including optimization of the mine in the potential expanded case, as well as the assessment of additional new opportunities.

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The option to process both oxide stockpiles and sulphide ore through the current sulphide plant in conjunction with each other is under review. During fiscal 2014, a number of laboratory tests were performed with a mixture of material from the upper part of oxide stockpile number 2 and hypogene mineralization from the pit. Additional studies with respect to treating the oxide stockpiles will be conducted in fiscal 2015, including the completion of the flotation test work.

In fiscal 2014, Gold Fields extended its electricity supply agreement with private utility Kallpa Generacion S.A. to supply power to the mine until 2027, significantly increasing Cerro Corona s long-term energy security.

Detailed below are the operating and production results at Cerro Corona in fiscal 2012, fiscal 2013 and fiscal 2014.

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Production			
Tonnes (000)	6,513	6,571	6,797
Gold Head grade (g/t)	1.24	1.13	1.06
Copper Head grade (%)	0.68	0.55	0.58
Combined yield (g/t)	1.6	1.5	1.5
Gold produced (000 oz)	170	159	151
Copper produced (000 tonnes)	36	30	32[1]
Gold equivalent ounces (000 eq oz)	342	317	327
Results of operations ($ million)			
Revenues	556.6	390.9	375.5
Operating costs (excluding amortization and depreciation)[2]	171.4	161.3	158.2
All-in sustaining cost net of by-product revenue per ounce of gold sold ($)[2]	82	206	316
All-in costs net of by-product revenue per ounce of gold sold ($)[2]	82	206	316
All-in sustaining cost gross of by-product revenue per equivalent ounce of gold sold ($)[2]	819	707	702
All-in costs gross of by-product revenue per equivalent ounce of gold sold ($)[2]	819	707	702

Notes:

(1) Equates to 176,000 ounces on a gold equivalent basis at a price of $1,262 per ounce of gold and $6,827 per tonne of copper.
(2) For a reconciliation of Gold Fields operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost . See Operating and Financial Review and Prospects All-in Sustaining and All-in Cost .

Assuming that Gold Fields does not increase or decrease reserve estimates at Cerro Corona and that there are no changes to the current mine plan, Cerro Corona s December 31, 2014 proven and probable reserves of 1.8 million ounces of gold and 623 million pounds of copper (of which, 1.79 million ounces of gold and 620.1 million pounds of copper are attributable to Gold Fields, with the remainder attributable to non-controlling shareholders at La Cima) will be sufficient to maintain production through approximately fiscal 2023. However, as discussed earlier in Risk Factors and Mine Planning and Management , there are numerous factors that can affect reserve estimates and the mine plan, which could thus materially change the life of mine.

The Cerro Corona mine involves open pit mining, and is thus subject to all of the risks associated with open pit mining discussed in Risk Factors . For more information about workplace injuries at Cerro Corona, see Directors, Senior Management and Employees Employees Health and Safety Safety and Directors, Senior Management and Employees Employees TRIFR, Fatalities and Fatal Injury Frequency Rate .

Cerro Corona experienced no work stoppages in fiscal 2014 and has experienced none to date in fiscal 2015.

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Processing

The following table sets forth year commissioned, processing techniques and processing capacity per month, for the processing plant at Cerro Corona:

Processing Techniques

Plant	Year commissioned	Comminution phase	Treatment phase	Capacity[1]	Average milled for fiscal 2014	Approximate recovery factor for fiscal 2014[2]
				(tonnes/month)		
Main Plant	2008	SAG/ball milling	Conventional sulphide floatation circuit	560,000	566,405	Gold 68% Copper 86%

Notes:

(1) Nameplate capacity as designed. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.
(2) Percentages are rounded to the nearest whole percent.

In July 2014, two new mobile jaw crushers were installed to facilitate the delivery of six-inch material to the SAG mill. This is expected to assist plant throughput with increasing hardness of the ore as mining from the pit goes deeper.

Capital Expenditure

On an IFRS basis, (as included in the geographical and segment information included in Note 26 to the consolidated financial statements) Gold Fields spent U.S.$51.0 million on capital expenditures at Cerro Corona in fiscal 2014, consisting primarily of construction of the tailings dam and completion of improvements of the process plant facilities. Gold Fields has budgeted approximately U.S.$74 million for capital expenditures at Cerro Corona for fiscal 2015, primarily on the tailings and waste storage facilities.

Salares Norte and Piedra

In Chile, Gold Fields exercised an option, as part of an agreement, in February 2012 to acquire 100% of two properties, Salares Norte and Piedra, from SBX Asesorias e Inversiones, a private Chilean company, and the concessions were registered under the name Minera Gold Fields Salares Norte Limitada, a wholly owned subsidiary of Gold Fields. The project was promoted to Advanced Drilling status in July 2012. The Salares Norte advanced drilling project is focused on a gold-silver deposit in the Atacama region of northern Chile. Mineralization is contained within a high-sulphidation epithermal system, offering high-grade oxide mineralization (shallow oxides). The project is located within a core 900ha concession area and Gold Fields has options to purchase two adjoining concessions that would add a further 2,100ha.

In fiscal 2013, Gold Fields reported a maiden inferred mineral resource. Preliminary indications, supported by metallurgical test work, suggest carbon-in-leach processing could deliver recovery rates of around 90%. Furthermore, the project is located in a favorable mining jurisdiction.

Water security is not expected to pose a material challenge to project execution and operation but it is an issue that requires proactive management. In the first quarter of fiscal 2014, Gold Fields filed a water rights claim before the General Water Bureau for a nearby reservoir that could potentially yield 166 litres per second, which would be sufficient for future operations. The remote location of the site means there will likely be minimal community impacts. Indigenous Colla presence has not being identified in the project area. The closest community is located about 100km from the project, along the access road.

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Collectively, these qualities mean Salares Norte offers significant potential in terms of future cash generation. As such, the decision has been made to retain it within Gold Fields growth portfolio and to explore its potential further. An exploration budget of US$23 million has been made available for further drilling work in the first half of 2015 with a potential pre-feasibility study to commence in the fourth quarter of fiscal 2015.

Chucapaca

On August 19, 2014, Gold Fields reached an agreement to sell its 51% stake in Canteras del Hallazgo S.A.C, or CDH, the company that manages the Chucapaca project in southern Peru, to its joint venture partner in the project, Compañía de Minas Buenaventura S.A.A., or Buenaventura, for U.S.$81 million in cash and a 1.5% net smelter royalty on future sales of gold, copper and silver produced in the current Chucapaca concession. Buenaventura is Peru s largest publicly traded precious metals mining company and previously owned 49% of CDH.

Woodjam Project

In central British Columbia, Canada, Gold Fields holds a 51% interest in the Woodjam project for copper-gold porphyry deposits. The project comprises two separate joint venture agreements with Consolidated Woodjam Copper Corp. Gold Fields has the right to earn up to a 70% interest in the joint venture. The properties comprise 56,800 hectares covering several known porphyry copper and gold targets. Additional prospective third party concessions totaling 2,150 hectares within the project area were optioned during 2011 and have been incorporated into the joint venture. In July 2011, Gold Fields also signed a joint venture agreement to earn up to a 70% interest of the nearby 8,902 hectare Redgold copper-gold property which is owned by two private individuals. The Redgold agreement was terminated in July 2014.

Gold Fields completed a conceptual mining study for the Woodjam project and the maiden copper-gold resource for the South East zone as first reported in February 2012, which was further updated in 2013 following completion of additional infill and extensional drilling programs during 2012. Following the dissolution of the Group s GIP division in late fiscal 2013, the Woodjam project was earmarked for disposal due to the current market environment. Pending the sale, Gold Fields has reduced the Woodjam project s holding costs.

Insurance

Gold Fields insurance policies provide coverage for general liability, accidental loss or damage to its property, business interruption in the form of fixed operating costs or standing charges, material damage and other losses. While the bulk of these are insured through a captive insurance company domiciled in Gibraltar, not all potential losses are covered. Gold Fields does not insure all potential losses associated with its operations as some insurance premiums are considered to be too high, some risks are considered too remote to insure and some types of insurance cover are not available. Should an event occur for which there is no or limited insurance cover, this could affect Gold Fields cash flows and profitability.

Management believes that the scope and amount of insurance coverage is adequate, taking into account the probability and potential severity of each identified risk. Gold Fields insurance coverage is consistent with customary practice for a gold mining company of its size with multinational operations. See Risk Factors Gold Fields insurance coverage may not adequately satisfy all potential claims in the future .

The Gold Mining Industry

Background

Gold is a dense, relatively soft and rare precious metal which occurs in natural form as nuggets or grains in ore, underground veins and alluvial deposits. Gold mining operations include both underground and open pit operations with gold currently able to be commercially extracted from ore grades in amounts as low as

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0.5 grams/metric tonne (open pit). The majority of gold production is used for jewelry production and for investment purposes, in the latter case because some investors view it as a store of value against inflation. In addition, certain physical properties of gold, including its malleability, ductility, electric conductivity, resistance to corrosion and reflectivity, make it the metal of choice in a number of industrial applications.

Global Markets

Demand

The two main categories of demand for gold are fabrication (primarily jewelry) and investment (private and governmental). The demand for gold in 2014 was 3,924 tonnes or U.S.$160 billion in value terms (not reflecting over-the-counter, or OTC, investments and stock flows), comprising jeweler fabrication (55%); investments (23%); technological applications (10%); and net central bank purchases (12%), according to the WGC. Gold demand over the last few years has been mainly driven by China and India, which accounted for 53% of the total global demand in 2014, 2013 and 2012. Prior to 2013, significant private investment demand for gold was generated by gold ETFs and similar products. However, following the fall in gold prices at the beginning of 2013, gold ETFs experienced significant outflows of 880.8 tonnes during 2013. This slowed considerably to 159 tonnes in 2014. Demand for official gold purchases is driven by central banks, government bodies, supranational organizations and other investors. In 2013, net purchases by central banks was 409 tonnes. In 2014, these purchases rose by 17% to 477 tonnes. Gold is typically used as a natural hedge against inflation, a fact that mitigated against gold demand during 2013 as broader macro-economic conditions in the United States improved. Technological applications demand is mainly generated by automotive electronics, industrial electronics and wireless equipment.

Supply

Supply of gold consists of new production from mining, the recycling of gold scrap and releases from existing stocks of bullion. Mine production represents the most important source of supply and decreased to 3,050.7 tonnes in 2014. Mine production was down by 2% during 2014 and is expected to plateau in the next couple of years as lower grades, lack of investment during the current period of low gold prices and significantly reduced exploration budgets since 1995 which affected gold production profiles. The annual supply of recycled gold increased to 1,262.0 tonnes. In total, gold supply in 2014 totaled 4,274 tonnes (out of which mine production was 71%), a 0.1% decrease from 2013, according to the WGC.

Price

The market for gold is relatively liquid compared to other commodity markets, with London being the world s largest gold trading market. Gold is also actively traded via 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/demand dynamics. Gold is often purchased as a store of value in periods of price inflation and weakening currency. The price of gold has historically been less volatile than that of most other commodities. However, after almost a decade of steady increases in the gold price due to rising investment demand against a backdrop of relatively flat supply, the price of gold fell sharply in 2013 and continued to trade at lower levels in 2014, amid increased economic volatility in the United States. The closing gold price on December 31, 2014 was U.S.$1,185 per ounce. In 2014, the spot gold price was as high as U.S.$1,383 and as low as U.S.$1,141.

Top Producers

Based on fiscal 2014 production, the first, second and third largest gold producers in the world were Barrick Gold, Newmont Mining and AngloGold Ashanti, respectively. According to research, at March 16, 2015, Barrick

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Gold had 16 operations in eight countries, Newmont Mining had eight operations in four countries and AngloGold had 20 operations in 10 countries. In fiscal 2014, Gold Fields was the seventh largest gold producer in the world.

Environmental and Regulatory Matters

South Africa

Environmental

Gold Fields South African operations are subject to various laws relevant to its activities that relate to the protection of the environment. South Africa s Constitution grants the people of South Africa the right to an environment that is not harmful to human health or well being and to the protection of that environment for the benefit of present and future generations through reasonable legislative and other measures. The South African Constitution and the National Environmental Management Act, No. 107 of 1998, or NEMA, as well as various other related pieces of legislation enacted, grant legal standing to a wide range of interest groups to bring legal proceedings to enforce their environmental rights, which are enforceable against private entities as well as the South African government.

South African environmental legislation commonly requires businesses whose operations may have an impact on the environment to obtain permits, authorizations and other approvals for those operations. The applicable environmental legislation also imposes general compliance requirements and incorporates the polluter pays principle. On September 2, 2014 a number of amendments to the environmental laws were published. Such amendments were aimed at, amongst other things, resolving the problem of fragmented regulation of the mining industry, by creating what is known as the One Environmental System . Although the amendments were published on September 2, 2014, some of them only became effective on 8 December 2014. Prior to these amendments, there was debate as to whether environmental authorization was required for mining operations if a mining entity had an environmental management plan/programme, or EMP, approved by the competent officials of the DMR. This debate was settled by the amendments to the environmental laws, which have made it clear that in terms of the One Environmental System , as of December 8, 2014, environmental authorizations are required for prospecting/mining operations and related activities, in addition to an EMP. Prescribed officials within the DMR are now competent to grant such authorizations under NEMA However, the competent officials at the Department of Environmental Affairs, or DEA, remain the appeallate authority. Directors may be held liable under provisions of the NEMA for any environmental degradation and/or the remediation thereof.

The Minerals and Petroleum Resources Development Amendment Bill was published on December 27, 2012 for public comment. A second version of this Bill was published in June 2013 and although the Parliamentary process is complete, the Bill has yet to be published as an Amendment Act as the President has referred it back to Parliament because in his view, certain of its provisions are not in accordance with the Constitution of South Africa. See Mineral Rights . This Bill contains further proposed amendments to allow for a smooth transition to the One Environmental System . Another proposed amendment to the MPRDA is for the holder of a mining right, previous holder of an old order right, or previous owner of works that has ceased to exist to remain liable for any latent or residual environmental liability, pollution, ecological degradation, the pumping and treatment of extraneous water which may become known in the future, notwithstanding the issuance of a closure certificate in terms of the MPRDA. The NEMA has been amended to provide that every holder, holder of an old order right or owner of works will remain responsible for any environmental liability, pollution or ecological degradation, the pumping and treatment of polluted or extraneous water, the management and sustainable closure thereof, notwithstanding the issuing of a closure certificate.

South African mining companies are required by law to undertake rehabilitation work as part of their ongoing operations in accordance with an approved EMP, which supports a mine closure plan. Gold Fields funds these environmental rehabilitation costs as part of its capital expenditure, and its long-term closure costs are funded by making cash contributions into an environmental trust fund with the difference between the closure provision made to date and the final closure cost estimate funded through insurance guarantees. Gold Fields is

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currently in the process of amending its EMPs and has also submitted a performance assessment report in respect of its rehabilitation work in South Africa.

In line with the achievement of the One Environmental System , the National Water Act was also amended. Due to the past delays surrounding the processing of water use licenses, the NWA now requires the Minister of Water and Sanitation to align and integrate the process for consideration of a water use license with the timeframes and processes appurtenant to applications for prospecting and mining rights under the MPRDA, as well as environmental authorizations of the NEMA. Another amendment to the NWA is the insertion of a provision to the effect that a person aggrieved in regard to a decision made on an application for a water use licence (particularly for prospecting or mining) can appeal directly to the Minister of Water and Sanitation.

Further, under the National Water Act, No. 36 of 1998, or the National Water Act, all water in the hydrological cycle is under the custodianship of the South African government held in trust for the people of South Africa and water users have been required to re-register their water uses under the National Water Act. In addition, the National Water Act governs waste and waste water discharges which may affect a water resource. The South African government uses various policy instruments and mechanisms, such as the water use license regime and the water discharge charge system, to ensure compliance with prescribed standards and water management practices according to the user pays and polluter pays principles, and to shift some of the treatment and clean-up cost back to dischargers. Gold Fields continues to use all reasonable and practical measures to remove underground water to permit the routine safe functioning of South Deep. South Deep was issued with a water use license in November 2011. Certain conditions and other aspects of the approved license were identified as requiring modification and an application to address these was submitted to the DWAS in February 2012. A further amended water use license application was submitted to the DWAS in November 2013, primarily to reflect the results of a re-assessment of expected water use requirements and a changing water balance. No response was received from the DWAS in relation to the 2013 amendment. In November 2014, an agreement was reached with the DWAS to withdraw the 2013 amendment and to submit an updated amendment during the second quarter of fiscal 2015. The new amendment will reflect a variety of water management projects and initiatives that were implemented during fiscal 2014 and that are planned for implementation in fiscal 2015 and 2016. A presentation was provided to the DWAS in March 2015 to appraise them of the proposed structure and content of the new amendment, prior to the planned re-submission in April or May 2015.

Under the National Environmental Management Air Quality Act, No. 39 of 2004, or Air Quality Act, the South African government has established minimum emission standards for certain activities which result in air emissions and for which atmospheric emissions licenses, or AELs, must be held. The Amended Minimum Emissions Standards related to the list of activities resulting in atmospheric emissions, or Listed Activities, were released by the Minister of Water and Environmental Affairs and came into operation on November 22, 2013. Existing plants are required to comply with the Minimum Emissions Standards by April 1, 2015. Newly granted AELs under the Air Quality Act will incorporate the Minimum Emissions Standards as conditions. Non-compliance with the Minimum Emissions Standards is an offense under the Air Quality Act. South Deep mine undertakes activities which result in atmospheric emissions, as provided for by the Air Quality Act, and holds a registration certificate authorizing such activities under previous legislation. South Deep has submitted the necessary application for a new license under the Air Quality Act in respect of some of the emitting activities undertaken at South Deep. South Deep submitted an application for an AEL in March 2013. A meeting was held in March 2014 with the West Rand District Municipality to discuss the AEL application. The outcome of this meeting required South Deep s application to be amended to include Listed Activities. Gold Fields resubmitted an amended AEL application to the West Rand District Municipality, following which a provisional AEL for South Deep was granted pursuant to section 40(1)(a) of the Air Quality Act in respect of South Deep s three listed activities. The provisional AEL is valid for a period of one year of operation from November 13, 2014, after which South Deep may then apply for the final AEL. The application for a final AEL needs to be submitted together with supporting reports demonstrating full compliance with all conditions or requirements of the provisional AEL within six months from the date of issue of the provisional AEL. Gold Fields is drafting a plan to ensure it is in compliance with the applicable requirements of the Air Quality Act, including the new Minimum Emissions Standards.

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The Minister of Finance, in his 2015 budget speech, has indicated that the Treasury is considering introducing draft carbon tax legislation for public consultation during the first half of 2015 with a view to implement the tax by mid-2016. The carbon tax design requires the calculation of liability to be based on the volume of fossil fuel input which results in Scope 1 greenhouse gas emissions, and for such liability to commence at R120 per tonne of CO2-e, increasing by 10% per annum. The design also anticipates a tax free threshold of 60% and various allowances that would permit a tax liable entity to further mitigate its liability. Such allowances include an increased tax free threshold for trade exposed sectors and the use of carbon offsets against a carbon tax liability. If South Deep is liable to pay carbon tax, this is expected to be initially calculated (in the first year of carbon tax exposure) on 40% of the mine s Scope 1 emissions which have been estimated to be 6,985.92 tonnes of CO2-e in 2015. Based on these emissions, the potential tax liability in 2016 is estimated at approximately $30,000, before the application of the abovementioned allowances that might permit a reduction in the exposure. However, and notwithstanding some five years in development of the design, the precise implications of the carbon tax to South Deep are currently still unknown, and it is anticipated that greater certainty will be forthcoming during the course of 2015.

The National Environmental Management Waste Act, No. 59 of 2008, or the Waste Act, commenced on July 1, 2009 with the exception of certain sections relating to contaminated land which came into force on May 2, 2014. Responsible waste management has become a priority for the Department of Environmental Affairs, or the DEA. Gold Fields is currently working with the DEA in order to ensure it is in compliance with the Waste Act. South Deep has one waste disposal facility which is currently dormant. The site consists of different waste streams, including waste that has radiation levels that are slightly above background levels being the naturally occurring levels in geology. There is now a duty to rehabilitate this dormant site. South Deep must ensure that it has the appropriate waste management licenses and environmental authorizations for the closure and rehabilitation of all its waste sites. To this end, South Deep applied for two waste licenses in respect of its waste disposal facilities and salvage yard. On June 2, 2014, amendments to the Waste Act were published, which had the effect that as of December 8, 2014, residue deposits and residue stockpiles would be brought within the Waste Act s scope of operation. Accordingly, as of December 8, 2014, in terms of the One Environmental System , residue stockpiles and residue deposits are now subject to regulation under the Waste Act and waste management licenses will need to be obtained from the relevant officials at the DMR, who become competent authorities under the Waste Act to issue such licenses for mining operations. This is a fundamental shift in regulation as the Waste Act previously excluded residue deposits and residue stockpiles from its ambit. The 2013 Amendment Bill to the MPRDA also proposes the amendment of the definition of residue stockpiles to include historic mines and dumps created before the implementation of the MPRDA.

Gold Fields undertakes activities which are regulated by the National Nuclear Regulator Act, No. 47 of 1999, or the NNR Act. The NNR Act requires Gold Fields to obtain authorization from the National Nuclear Regulator, or NNR, and undertake activities in accordance with the conditions of such authorizations. Prior to the Spin-off, Gold Fields South African mining operations possessed and maintained Certificates of Registration issued by the NNR. After the Spin-off, South Deep continues to possess and maintain its Certificate of Registration, or CoR, as required under the NNR Act.

Although South Africa has a comprehensive environmental regulatory framework, enforcement of environmental law has traditionally been poor. The DEA and the DWAS have indicated that enforcement will improve and that Environmental Management Inspectors will be provided with greater resources going forward. As of December 8, 2014, under the One Environmental System , separate Environmental Management Inspectors will be appointed under the DMR to regulate environmental compliance of the mining industry.

Health and Safety

The principal objective of the South African Mine Health and Safety Act No. 29 of 1996, or the Mine Health and Safety Act, is to protect the health and safety of persons at mines. The Mine Health and Safety Act requires that employers and others ensure their operating and non-operating mines provide a safe and healthy

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working environment, determines penalties and a system of administrative fines for non-compliance and gives the Minister of Mineral Resources the right to restrict or stop work at any mine and require an employer to take steps to minimize health and safety risks at any mine. The Mine Health and Safety Act further provides for employee participation through the establishment of health and safety committees and by requiring the appointment of health and safety representatives. It also gives employees the right to refuse dangerous work. Finally, it describes the powers and functions of the Mine Health and Safety Inspectorate, or MHSI (which inspectorate is part of the DMR and the process of enforcement). Under the Mine Health and Safety Act, an employer is obliged, among other things, to ensure, as far as reasonably practicable, that its mines are designed, constructed and equipped to provide conditions for safe operation and a healthy working environment and the mines are commissioned, operated, maintained and decommissioned in such a way that employees can perform their work without endangering their health and safety or that of any other person. Every employer must ensure, as far as reasonably practicable, that persons who are not employees, but who may be directly affected by the activities at a mine, are not exposed to any hazards to their health and safety.

A failure to comply with the Mine Health and Safety Act is a criminal offense for which an employer, or any responsible person, may be charged and, if successfully prosecuted, be fined or imprisoned, or both. In addition, inspectors from the MHSI have the right to halt any part, or all, of the operations of a mine in the event of any circumstances which are unsafe in the opinion of that inspector. The MHSI also has the power to impose administrative fines upon an employer in the event of a breach of the Mine Health and Safety Act. The maximum administrative fine that may be imposed is R1 million per offense.

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, heat and certain hazardous substances, including toxic gases, water, soil or air contamination 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 COAD) as well as NIHL. The Occupational Diseases in Mines and Works Act, No. 78 of 1973 (South Africa), or the ODMWA, governs the payment of compensation and medical costs related to certain illnesses, such as silicosis, contracted by persons employed in mines or at sites where activities ancillary to mining are conducted. See Risk Factors Gold Fields operations are subject to environmental and health and safety regulations, which could impose additional costs and compliance requirements and Gold Fields may face claims and liability for breaches, or alleged breaches, of such regulations and other applicable laws . This increased cost, should it transpire, is currently indeterminate.

Until recently, the mining industry believed, as previous cases had indicated, that a provision in the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993, or the COIDA, precluded an employee from recovering any damages from the employer for an occupational injury or disease resulting in his disablement or death. The 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 damages from the employer concerned in a civil action under common law. While issues, such as negligence and causation, need to be proved on a case by case basis, it is nevertheless possible that such a 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 claim. 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. A consolidated application has been brought against several South African mining companies, including Gold Fields, for certifications of a class action on behalf of current and former mineworkers (and their dependants) who have allegedly contracted silicosis while working for one or more of the above mining companies. See Legal Proceedings and Investigations .

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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.

Mineral Rights

The MPRDA

The MPRDA came into effect on May 1, 2004. It can be said that the MPRDA consists of two parts, the first being mineral prospecting and mining and the second being petroleum exploration and production. Attached to the Act itself are the Transitional Provisions contained in Schedule II of the Act. In terms of the MPRDA, the mineral and petroleum resources of South Africa belong to the nation and the state (as custodian of the nation s resources), which is entitled to grant prospecting and mining rights. The objective of the MPRDA is, among other things, to promote equitable access to the nation s mineral resources by South Africans, expand opportunities for historically disadvantaged persons who wish to participate in the South African mining industry, advance social and economic development, and create an internationally competitive and efficient administrative and regulatory regime, based on the universally accepted principle, and consistent with common international practice, that mineral resources are part of a nation s patrimony. Mining companies are required to apply for the right to mine and/or prospect.

Under the MPRDA, prospecting rights may be granted for an initial maximum period of five years and can be renewed once upon application for a further period not exceeding three years. Mining rights are valid for a maximum period of 30 years, and can be renewed upon application for further periods, each of which may not exceed 30 years. A wide range of factors and principles, including proposals relating to black economic empowerment and social responsibility, will be considered by the Minister of Mineral Resources when exercising his discretion whether to grant these applications. A prospecting or mining right can be suspended or canceled if the holder conducts mining operations in breach of the MPRDA, a term or condition of the right or an environmental management plan, or if the holder of the right submits false, incorrect or misleading information to the DMR. The MPRDA sets out a process which must be followed before the Minister of Mineral Resources is entitled to suspend or cancel the prospecting or mining right. In 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 durations of the South Deep mining right and the Uncle Harry s mining right are both 30 years.

The MPRDA empowered the Minister of Mineral Resources to develop the Mining Charter, which is a set of guidelines that lays out the framework, targets and timetable for effecting entry of HDSAs into the mining industry and to allow such South Africans to benefit from the exploitation of South Africa s mineral resources.

Among other things, the Mining Charter envisages the transfer of 26% of the ownership of South African mining industry assets to HDSAs within 10 years (i.e. by the end of 2014). Ownership can comprise active involvement, through HDSA-controlled companies (where HDSAs own at least 50% plus one share of the company and have management control), strategic joint ventures or partnerships (where HDSAs own at least 25% plus one vote of the joint venture or partnership interest and there is joint management and control) or collective investment vehicles, the majority ownership of which is HDSA based, or passive involvement, particularly through broad-based vehicles such as employee stock option plans. The Mining Charter also required mining companies to submit annual, audited reports on progress toward their commitments, as part of an ongoing review process. In addition to this process, the South African government has also announced that it intends to conduct a review of the Mining Charter in fiscal 2015.

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Following a review of the mining industry s compliance with the 2009 targets set in the original Mining Charter, or the 2009 Review, the DMR released the Amended Mining Charter on September 13, 2010. Amendments to the original Mining Charter in the Amended Mining Charter include, among other things, guidelines that require 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% plus one 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. According to the text of the Amended Mining Charter, failure to comply with its provisions will amount to a breach of the MPRDA and may result in the cancelation or suspension of a mining company s existing mining rights. This is in conflict with the provisions of the MPRDA.

In accordance with the MPRDA, on April 29, 2009 the DMR published the Code relating to the socio-economic transformation of the mining industry, or the Mining Code. The current industry position is that the DMR does not apply the Codes and mining companies are subject only to the provisions of the MPRDA.

In the same vein as the 2009 Review, during the course of fiscal 2014, the DMR appointed a private entity to conduct Amended Mining Charter compliance audits on its behalf, in respect of a number of mining companies. Mining companies were required to complete questionnaires and templates as a means of reporting on their compliance with fiscal 2014 targets as set in the Amended Mining Charter. However, it is generally understood that the DMR disregarded or abandoned this audit process. It is therefore unclear what the status of the process is and what the outcomes were. It is also unclear whether or not the information provided during this audit process will be considered or used by the DMR for any purpose in the future. It appears that the information gathering mechanism has been substituted by the DMR s own formal request for information and data on Amended Mining Charter compliance in terms of section 29 of the MPRDA. The DMR directed mining companies to populate an electronic reporting template, but this template has raised a number of concerns due to its inflexible approach towards the assessment of compliance with the Amended Mining Charter. The template applies a mechanical process in that it asks specific questions and requires the completion of certain information, without making provision for the detailing of complex facts or historical transactions entered into in pursuance of meeting the Mining Charter HDSA ownership element.

With the 2014 HDSA ownership target date contemplated in the Amended Mining Charter having passed, the DMR s application of the Amended Mining Charter and its assessment of compliance therewith in respect of the ownership element is concerning. There are concerns in the mining industry that the approach followed by the DMR poses a risk of government action against many mining entities, which will threaten security of tenure, in that government may order the suspension or cancelation of mining rights in instances of deemed non-compliance with the requirements of the Amended Mining Charter. The mining industry, represented by the Chamber of Mines, is considering what preparatory steps (including appropriate legal relief) are to be taken to mitigate that risk.

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Specifically, on March 31, 2015, the Chamber of Mines reported that the DMR believes that empowerment transactions by mining companies concluded after 2004 where the HDSA ownership level has fallen due to HDSA disposal of assets or for other reasons, should not be included in the calculation of HDSA ownership for the purposes of, among other things, the 26% HDSA ownership guideline under the Mining Charter. The position of Gold Fields is consistent with that of the Chamber of Mines, and is that such empowerment transactions should be included in the calculation of HDSA ownership. The DMR and the Chamber have jointly agreed to approach the South African courts to seek a declaratory order which will provide a ruling on the relevant legislation and the status of the Mining Charter.

If the DMR were to prevail in court, mining companies, including Gold Fields, may be required to undertake further transactions in order to increase their HDSA ownership which would result in the dilution of existing shareholders. In such a case, mining companies may be required to maintain a minimum HDSA ownership level indefinitely. If the Chamber of Mines were to prevail in court, the DMR may enact new regulations to, among other things, increase HDSA ownership requirements for mining companies which would result in the dilution of existing shareholders. The position taken by the DMR also poses a risk that government may order the suspension or cancellation of mining rights for mining companies deemed not to be in compliance with the guidelines of the Amended Mining Charter. It is doubtful that they may lawfully do so in view of the Mining Charter s questionable legal status and enforceability, among other things.

The Mineral and Petroleum Resources Development Amendment Act, 2008, or the MPRDAA, was assented to by the President on April 19, 2009 and was to come into effect on a date to be proclaimed by the President. From April 19, 2009 to May 31, 2013, the fate of the MPRDAA was unclear and it was thought that the government would not proceed with the MPRDAA. On May 31, 2013, it was published in the government gazette that the MPRDAA would come into effect on June 7, 2013. This proclamation was amended such that only certain sections of the MPRDAA took effect as of June 7, 2013. Because Gold Fields is already the holder of the South Deep mining right, the amendments introduced by the MPRDAA have limited impact on the current regulation of the South Deep mine.

In December 2012, the Mineral and Petroleum Resources Development Amendment Bill, or the MPRDB, was published for comment. While the stated purpose of the MPRDB is, among other things, to remove ambiguities and enhance sanctions, the MPRDB has been criticized by stakeholders in the mining industry. Comments on the MPRDB were submitted and the Mineral and Petroleum Resources Development Amendment Bill B15-2013, or MPRDB 2013, was published on May 31, 2013. A further revised version of the MPRDB 2013, the Mineral and Petroleum Resources Development Amendment Bill B15B-2013, or the Revised MPRDB 2013, was approved by the National Assembly of Parliament on March 12, 2014 and by the National Council of Provinces on March 27, 2014. The President has not assented to the Revised MPRDB 2013 as he has found that in its current form, it not in accord with the Constitution of South Africa. In January 2015, the President therefore referred the Revised MPRDB 2013 back to Parliament for reconsideration. The first issue highlighted by the Presidency pertains to the elevation of the Mining Code and the Amended Mining Charter to the status of national legislation. The second issue highlighted by the Presidency is the fact that certain provisions of the Revised MPRDB 2013 leave South Africa vulnerable to attack in international fora. The President is of the view that these provisions seem to be inconsistent with South Africa s obligations under the General Agreement on Trade and Tariffs, or GATT, and the Trade, Development and Cooperation Agreement, or TDCA, to the extent that they appear to impose quantitative restrictions on exports in contravention of GATT and TDCA. The third and fourth issues highlighted by the President are the fact that there was insufficient public participation conducted and that the relevant traditional authorities were not consulted in regard to the possible impacts on customary law or the customs of traditional communities.

Once the President assents to the Revised MPRDB 2013, it will become an Act of Parliament and will come into effect on a date to be proclaimed by the President.

There is a large degree of uncertainty regarding the changes that will be brought about should the Revised MPRDB 2013 be made an Act of Parliament. The Revised MPRDB 2013 sought to introduce a requirement that the consent of the Minister of Mineral Resources would be required for the transfer of any interest in an unlisted company (previously required only for the transfer of a controlling interest) or any controlling interest in a listed

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company (previously not required), in respect of which companies hold a prospecting right or mining right. There has been much concern in this regard, as this amendment does not take into account the practicalities involved in the trading of shares of listed entities or that the proposed amendments may impede general corporate actions. There are also uncertainties in respect of the proposed introduction of provisions pertaining to the compulsory beneficiation of minerals within South Africa. The concern in this respect is that the Minister of Mineral Resources will have broad discretionary powers to prescribe the levels required for beneficiation in promoting the beneficiation of minerals. Further uncertainty also exists in respect of the introduction of provisions authorizing the Minister of Mineral Resources to declare certain minerals as strategic minerals, having regard to the national interest, the strategic nature of the mineral in question and the need to promote the sustainable development of the nation s mineral resources. Concern in this regard goes to the fact that the declaration of specific minerals as strategic minerals will result in restrictions on the export thereof and that the proposed discretionary powers of the Minister of Mineral Resources in this regard are broad and unchecked. The manner and extent to which all of these issues will be dealt with following a further revision of the Revised MPRDB 2013 remains to be seen.

The Chamber of Mines has emphasized the need for certainty with regard to the proposed amendments to the MPRDA to enable mining companies to plan and raise finance. The Chamber of Mines also believes that previous agreements reached with regard to certain sections of the Revised MPRDB must remain unchanged. There can, however, be no guarantee that such previously agreed sections will remain unchanged.

The BBBEE Act and the BBBEE Amendment Act

The BBBEE Act established a national policy on broad-based black economic empowerment 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 October 24, 2014, the BBBEE Amendment Act No. 46 of 2013 was brought into operation. The BBBEE Amendment Act inserts a new provision in the BBBEE Act, whereby the BBBEE Act would trump the provisions of any other law in South Africa which conflicts with the provisions of the BBBEE Act, provided such conflicting law was in force immediately prior to the effective date of the BBBEE Amendment Act. The BBBEE Amendment Act also stipulates that this provision would only be effective one year after the BBBEE Amendment Act is brought into effect. This raises the question of whether the BBBEE Act and the BEE Codes may overrule the Mining Charter in the future. There is no clarity on this point at this stage. The revised Broad-Based Black Economic Empowerment Codes of Good Practice, or the Revised BEE Codes, became available for voluntary use on October 11, 2013, but are still under consideration and are not yet in force. Entities may elect to be measured under the Revised BEE Codes immediately. Both the BBBEE Amendment Act and the Revised BEE Codes expressly stipulate that, where an economic sector in South Africa has a Sector Code in place for BEE purposes, companies in that sector must comply with the Sector Code. For purposes of the BBBEE Act, the Mining Charter is not a Sector Code. It is not clear at this stage how the Mining Charter and Code relate to each other. The government may designate the Mining Charter as a Sector Code, in which case it will be under the auspices of the BBBEE Act. On the other hand, the Mining Charter may remain a stand-alone document under the auspices of the MPRDA and may be subject to the trumping provision discussed above. This uncertainty may be resolved through either government clarification or judicial attention.

The Royalty Act

The Mineral and Petroleum Resources Royalty Act, No. 28 of 2008, or the Royalty Act, imposes a royalty on refined and unrefined minerals payable to the South African government.

The royalty in respect of refined minerals (which include gold and platinum) is calculated by dividing earnings before interest and taxes, or EBIT, by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions such as no

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deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. A maximum royalty of 5% of revenue has been introduced for refined minerals. Gold Fields currently pays a royalty based on the refined minerals royalty calculation as applied to its gross revenue.

The President has appointed the Davis Tax Review Committee to look into and review the current mining tax regime.

Exchange Controls

South African law provides for Exchange Control Regulations which, among other things, restrict the outward flow of capital from the CMA. The Exchange Control Regulations, which are administered by the Financial Surveillance Department of the SARB, are applied throughout the CMA and regulate international transactions involving South African residents, including companies. The South African government has committed itself to gradually relaxing exchange controls and various relaxations have occurred in recent years.

SARB approval is required for Gold Fields and its South African subsidiaries to receive and/or repay loans to non-residents of the CMA.

Funds raised outside of the CMA by Gold Fields non-South African resident subsidiaries (whether through debt or equity) can be used for overseas expansion, subject to any conditions imposed by the SARB. Gold Fields and its South African subsidiaries would, however, require SARB approval in order to provide guarantees for the obligations of any of Gold Fields subsidiaries with regard to funds obtained from non-residents of the CMA. Debt raised outside the CMA by Gold Fields non-South African subsidiaries must be repaid or serviced by those foreign subsidiaries. Absent SARB approval, income earned in South Africa by Gold Fields and its South African subsidiaries cannot be used to repay or service such foreign debts. Unless specific SARB approval has been obtained, income earned by one of Gold Fields foreign subsidiaries cannot be used to finance the operations of another foreign subsidiary.

Transfers of funds from South Africa for the purchase of shares in offshore entities or for the creation or expansion of business ventures offshore require exchange control approval. However, if the investment is a new outward foreign direct investment where the total cost does not exceed R1 billion per company per calendar year, the investment application may, without specific SARB approval, be processed by an authorized dealer, subject to all existing criteria and reporting obligations.

Gold Fields must obtain approval from the SARB regarding any capital raising involving a currency other than the Rand. In connection with its approval, it is possible that the SARB may impose conditions on Gold Fields use of the proceeds of any such capital raising, such as limits on Gold Fields ability to retain the proceeds of the capital raising outside South Africa or requirements that Gold Fields seeks further SARB approval prior to applying any such funds to a specific use.

Ghana

Environmental

The laws and regulations relating to the environment in Ghana have their roots in the 1992 Constitution which charges both the state and individuals with a duty to take appropriate measures to protect and safeguard the natural environment. Mining companies are required, under the Minerals and Mining Act, Environmental Assessment Regulations 1999 (LI 1652) and Water Use Regulations 2001 (LI 1692), to obtain all necessary approvals from the Environmental Protection Agency, or Ghanaian EPA, a body set up under the Environmental Protection Agency Act 1994 (Act 490), and, where applicable, the Water Resources Commission before undertaking mining operations. The Minerals and Mining Act also requires that mining operations in Ghana comply with all laws for the protection of the environment.

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Under the relevant environmental laws and regulations, mining operations are required to undergo an environmental impact assessment process and obtain approval for an environmental permit prior to commencing operations. Environmental management plans, or EMPs, are submitted to the Ghanaian EPA every three years and include details of the likely impacts of the operation on the environment and local communities, as well as a comprehensive plan and timetable for actions to lessen and remediate adverse impacts.

The laws also require mining operations to rehabilitate land disturbed as a result of mining operations pursuant to an environmental reclamation plan agreed with the Ghanaian regulatory authorities. The reclamation plan includes two cost estimates, namely the cost of rehabilitating the mining area for the life of the mine as well as the cost of rehabilitating the mine as at the date of the reclamation plan. These estimates are reviewed annually and updated every two years. The Environmental Assessment Regulations, 1999 (LI 1652) requires each mining company to post a reclamation bond. The terms of each reclamation bond is determined by a Reclamation Security Agreement between that company and the Ghanaian EPA. Mining companies are typically required to secure a percentage (typically between 50% and 100%) of the current estimated rehabilitation costs by posting reclamation bonds underwritten by banks and restricted cash. Gold Fields Ghana and Abosso maintain reclamation bonds underwritten by banks and restricted cash in order to secure a percentage of their total mine closure liability.

The Tarkwa and Damang mines have existing approvals to operate tailings storage facilities at Tarkwa and Damang, respectively. Gold Fields Ghana and Abosso periodically apply to the Ghanaian EPA for approval to raise the walls at their existing tailings storage facilities, and also submit Environmental Plans to the Ghanaian EPA for the issuance of their environmental certificates. As long as the necessary filings have been made, mining companies are usually permitted to continue operations while their applications are being considered. Gold Fields Ghana has applied for a permit for a new tailings storage facility at Tarkwa, and the review and approval process by the EPA is currently ongoing.

Health and Safety

A mining company is statutorily obligated to, among other things, take steps to ensure that the mine is managed in accordance with applicable legislation, including the Minerals and Mining (Health, Safety and Technical) Regulations, 2012 (L.I 2173), to ensure the safety and wellbeing of its employees. Additionally, both the Tarkwa and Damang mines are required, under the terms of their respective mining leases, to comply with the reasonable instructions of the Chief Inspector of Mines regarding health and safety at the mines. A violation of the provisions of the health and safety regulations or failure to comply with the reasonable instructions of the Chief Inspector of Mines could lead to, among other things, a shutdown of all or a portion of the mine or the imposition of more stringent compliance procedures. The Tarkwa and Damang mines have potential liability arising from injuries to, or deaths of, workers, including, in some cases, workers employed by their contractors. Although Ghanaian law provides statutory workers compensation for injuries or fatalities to workers, it is not the exclusive means by which workers or their personal representatives may claim compensation. Both companies allotted insurance for health and safety claims and the relevant workers compensation may not fully cover them in respect of all liability arising from any future health and safety claims, since employees may still resort to other claims through the Ghanaian courts and/or legal system.

Mineral Rights

Gold Fields Ghana has two major mining leases in respect of its mining operations, namely the Tarkwa property lease and the Teberebie property lease. There are three mining leases under the Tarkwa property lease, all of which were granted in 1997 and will expire in 2027, and two mining leases under the Teberebie property lease, which were granted between 1988 and 1992, and expire in 2018. Under the provisions of the Minerals and Mining Law, 1986 (PNDCL 153), or the Minerals and Mining Law, and the terms of the mining leases, all of the mining leases under the Tarkwa and Teberebie properties are renewable by agreement between Gold Fields Ghana and the Government of Ghana. The Minerals Commission has approved Gold Fields Ghana s application for an extension of the Teberebie leases to 2036 and has made recommendations to the Minister responsible for Natural Resources to grant the extension. Gold Fields Ghana has fully paid for the fees associated with the extension.

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Abosso holds the mining lease in respect of the Damang mine which was granted in 1995 and expires in 2025, as well as the mining lease in respect of the Lima South mine that was granted in 2006 and expires in 2017. As with the Tarkwa and Teberebie mining leases, these leases are renewable under their terms and the provisions of the Minerals and Mining Law by agreement between Abosso and the government of Ghana. Gold Fields expects to submit an application for renewal of Lima South in the last quarter of 2016.

The Minerals and Mining Act came into force on March 31, 2006. Although the Minerals and Mining Act repealed the Minerals and Mining Law, and the amendments to it, the Minerals and Mining Act provides that leases, permits and licenses granted or issued under the repealed laws will continue under those laws unless the Minister responsible for minerals provides otherwise by regulation. It also provides that the Minister responsible for minerals shall grant the extension of the term of a lease on conditions specified in writing as long as the holder of mineral rights has materially complied with its obligations under the Act. Management believes that all of Gold Fields operations in Ghana are materially compliant with the relevant legislative requirements. Therefore, unless and until any new regulations are passed in respect of Gold Fields mineral rights, the Minerals and Mining Law will continue to apply to Gold Fields current operations in Ghana.

The major provisions of the Minerals and Mining Act include:

- the government of Ghana s right to a free carried interest in mineral operations of 10% and the right to a special share (discussed below); and

- mining companies which have invested or intend to invest at least U.S.$500 million (as Gold Fields has) may benefit from stability and development agreements, relating to both existing and new operations, which will serve to protect holders of current and future mining leases for a period not exceeding 15 years against changes in laws and regulations generally and, in particular, relating to customs and other duties, levels of payment of taxes, royalties and exchange control provisions, transfer of capital and dividend remittances. A development agreement may contain further provisions relating to the mineral operations and environmental issues. Each stability and development agreement is subject to the ratification of parliament.

In 2010, the Minerals and Mining Act was amended to provide for a fixed royalty rate of 5% of the total revenue earned from minerals obtained, with effect from March 17, 2010. Although payment of the royalty rate became effective in March 2010, Gold Fields did not begin submitting the required payment until April 1, 2011 due to a moratorium on the tax burden for mining leases in place prior to commencement of the Act, which ended on March 31, 2011.

The Ghanaian parliament passed an Act that, effective March 9, 2012, increased 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% and reduced the capital allowance regime from 80% for the first year with reductions to a uniform regime of 20% over five years. Further, a draft bill was presented to the Ghanaian parliament which sought to impose a windfall profit tax of 10% of the cash balance of a company engaged in mining activities. The bill also sought to 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 believed that the transaction was carried out for the purpose of reducing the cash balance with respect to calculation of the windfall profit tax. The bill could not be laid before parliament for consideration in the most recent session. In his budget speech on November 19, 2013, the Minister of Finance announced that a mining review committee was reviewing the windfall profit tax and the government would re-introduce the bill to the new parliament after consultation with all stakeholders. In January 2014, the Minister of Finance announced that the planned windfall profit tax had been put on hold indefinitely.

Land Claims

An action was instituted during fiscal 2013 by a local chief against Abosso for an injunction to restrain Abosso from continuing with the construction of its Far East Tailings Storage Facility. The parties have reached a settlement and executed an agreement to that effect.

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Government Option to Acquire Shares of Mining Companies

Under Ghanaian law, the government is entitled to a 10% interest in any Ghanaian company which holds a mining lease in Ghana, without the payment of consideration for the shares therein. The government of Ghana has already received this 10% interest in each of Gold Fields Ghana and Abosso. The government also has the option, under the Minerals and Mining Law, of acquiring an additional 20% interest in the share capital of mining companies whose rights were granted under the Minerals and Mining Law at a price agreed upon by the parties, at the fair market value at the time the option is exercised, or as may be determined by international arbitration. The government of Ghana exercised this option in respect of Gold Fields Ghana and subsequently transferred the interest. The government of Ghana retains this option to purchase an additional 20% of the share capital of Abosso. As far as management is aware, the government of Ghana has not exercised this option for any other gold mining company in the past, other than Gold Fields Ghana.

Under the Minerals and Mining Law, which continues to apply to Gold Fields Ghana s operations, and under the Minerals and Mining Act, the government has a further option to acquire a special share in a mining company for no consideration or in exchange for such consideration as the government and that company shall agree. This interest, when acquired, constitutes a special share which gives the government the right to attend and speak at any general meeting of shareholders, but does not entitle the government to any voting rights. The special share does not entitle the government to distributions of profits of the company which issues it to the government. The written consent of the government is required to make any amendment to a company s regulations relating to the government s option to acquire a special share. Although the government of Ghana has agreed not to exercise this option in respect of Gold Fields Ghana, it has retained this option for Abosso.

Exchange Controls

Under Ghana s mining laws, the Bank of Ghana or the Minister for Finance may permit the holder of a mining lease to retain a percentage of its foreign exchange earnings for certain expenses in bank accounts in Ghana. Under a foreign exchange retention account agreement with the government of Ghana, Gold Fields Ghana is required to repatriate 20% of its revenues derived from the Tarkwa mine to Ghana and use the repatriated revenues in Ghana or maintain them in a Ghanaian bank account. Management believes that Gold Fields Ghana is entitled to rely on the provisions of the foreign exchange retention account agreement for the duration of the Tarkwa mining leases. Abosso is currently obligated to repatriate 25% of its revenue to Ghana, although the level of repatriation under the deed of warranty between Abosso and the government of Ghana is subject to renegotiation every two years. The most recent negotiations were concluded in February 2003. Since then, there have been no requests for negotiations by either side; until Abosso s repatriation level is renegotiated, it will remain the same. While management has no reason to believe that the repatriation level will increase as a result of the next set of negotiations, there is no agreed ceiling on the repatriation level, and it could be increased.

The Bank of Ghana issued notices on February 4, 2014 and June 13, 2014 that imposed further restrictions on the operation of Foreign Exchange Accounts and Foreign Currency Accounts. However, on August 8, 2014, it reversed virtually all the restrictions that it had imposed through these notices.

Australia

Environmental

Gold Fields gold operations in Australia are primarily subject to the environmental laws and regulations of the State of Western Australia which require, among other things, that Gold Fields obtains necessary environmental approvals, environmental licenses, works approvals and mining approvals to implement and carry out its mining operations. However, under the *Environment Protection and Biodiversity Act 1999* (Cth), it may be necessary to obtain separate approval from the federal government if any new project (including some expansions of existing facilities) is deemed to be a controlled action having, or likely to have, any significant impact on matters of national environmental significance under that Act.

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At the state level, Gold Fields is subject to the *Environmental Protection Act 1986* (WA), or EP Act, under which it is obliged to prevent and abate pollution and environmental harm. The EP Act also prescribes sanctions and penalties for a range of environmental offenses, including orders which may effectively suspend certain operations or activities.

Under Part IV of the EP Act, a proposal that is likely to have a significant effect on the environment must be referred to the Western Australian Environmental Protection Authority, or the Western Australian EPA, which undertakes the environmental impact assessment, or EIA, of the proposal. An EIA is a systematic and orderly evaluation of a new proposal (including an expansion of an existing development) and its impact on the environment. The assessment includes considering ways in which the proposal, if implemented, could avoid or reduce any impact on the environment. There are two levels of assessment Public Environmental Review and Assessment on Proponent Information. The Western Australian Minister for the Environment must decide whether or not to approve the proposal and, if approved, what conditions are appropriate to regulate the implementation of the proposal.

In addition to this approval, under Part V of the EP Act, a works approval and environmental license must be obtained from the Department of Environment Regulation, or DER, for the construction and operation of facilities with significant potential to cause pollution, such as the ore processing facility, tailings storage facility, landfill and waste water treatment plant.

Gold Fields is also required to obtain a water license from the Western Australian Department of Water to abstract water for its mining activities.

Prior to the commencement or expansion of any mining operations, Gold Fields is also required to prepare a mining proposal in accordance with published guidance material and submit the mining proposal to the Western Australian Department of Mines and Petroleum, or DMP, for approval under the Mining Act 1978 (WA), or Mining Act. Once approved by the DMP, the requirement to comply with the mining proposal becomes a condition of the mining tenement.

Gold Fields is required to prepare and submit an Annual Environmental Report to the DER and DMP under the conditions attached to its environmental approvals, licenses and mining tenements.

During the operational life of its mines, Gold Fields is required by law to make provisions for the ongoing rehabilitation of its mines and to provide for the cost of post-closure rehabilitation and monitoring once mining operations cease. Under the Mining Act, Gold Fields has previously been required to guarantee its environmental obligations by providing the Western Australian government with unconditional bank-guaranteed performance bonds. From July 1, 2014, Gold Fields has been required to pay an annual levy into a mining rehabilitation fund administered by the DMP instead of providing performance bonds. The annual levy payable by Gold Fields is 1% of an estimate of the cost per hectare to rehabilitate the disturbed land.

The Clean Energy Act and associated legislation established a national carbon pricing scheme, or Scheme, which was in effect from July 1, 2012 until June 30, 2014 when it was repealed.

Under the Scheme, entities that had operational control over facilities (i.e. activities) that emitted more than 25,000 tonnes of CO2-e per annum in greenhouse gas emissions covered by the Scheme were directly regulated, and were required to acquire and surrender carbon units to cover those emissions. Darlot was required to register its carbon emissions as a result of the amount of gas used for self-generation, and registered the required account on September 10, 2014. The transaction for the required 25,199 carbon units was initiated on December 17, 2014, and the funds for the carbon units were transferred to the Clean Energy Regulator on January 19, 2015, ahead of the February 2, 2015 deadline. Gold Fields was also impacted by the Scheme through a reduction in the diesel rebate at some of its operations. The reduction in the diesel rebate was universal and therefore applied to all mines. The rebate was calculated to be directly proportional to the price per ton of carbon.

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The Scheme ceased to apply to Gold Fields operations in Australia from July 1, 2014. However, Gold Fields remains liable for the acquisition and surrender of carbon units for the period prior to July 1, 2014, and for the ongoing reporting of its greenhouse gas emissions.

The Australian government is replacing the Scheme with its direct action plan on climate change, or the Direct Action Plan. Legislation has been passed to implement a voluntary emissions reduction fund which will provide financial incentives for polluters to reduce emissions. The full legislative package required to implement the Direction Action Plan is yet to be put in place. Gold Fields does not expect the Direct Action Plan to result in any liability for its operations in Australia in fiscal 2014 or 2015.

Health and Safety

The Mines Safety and Inspection Act 1994 (WA), or the Safety and Inspection Act, and the *Mines Safety and Inspection Regulations 1995* (WA) together regulate the duties of employers and employees in the mining industry with regard to occupational health and safety and outline offenses and penalties for breach. Resources Safety, a division of the DMP, administers this legislation. Under the approach utilized by Resources Safety, it is the responsibility of each employer to manage safety (i.e. a general duty of care exists in mines located in Western Australia). A violation of the safety laws or failure to comply with the instructions of the relevant health and safety authorities is a criminal offense that could lead to, among other things, a temporary shutdown of all or a portion of the mine, a loss of the right to mine, or the imposition of costly compliance procedures and/or financial penalties.

The *Work Health and Safety Bill 2014* (WA), or the WHS Bill (which is based on the federal *Model Work Health and Safety Act*), has been drafted in respect of general industry and was open for public consultation until January 2015. It is anticipated that the WHS Bill will be considered by the Western Australian Parliament in fiscal 2015. The Western Australian State Government is currently of the view that mining activities will not be covered by the WHS Bill, but will be covered by proposed new legislation based on the WHS Bill which incorporates specific arrangements for work, health and safety in mining activities, and which would replace the Safety and Inspection Act. At this time, it is not known when the new mining-specific legislation will be introduced.

Mineral Rights

In Australia, the ownership of land is separate from the ownership of most minerals, which are the property of the states and are thus regulated by the state governments. The Mining Act is the principal piece of legislation governing exploration and mining on land in Western Australia. Licenses and leases for, among other things, prospecting, exploration and mining must be obtained pursuant to the requirements of the Mining Act before the relevant activity can begin.

Prospecting licenses, exploration licenses and mining leases are subject to prescribed minimum annual expenditure commitments. Royalties are payable to the state based on the amount of ore produced or obtained from a mining tenement. A quarterly production report must be filed and royalties are calculated ad valorem at a fixed rate of 2.5% of royalty value in respect of gold, and at other rates in respect of ore produced or obtained from a mining tenement. Following reports suggesting that gold royalty rates might be increased, the government of Western Australia clarified on March 25, 2015 that no changes to the royalty rate would be made at this time. The royalty value of gold is the amount of gold produced during each month in a relevant quarter multiplied by the average gold spot price for that month. Despite the discussion above, no royalty is payable in respect of the first 2,500 ounces of gold metal produced during a financial year from gold-bearing material produced or obtained from the same gold royalty project.

Land Claims

In 1992, the High Court of Australia recognized a form of native title which protects the rights of indigenous people in relation to land and water in certain circumstances. As a result of this decision, the *Native Title Act 1993* (Cth), or Native Title Act, was enacted to recognize and protect existing native title by providing a

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mechanism for the determination of native title claims and a statutory right for Aboriginal groups or persons to negotiate, object, and/or be consulted when, among other things, there is an expansion of, or change to, the rights and interests in the land which affect native title and which constitute a future act under the Native Title Act. The existence of these claims does not necessarily prevent continued mining under existing tenements. Tenements granted prior to January 1, 1994 are not future acts and do not need to comply with the aforementioned consultation or negotiation procedures.

As a general rule, tenements granted (or in some cases re-granted) after January 1, 1994 need to comply with this process. However, in Western Australia, some tenements were granted without complying with this consultation or negotiation process on the basis of then prevailing Western Australian legislation. This legislation was subsequently found to be invalid as it conflicted with the Native Title Act which is Commonwealth legislation. Subsequent legislation was passed (*Titles Validation Amendment Act 1999* (WA)) validating the grant of tenements between January 1, 1994 and December 23, 1996, provided certain conditions were met under the Native Title Act.

Certain of Gold Fields tenements are currently subject to native title claims and a determination of native title. However, most of Gold Fields tenements were granted prior to January 1, 1994. Where tenements were granted between January 1, 1994 and December 23, 1996, Gold Fields believes it has complied with the conditions set out by the Native Title Act for those tenements to be validly granted. On those tenements granted after December 23, 1996, Gold Fields has either entered into agreements with the claimant parties which provide the Company with security of tenure, or utilized a valid exemption from the consultation and negotiation process under the Native Title Act. Therefore, any existing or future grant of native title over any of these tenements will not have a material effect on Gold Fields tenure during the operation of these agreements. See Legal Proceedings and Investigations .

Peru

Regulatory

The regulatory framework governing the development of mining activities in Peru mainly consists of the General Mining Act (*Ley General de Minería*), or the LGM, and regulations relating to mining procedures, health and safety, environmental protection, and mining investment and guarantees. Mining activities as defined by the LGM include surveying, prospecting, exploration, exploitation, general workings, beneficiation, trading and transportation of ore. In addition to general taxation, mining companies are also subject to a special tax regime established in 2011 through the amendment of the Mining Royalty Law and enactment of the Special Mining Tax Law and the Special Mining Charge Law.

Regulatory and Supervisory Entities

In general terms, the principal regulator of mining activities in Peru is the Ministry of Energy and Mines, or MEM, through its General Bureau of Mining (*Dirección General de Minería*), or DGM, and its General Bureau of Mining and Environmental Affairs (*Dirección General de Asuntos Ambientales Mineros*).

Additionally, on December 20, 2012, the National Environmental Certification Service for Sustainable Investment, or SENACE, was created. SENACE is a specialized technical organization that will take over the responsibility of reviewing and approving the Environmental Impact Assessment studies of projects that have a national and multi-regional significance, and that could generate significant environmental impacts. The transfer of this responsibility to SENACE will begin in the second quarter of fiscal 2015.

Other relevant regulatory institutions include the INGEMMET, the OSINERGMIN, the OEFA, the Water Regulator, the Ministry of Culture and the National Superintendence of Labor Inspection, or SUNAFIL.

Concessions

In accordance with the LGM, mining activities (except surveying, prospecting and trading) must be performed exclusively under the concession system. A concession confers upon its holder the exclusive right to develop a specific mining activity within a defined area. The LGM establishes four types of concessions:

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Mining Concessions

A mining concession is a real property interest independent and separate from surface land located within the coordinates of the concession. Holders of mining concessions or of any pending claims for mining concessions must comply with payment of an annual mining good standing fee, or Mining Good Standing Fee, of U.S.$3.00 per year per hectare in order to maintain the concessions in good standing. The payment starts from the year in which the claim was filed and must be paid for as long as the concessions are held. Holders of mining concessions are also required to meet minimum annual production targets prescribed by law, which will have to be demonstrated in the Annual Consolidated Statement filed with the MEM. Titleholders are entitled to group multiple concessions into Administrative Economic Units to comply with the minimum production requirement, provided certain conditions are met. In the case of mining concessions obtained prior to October 2008, the minimum annual production target for concessions to mine metals is equivalent to U.S.$100.00 per hectare per year.

In the case of mining concessions obtained starting in October 2008, the minimum annual production target for metallic concessions is equivalent to one Fiscal Payment Unit, or UIT, per hectare per year. The UIT is fixed on a yearly basis and is set to equal S/.3,850, or approximately U.S.$1,283.00, in 2015. Gold Fields La Cima owns mining concessions acquired before and after October 2008 and therefore is subject to both production target requirements. Gold Fields La Cima is currently in compliance with both requirements.

Beneficiation Concessions

Beneficiation or process concessions confer the right to extract or concentrate the valuable substances of an aggregate of minerals and/or to smelt, purify or refine metals through a set of physical, chemical and/or physicochemical processes. As with mining concessions, holders of beneficiation concessions are required to pay the Mining Good Standing Fee, which is calculated on the basis of the production capacity of the processing plant. Gold Fields La Cima has a processing plant with an installed capacity of 18,600 tonnes per day. In fiscal 2014, Gold Fields La Cima paid a S/. 32,034.00, or approximately U.S.$11,046.21, Mining Good Standing Fee in connection with its beneficiation concessions.

General Working Concessions

General workings concessions confer the right to render ancillary services to two or more mining concession holders. The following are considered ancillary services: ventilation, drainage, hoisting or extraction in favor of two or more concessions of different concessionaires.

Ore Transportation Concessions

Ore transportation concessions confer the right to install and operate a system for the continuous massive transportation of mineral products between one or more mining centers and a port or beneficiation plant, or a refinery, or along one or more stretches of these routes. The ore transportation system must be non-conventional, such as conveyor belts, pipelines or cable cars, among others. Conventional transportation systems are authorized by the Ministry of Transport and Communications.

Mining Royalty and Other Special Mining Taxes and Charges

In addition to general taxation, mining companies are subject to a special tax regime established, in its current form, in September 2011. With respect to the general taxation regime, relevant changes have been introduced with effect from January 1, 2015 to corporate and dividends income tax rates. For fiscal 2015 and 2016, the corporate tax rate has been reduced from 30% to 28%. In turn, the dividends tax rate applicable to non-resident shareholders of Peruvian companies has increased from 4.1% to 6.8% for such years. These reductions are not applicable to Gold Fields La Cima and Gold Fields Corona (BVI) as they have executed Legal Stability Agreements with PROINVERSION which have stabilized the income tax rates in force on the date of their execution. Gold Fields La Cima and Gold Fields Corona (BVI) may decide to waive the stability provided by the Legal Stability Agreements and submit to the general taxation regime if deemed convenient.

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For 2017 and 2018, the corporate tax rate will be 27% and the dividends tax rate will be increased to 8%. These new rates will apply to Gold Fields La Cima and Gold Fields Corona (BVI) since their Stability Agreements expire on FY 2017. From 2019 onwards, the applicable corporate tax rate will be 26% and the dividends tax rate will be 9.3%.

The special tax regime is structured around the Mining Royalty Law, the Special Mining Tax Law and the Special Mining Charge Law. The Mining Royalty Law established payment of a mining royalty by owners of mining concessions for the exploitation of metallic and non-metallic resources. This mining royalty was originally calculated on the basis of revenues obtained from the sales of minerals. However, in September 2011, an amendment to the Mining Royalty Law was approved establishing that, as of October 2011, the mining royalty will be determined by applying a sliding scale rate (ranging from 1% to 12%, previously 1% to 3% of sales) based on the quarterly operating profits of mining companies. Mining royalties are deductible for income tax purposes.

Also, in September 2011, the Special Mining Tax Law and the Special Mining Charge Law were enacted. The Special Mining Tax is payable by mining companies that have not executed a Mining Tax Stability Agreement with the Ministry of Energy and Mines, or MEM. The Special Mining Tax is calculated by applying a sliding scale of rates (ranging from 2% to 8.4%) based on the quarterly operating profits of the mining company and is deductible for income tax purposes. This Special Mining Tax applies to Gold Fields La Cima as the company has not executed a Mining Tax Stability Agreement with the MEM. While the Company has not executed a Mining Tax Stability Agreement, it does maintain a Legal Stability Agreement executed with PROINVERSION.

The Special Mining Charge is similar to the Special Mining Tax but applies to mining companies that have executed a Mining Tax Stability Agreement with the MEM and the sliding scale of rates range from 4% to 13.12% based on the quarterly operating profits of mining companies. The Special Mining Charge does not apply to Gold Fields La Cima.

In addition to the above, beginning with their annual income in calendar 2012, mining companies must contribute an amount equivalent to 0.5% of their annual income before taxes to fund the Complementary Retirement Fund for Mining, Metal and Iron and Steel. Gold Fields La Cima disputes the applicability of this provision. Accordingly, it initiated an arbitration against the Peruvian Government in fiscal 2014, under the arbitration clause of its Legal Stability Agreement. The arbitration panel has been formed and the proceedings are still in their initial phase.

Also, since July 2012, mining companies are required to pay an annual supervisory contribution to the OSINERGMIN and OEFA which is set by Supreme Decree. The sum of both contributions may not exceed an amount equivalent to 1% of the total value of annual invoicing for concentrate sales, after deducting VAT. For 2015, contributions to the OSINERGMIN and OEFA are equivalent to 0.19% and 0.15% of annual invoicing respectively. In fiscal 2014, Gold Fields La Cima paid a total of U.S.$ 1.307 million in such contributions. Gold Fields La Cima has paid these contributions under protest and has filed constitutional actions disputing these contributions as unconstitutional and illegal. These actions are still in progress.

Environmental

As of November 2014, the environmental impact of mining activities in Peru is regulated by the Regulations on Environmental Protection and Management for Mining Exploitation, Beneficiation, General Labor, Transportation and Storage Activities, which was approved by Supreme Decree 040-2014-EM.

According to these regulations, which will become effective once the reference terms are approved, the following environmental instruments are required to be produced in order to perform mining activities:

Environmental Impact Declaration, or DIA, and Semi-Detailed Environmental Impact Assessment, or SD-EIA: DIAs and SD-EIAs are required for mining exploration projects, according to

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the magnitude and impact that the activities intended to be carried out may have on the environment. DIAs and SD-EIAs contain detailed environmental and social information on the area where exploration activities will be carried out, on the project and works to be performed, and on the measures that will be taken to control and mitigate any environmental impacts caused. Recent legislation has been enacted establishing that the initiation of exploration activities needs to have been previously authorized by the DGM. A SD-EIA or DIA is required for such authorization to be obtained.

Environmental Impact Assessment, or EIA: EIAs are required for new projects, expansions of existing operations and projects moving from the exploration stage to development. EIAs must evaluate the physical, biological, socio-economic and cultural impacts on the environment resulting from the operation of mining projects.

A law regulating mine closures requires mining companies to ensure the availability of the resources necessary for the execution of an adequate mine closure plan, including a mine closure estimate, in order to prevent, minimize and control the risks to and negative effects on health, personal safety and environment that may be generated or may continue after the cessation of mining operations. Furthermore, the law obligates holders of mining concessions to furnish guarantees in favor of the MEM to ensure that they will carry out their mine closure plans in accordance with the environmental protection regulations and to ensure that the MEM has the necessary funds to execute the mine closure plan in the event of non-compliance by the holder of the mining concession. Mine concession holders may satisfy these requirements by providing to the MEM stand-by letters of credit (bank guarantees) to cover the amount of any mine closure plan. Gold Fields La Cima s mine closure plan for Cerro Corona was approved in 2008 and subsequently amended in 2010, 2011, 2013 and 2014. This mine closure plan is guaranteed by a bond letter of approximately U.S.$25.6 million, issued by Credit Bank Peru.

Water Quality Standards

The government of Peru has issued new water quality standards for the discharge of mine water to receiving bodies, or the ECA, which are to be introduced in December 2015. The ECA has set conservative sulfate and calcium limits of 300 ppm and 200 ppm, respectively. Gold Fields La Cima is currently evaluating a water treatment system for the tailings storage facility for Cerro Corona. This process has involved consideration of new technologies available for water treatment, including a reverse osmosis plant, ettringite (a form of hydrous calcium aluminium sulfate mineral), high density sludge, evaporators and ionic interchange. As part of the evaluation of technologies. Gold Fields La Cima conducted a pilot program, involving a reverse osmosis system that included ultrafiltration and brine treatment. The results of the pilot program were favorable in terms of sulfate removal but not for brine treatment. Gold Fields La Cima invested U.S. $0.6 million in the pilot program during fiscal 2013, with a further expenditure of around U.S. $1 million in fiscal 2014.

The Peruvian government is currently evaluating a modification of the new ECA for water, which would include a higher threshold of sulfate and would not include calcium. Among other modifications being considered is an extension of the deadline for new ECA applications. Currently, it is not known when this modification of the ECA regulation will be approved and come into force.

Gold Fields La Cima is also in the process of seeking authorization to relocate the water source of the Tomas Spring, which is located inside the final footprint of the tailings storage facility for Cerro Corona, to a higher elevation above the final footprint, in order to continue with the planned expansion of the facility. On May 23rd, 2014, Gold Fields La Cima received formal authorization from the Manuel Vasquez Association, or MVA, to move the spring and to start the permit application process with the Water Regulator to move Tomas spring. As part of this process, Gold Fields La Cima has had meetings with the Water Regulator. Following these meetings, the Water Regulator has decided that the permit application will first require Manuel Vasquez Association to obtain a license for water use, after which the Water Regulator will grant approval for the management of the remaining water flow at the original location of the Tomas Spring.

Gold Fields La Cima provided support to the MVA with respect to preparation of the technical application to obtain a license for water use from the Water Regulator. However, there are still some pending documents to

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be sent by the MVA in order to complete the application. Technical documentation for the permit related to the management of the remaining water flow of the Tomas Spring has already been submitted to the Water Regulator. In the meantime, Gold Fields La Cima has temporarily covered the Tomas Spring pending formal authorization from the Water Authority.

Other matters subject to regulation include, but are not limited to, transportation of ore or hazardous substances, water use and discharges, power use and generation, use and storage of explosives, housing and other facilities for workers, reclamation, labor standards and mine safety and occupational health.

Soil Quality Standards

In April 2013, the government of Peru approved soil quality standards for all industries, including extractive industries. These standards establish that all companies that generate soil impact as a consequence of their activities must submit a report identifying areas of soil pollution to the MEM by April 2015 and, if applicable, a remediation plan within two years from the date of approval of such report.

Gold Fields La Cima is currently in the process of preparing a report identifying contaminated areas in its operations, to be submitted to the MEM by April 2015, aspects of its operations which generate soil pollution.

Environmental Sanctioning Regime

In fiscal 2014, Law 30230 was enacted to promote investment. Among the measures introduced by Law 30230 included the establishment of a three-year moratorium on the imposition of environmental fines by OEFA. During this moratorium, OEFA will prioritize the imposition of corrective measures and will only be entitled to impose environmental sanctions in the following exceptional cases: (i) very serious offenses that generate a real and severe damage to human life and health; (ii) activities carried out without a proper environmental instrument, or without the required licenses, or in prohibited areas; (iii) commission of the same infringement within a period of six months.

Social Matters

According to the Environmental Act, every individual is entitled to take part in a responsible manner in decision-making processes related to, and in the establishment and application of, environmental policies and measures, including those related to environmental components, adopted at each government level.

Citizen Participation: The mining industry in Peru is governed by citizen participation regulations that provide for the responsible participation of individuals in the definition and application of measures, actions and decisions by competent authorities which relate to the sustainable operation of mining activities in the country. Mining operators must establish citizen participation mechanisms throughout the life of their projects, from initial exploration to mine closure. The legislation contemplates different types of mechanisms for citizen participation. These include public hearings, informational workshops, opinion surveys, suggestion boxes, technical panels, roundtables, participatory monitoring and permanent office information services, among others.

Right to Prior Consultation: On August 31, 2011, the Peruvian government approved the Law of Prior Consultation to Indigenous or Tribal Populations recognized in Convention 169 of the International Labor Organization. This law establishes that the Peruvian government must consult in advance with indigenous or tribal populations on legislative or administrative measures (including pending claims for mining concessions) that may directly affect the collective rights related to their physical existence, cultural identity, quality of life or development. This duty of consultation is owed by the Peruvian government, not Gold Fields or investors. While the final decision to move forward with legislative or administrative measures on which consultation is sought rests with the Peruvian government, even in the absence of agreement, the Peruvian government has an obligation to take all necessary measures to ensure that the collective rights of indigenous or tribal populations are protected.

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Sustainable Development

Overview

The potential environmental risks associated with industrial mining are obvious, both for the environment and for local stakeholders. Furthermore, environmental incidents can materially impact Gold Fields reputation, as well as its ability to comply with its contractual and regulatory obligations. As such, Gold Fields remains committed to the continual improvement of its environmental performance. Key areas of focus include water stewardship, acid mine drainage management, a proactive approach to mine closure, tailings facility management, materials and waste management; the reduction of carbon emissions and energy consumption, energy security and climate change.

Gold Fields approach to environmental management is defined by relevant local legislation and regulations; its sustainable development framework, as well as the ISO 14001 international environmental management standards; the ten principles of the International Council on Mining and Metals, or ICMM; and the United Nations Global Compact, or UNGC (in particular the UNGC 10 Principles). Following the successful certification of Granny Smith and the inclusion of Lawlers in the Agnew certification process in fiscal 2014, all of the Group s operations are now ISO 14001 certified. During fiscal 2014, the Group spent U.S.$27 million on environmental management, compared to U.S.$32 million in fiscal 2013. The Group s total gross closure liabilities in fiscal 2014 were estimated at U.S.$391 million, compared to U.S.$355 million in fiscal 2013.

The funding methods used by each region to make provision for the required portion of the mine closure cost liabilities are as follows:

- Reclamation bonds underwritten by banks and restricted cash in Ghana;
- Contributions into environmental trust funds and guarantees in South Africa;
- Payment by companies of a levy to the state based on the total mine closure liability, following legislative changes in Western Australia that took effect in July 2014. This levy is 1% of the total liability per mine, and is paid annually. The levy goes into a state administered fund known as the Mine Rehabilitation Fund and will be used to rehabilitate legacy sites or sites that have prematurely closed or been abandoned; and
- Bank guarantees in Peru.

Amendments to South Africa s National Environmental Management Act in fiscal 2014 further broadened the scope of Gold Fields potential liability exposure, by stipulating that directors could potentially be personally liable for the negative environmental impacts of their companies operations.

In fiscal 2014, Gold Fields implemented several new Group guidelines to ensure the effective and coherent management of key environmental issues across the Group, whilst allowing for a degree of local flexibility. These issues include water management, mine closure management, energy and carbon management and community relations and stakeholder engagement.

Water management

Water management is a critical long-term issue for the mining industry as a whole. In part, this is because:

- Water is an important vector for the potential spread of pollution (whether as a result of an immediate incident or the gradual build-up and movement of contaminants over time), making it a key compliance issue;
- Mining can require large volumes of water, and often takes place in locations that are already water-stressed; and

Poor water management can have significant social and political consequences, where local communities are affected by, among other issues, water scarcity, high levels of agricultural activity and a lack of effective water infrastructure.

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In this context, Gold Fields remains committed to responsible water stewardship, both for the benefit of host communities and for its own operations. In practice, this means:

- Measuring and reporting on water management performance;
- Integrating water management into mine planning; and
- Leaving an enduring, positive legacy.

Reflecting these commitments, each operation implements an environmental management system through which it assesses, manages, monitors and reports on water use and the quality of its discharges (where these occur).

In fiscal 2014, water withdrawal across the Group fell marginally to 30.2 million liters (2013: 30.3 million liters). Despite the integration of the Yilgarn South Assets, this decrease was largely due to a significant decrease at St. Ives in pit dewatering during fiscal 2014; the sending by Tarkwa of rainfall on the heap leaches directly to reverse osmosis plants for discharge, rather than allowing the water to enter the mine circuit; and the installation of reverse osmosis plants at South Deep to reduce Rand Water Board consumption.

Effective water management requires a full understanding of the inflow into and outflow from each operational area. This involves quantifying water inflows, including rainfall; operational water requirements; onsite water storage capacity; and water use and discharges.

Whether mines are water-positive, water-balanced or water-negative depends on a number of dynamic variables. These include climatic variables such as seasonal rainfall and evaporation rates, the volume of water entering underground workings or open-pits (e.g. via aquifers and surface run-off respectively) and the type of processing employed (e.g. heap leach or carbon-in-leach processing).

Gold Fields applies the following measures to manage the water balance at its mines and to promote water stewardship:

- Regional application of the new Corporate Water Management Guideline, including the development and implementation of Water Management Actions Plans;
- Implementation of physical measures to manage storm water run-off, and separation of clean water and mine water;
- Maintenance of water containment capacity (including the containment of inflow surges);
- Water treatment, including reverse osmosis;
- Water reuse and recycling; and
- Dynamic and predictive water modelling to support the management of short-, medium- and long-term water-related risks and opportunities.

Acid mine drainage

Gold Fields implements a range of measures to prevent or contain AMD at its operations, and takes effective remedial action where incidents are identified. There were no material cases of AMD reported in fiscal 2014.

Nonetheless, South Deep has, in the context of broader historical legacy issues in the Gauteng area, taken a proactive approach to long-term AMD management through its comprehensive water management plan. This involves ongoing water monitoring, containment of any AMD generation on the old tailings facilities and water-treatment solutions that purify surplus fissure and process water to a potable standard. In fiscal 2015, additional technical studies have been planned to develop a solution for managing AMD generation in the underground workings at mine closure. Underground AMD generation is well managed during the operational phase by ongoing pumping to surface of the underground water.

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Cerro Corona s tailings and waste rock facilities were designed to avoid and mitigate the risks of AMD. In addition, the mines closure plan contains various strategies, which are updated at least every two years as new technical information becomes available.

Although Gold Fields has commissioned various technical studies to identify the steps required to prevent or mitigate the potentially material AMD impacts at its Cerro Corona and South Deep operations, none of these studies has allowed Gold Fields to generate a reliable estimate of the total potential impact on the Company.

Immaterial levels of AMD have been indentified at the Tarkwa, Damang and St. Ives mines.

Materials and waste management

The most significant output materials used by Gold Fields operations are tailings, waste rock, chemical waste and hydrocarbon waste, all of which are managed. Gold mining requires large volumes of blasting agents, including hydrochloric acid, lime, cyanide, cement and caustic soda (sodium hydroxide), all of which are used on an ongoing basis. Of these, cyanide represents the most potentially hazardous substance. All of Gold Fields operations are certified as compliant with the requirements of the International Cyanide Management Code. International Cyanide Management Code certification also extends to Gold Fields transport providers.

All of Gold Fields operations have life-of-mine tailings management plans. All tailings storage facilities and associated pipeline and pumping infrastructure are subject to ISO 14001 certification, external tailings audits, as well as regular inspection and formal annual reporting. Tailings storage facilities are also subject to inspection for technical integrity by independent experts at least once every three years, or more frequently where required by local circumstances or regulations.

A Group-wide tailings facility audit, which included all 15 operational and 10 dormant tailings storage facilities, was undertaken during the second half of fiscal 2014. Ordinarily, these audits are conducted on a three-yearly basis. However, mining companies globally increased their commitment to ensuring the safety of their tailings facilities following a major breach of Imperial Metals copper and gold tailings pond at Mount Polley in British Colombia in August 2014. Gold Fields, therefore, initiated its Group-wide audit earlier than usual. The audit, which was conducted by Golder Associates, reviewed all key aspects of tailings facility management, with a focus on stability, compliance and environmental management. All tailings storage facilities were found to be well-managed and are either already aligned with global leading practice, or have concrete plans in place for alignment. In general the Gold Fields tailings storage facilities are within the top quartile of industry leading practice in terms of design, operation, and management.

Specific measures to minimize the risks posed by tailings storage facilities to the environment include:

- Pollution containment facilities to capture run-off water from tailings storage facility surfaces, together with solution trenches to capture shallow groundwater seepage;
- Recycling systems to allow the reuse of tailings water in metallurgical processes;
- Monitoring of groundwater plume quality and migration (where applicable) and implementing measures to contain the plume where pollution is detected; and
- Planting vegetation, installing netting and applying chemical suppressants on exposed surfaces to control dust and erosion.

A proportion of tailings is also recycled as paste fill (in combination with cement) for use as backfill in underground operations. A group wide tailings facility audit, which included all 15 operational as well as 10 dormant TSF s in the group was undertaken during the third quarter of fiscal 2014 and completed in the fourth quarter of fiscal 2014. The audit reviewed all key aspects of tailings facility management, with a focus on tailings storage facility stability, compliance and environmental management. The group tailings storage facility audit is usually undertaken every three years. However, the latest audit was initiated earlier than planned due to the major breach of Imperial Metals copper and gold tailings pond at Mount Polley in British Columbia in August 2014.

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The event led to an increased commitment by mining companies to ensuring the integrity of their tailings facilities. The Group audit was conducted by Golder Associates. When measured against the primary benchmarks of the review, namely stability, freeboard and water management, all of the Group s tailings storage facilities were found to be well managed and are either aligned with global leading practice, or have plans in place for such alignment. In general, the Gold Fields tailings facilities were found to be within the top quartile of industry leading practices in terms of design, operation and management.

More broadly, Gold Fields is taking proactive steps to anticipate constraints relating to the development of future tailings storage facilities and the replacement of existing ones. Production activities are dependent on a mine having sufficient tailings storage facility capacity. Securing new tailings storage facility capacity can involve lengthy permitting processes with local environmental agencies, and can also require negotiations with local communities.

Energy and carbon management

Total Group energy cost increased to U.S.$361 million in fiscal 2014 from U.S.$305 million in fiscal 2013, comprising 21% of Group operating costs in fiscal 2014 compared to 18% in fiscal 2013. This proportion is likely to rise in a global context of increasing energy demand and constraints on supply. As such, energy management remains a top priority, both in terms of controlling both costs and carbon emissions as well as in terms of ensuring security of supply.

Integrated Energy and Carbon Management Strategy

Gold Fields integrates energy and carbon management into all aspects of its business through its Integrated Energy and Carbon Management Strategy. This strategy seeks to ensure energy security; decrease carbon emissions; explore immediate and long-term energy efficiency opportunities; and investigate viable sources of alternative energy.

Gold Fields remains committed to renewable energy solutions at both its operations as well as at its new mine developments. In respect of the latter, the Group has set a target of an average of 20% renewable energy generation for all new mine developments.

Energy and carbon performance were integrated into the balanced scorecards of senior and line management in fiscal 2014, while energy security, including the evaluation of renewable energy, is included in the Group s scorecard for fiscal 2015.

During fiscal 2014, each of Gold Fields regional operations was required to establish energy and carbon baselines; set targets for reducing energy consumption and carbon emissions until 2016 and develop strategies to achieve those targets; and integrate their key performance indicators based on energy and carbon performance into the balanced scorecards of management. In line with these requirements, new energy and carbon emission baselines were, as well as associated energy and carbon reduction targets (with defined strategies to achieve them), were finalized in fiscal 2014.

Regional energy security

Given the relatively energy-intensive nature of mining and processing, it is essential that each of Gold Fields mines benefits from a stable and affordable supply of power. This is explicitly recognized in Gold Fields Integrated Energy and Carbon Management Strategy. Energy security is a particular challenge in more remote locations, where operations compete with other commercial and domestic users for finite supplies or where the Group s operations face increasing power costs. For example, it has been reported that Eskom intends to request permission to raise the power tariff in South Africa by 25%, instead of 12.69%, in order to make up a cashflow shortfall. NERSA has given permission for Eskom to raise rates further but it is unclear what the actual rate increase will be. See Risk Factors Power cost increases may adversely affect Gold Fields business, operating results and financial condition.

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Each of the Group s regional operations has been tasked with submitting a five-year energy security plan during fiscal 2015. The potential for renewable energy generation at each operation will again be reviewed as part of these plans, as renewable energy is becoming more cost-effective and an increasingly competitive alternative to conventional power sources. The use of renewable energy is also considered to be a key aspect of reducing the Group s carbon emissions.

Carbon emissions and climate change

Carbon emissions and climate change represent a material issue for Gold Fields. This is due to:

- The long-term risks posed by climate change both to its own operations and to wider society;
- Growing efforts to regulate carbon emissions in a range of jurisdictions; and
- The taxes increasingly attached by governments to non-renewable energy consumption.

Historically, the Group s South African operations accounted for the bulk of its carbon emissions. This was due to the Group s previous ownership of the power-intensive, deep-level underground Beatrix and KDC mines, as well as Eskom s reliance on carbon-intensive coal generation.

Following the Spin-off, as well as the acquisition of the Yilgarn South Assets, the Group has a lower, more balanced carbon profile. Gold Fields is undertaking a number of carbon and climate change management and reporting initiatives, in addition to its broader efforts to reduce its overall energy consumption and carbon emissions.

Carbon disclosure and renewable energy

Gold Fields responds on an annual basis to the international Carbon Disclosure Project s, or CDP s, climate change and water questionnaires. This information, along with that of other organizations, is aggregated to produce the Carbon Disclosure Leadership Index (CDLI)[10] and Carbon Performance Leadership Index, or CPLI.

In fiscal 2014, Gold Fields achieved a disclosure score of 96% in the CDLI, placing it in the top rank of international carbon and climate change reporters. In addition, the company obtained a B rating in the CPLI. The rating represents a decline from previous years, including an A- rating in fiscal 2013. This performance appears to be due to:

- The fiscal 2014 rebasing of energy and carbon management targets due to Group restructuring in fiscal 2013, as well as temporary delays to associated energy efficiency projects;
- The loss of the Beatrix methane project and the biomass-to-energy project at KDC due to the Spin-off in fiscal 2013; and
- The discontinuation of a planned 30MW biomass power plant project at Tarkwa for economic reasons.

Gold Fields is continuing to examine potential renewable energy opportunities, in light of:

- Challenges posed by remote, off-grid growth projects, such as Salares Norte in Chile;

Improving renewable energy economics, which are being driven by technological advances, as well as growing economies of scale within the sector;

The ability of a diversified energy mix to enhance operational energy security;

The potential for offsetting future carbon taxes and/or generating carbon credits; and

The ability of renewable energy projects to offer positive legacies to local communities and create shared value.

Carbon taxes

Governments around the world are considering the benefits of increased carbon regulation and taxation, as demonstrated in Australia and South Africa. See Risk Factors Regulation of greenhouse gas emissions and

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climate change issues may materially adversely affect Gold Fields operations and Information on the Company Environmental and Regulatory Matters for more information.

Community and stakeholder engagement

Community and stakeholder engagement are among Gold Fields main strategic initiatives for fiscal 2014. For more information on these initiatives, see Information on the Company Strategy Collaborative value creation at the national and community level , Information on the Company Strategy An integrated approach to growth Earning and maintaining a social license to operate and Information on the Company Strategy Community Relations .

Property

Gold Fields operations as of December 31, 2014 comprised the following:

Gold Fields operative mining areas as of December 31, 2014

Operation	Size (hectares)
South Africa	
South Deep	4,268
Ghana	
Tarkwa	20,825
Damang	8,111
Australia	
St. Ives	112,810
Agnew/Lawlers	69,269
Granny Smith	64,267
Darlot	11,358
Peru	
Cerro Corona	4,379

Gold Fields leases its corporate headquarters in Sandton. The MPRDA vests the right to prospect and mine in the Republic of South Africa with administration by the government of South Africa. During May 2010, the DMR approved the conversion of the South Deep old order mining rights 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. Gold Fields also owns most of the surface rights with respect to its South African mining properties. Where Gold Fields conducts surface operations on land the surface rights of which it does not own, it does so in accordance with applicable mining and property laws. In addition, Gold Fields owns prospecting and surface rights contiguous to its operations in South Africa. As required under the MPRDA, Gold Fields has registered its surface rights utilized for mining purposes. Gold Fields has received prospecting rights on properties which it has identified as being able to contribute, now or in the future, to its business and will apply to convert those prospecting rights to mining rights under the MPRDA, when appropriate. These rights, historically known as the Fochville East, Kalbasfontein, WA4 and Wildebeestkuil prospecting rights, are in the process of being consolidated and known as the South Deep Contiguous Areas. See Environmental and Regulatory Matters South Africa Mineral Rights .

Gold Fields West Africa operations comprise two legally registered entities, namely Gold Fields Ghana and Abosso. Gold Fields Ghana obtained the mining rights for the Tarkwa property from the government of Ghana in 1993. In August 2000, with the consent of the government of Ghana, Gold Fields Ghana was assigned the mining rights for the northern portion of the Teberebie property. The Tarkwa rights expire in 2027, while the Teberebie rights expire in 2018. The Minerals Commission has approved Gold Fields Ghana s application for an extension

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of the Teberebie rights to 2036, and has recommended that the Minister responsible for Natural Resources should grant the extension. Gold Fields Ghana has fully paid for the fees associated with the extension. Abosso holds the right to mine at the Damang property under a mining lease from the government of Ghana which expires in 2025. Gold Fields may exploit all surface and underground gold at all three sites until the rights expire, provided that Gold Fields pays the government of Ghana a quarterly royalty.

In Western Australia, land that is the subject of mining rights is leased from the state. West Australian mining leases have an initial term of 21 years with one automatic 21-year renewal period and thereafter an indefinite number of 21-year renewals with government approval. In relation to gold produced from the mining leases at St. Ives, Agnew, Granny Smith and Darlot, Gold Fields pays an annual royalty to the state of 2.5% of revenue.

In Peru, exploration and extraction activities can only be performed in duly authorized areas. Authorization is granted by the Peruvian government when a mining concession is issued. Mining concessions expire if the titleholder does not exploit the concessions for a period of 15 years, unless the titleholder demonstrates to the authorities that this was through no fault of its own, in which case the authorities may allow the titleholder to begin to exploit the concession within the next 5 years that follow. The titleholder must comply with specific obligations, such as paying annual fees of U.S.$3.00 per hectare, meeting minimum investment requirements, paying a monthly royalty according to the value of the produced concentrates and other requirements. The mining concessions owned by Cerro Corona cover an area of 4,379.3 hectares, while the surface rights cover 1,244 hectares. See Environmental and Regulatory Matters Peru Mining Concessions .

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The maps presented below show the location of Gold Fields operations.

South Africa Operation

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West Africa Operations

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Australia Operations

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Americas Operation

Legal Proceedings and Investigations

Randgold and Exploration Summons

On August 21, 2008, GFO, formerly known as Western Areas Limited, or WAL, a subsidiary of Gold Fields, received a summons from Randgold and Exploration Company Limited, or R&E, and African Strategic Investment Holdings Limited. The summons claims that during the period that WAL was under the control of Brett Kebble, Roger Kebble and others, WAL assisted in the unlawful disposal of shares owned by R&E in Randgold Resources Limited, or Resources, and Afrikander Lease Limited, now known as Uranium One. The claims have been computed in various ways. The highest claims have been computed on the basis of the highest

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prices of Resources and Uranium One shares between the dates of the alleged thefts and March 2008 (between R11 billion and R12 billion, or approximately U.S.$1 billion). The quantifiable alternative claims have been computed on the basis of the actual amounts allegedly received by WAL to fund its operations (approximately R521 million, or U.S.$45 million).

The claims lie only against GFO, whose only interest is a 50% stake in the South Deep mine. This alleged liability is historic and relates to a period of time prior to the purchase of the company by the Group. GFO s assessment remains that it has sustainable defenses to these claims and accordingly, GFO s attorneys have been instructed to vigorously defend the claims. Accordingly, no adjustment for any effects on the Company that may result from the outcome of the summons, if any, has been made in the condensed consolidated financial statements.

Silicosis

During 2012 and 2013, two court applications were served on Gold Fields and its subsidiaries (as well as other mining companies) by various applicants purporting to represent classes of mine workers (and where deceased, their dependants) who were previously employed by or who are employees of, amongst others, Gold Fields or any of its subsidiaries and who allegedly contracted silicosis and/or tuberculosis.

These are applications in terms of which the court is asked to certify a class action to be instituted by the applicants on behalf of the classes of affected people. According to the applicants, these are the first and preliminary steps in a process, where if the court were to certify the class action, the applicants may, in a second stage, bring an action wherein they will attempt to hold Gold Fields and other mining companies liable for silicosis and/or tuberculosis and the resultant consequences. The applicants contemplate dealing in the second stage with what the applicants describe as common legal and factual issues regarding the claims arising for the whole of the classes. If the applicants are successful in the second stage, they envisage that individual members of the classes could later submit individual claims for damages against Gold Fields and the other mining companies. These applications do not identify the number of claims that could be instituted against Gold Fields and the other mining companies or the quantum of damages the applicants may seek.

Gold Fields has delivered notices of intention to oppose the applications and has instructed its attorneys to defend the claims.

The two class applications were consolidated into one application on October 17, 2013 and the parties agreed a court-sanctioned process for the delivery of answering and replying affidavits and for the consolidated application to be heard during the weeks of October 12 and 19, 2015. The consolidated application will be preceded by various legal technical applications and court processes.

In addition to the consolidated action, an individual action has been instituted against Gold Fields and one other mining group in terms of which the plaintiff claims R25.0 million (US$2.2 million) in damages (and interest on that amount at 15.5% from May 2013 to the date of payment and costs) arising from his alleged contraction of silicosis which he claims was caused by the defendants. Gold Fields has defended the action and has pleaded to the claim.

The ultimate outcome of these matters cannot presently be determined and, accordingly, no adjustment for any effects on the Company that may result from these actions, if any, has been made in the consolidated financial statements.

Occupational lung disease

Gold Fields, Anglo American South Africa, AngloGold Ashanti, Harmony Gold and Sibanye Gold announced in November 2014 that they had formed an industry working group to address issues relating to compensation and medical care for occupational lung disease in the gold mining industry. The companies have begun to engage all stakeholders on these matters, including government, organized labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies. These legal proceedings are being defended.

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Essentially, the companies are seeking a comprehensive solution which deals both with legacy compensation issues and future legal frameworks which are fair to employees, while also ensuring the future sustainability of companies in the industry.

Regulatory Investigations

Gold Fields was informed in September 2013 that it is the subject of a regulatory investigation in the United States by the SEC relating to the BEE transaction associated with the granting of the mining license for its South Deep operation. In South Africa, the Directorate for Priority Crime Investigation, or the Hawks, has informed the Company that it has started a preliminary investigation into the BEE transaction to determine whether or not to proceed to a formal investigation, following a complaint by the Democratic Alliance, a political party in South Africa. At this stage, it is not possible to determine what effect the ultimate outcome of these investigations, any regulatory findings and any related developments may have on the Company. Accordingly, no adjustment for any effects on the Company that may result from the outcome of this investigation, if any, has been made in the consolidated financial statements.

Ngadju Native Title Claim

Gold Fields subsidiary, St Ives Gold Mining Company Pty Ltd, or St. Ives Global, which owns the St Ives Gold Mine in Western Australia, had been joined as a respondent, alongside the State of Western Australia, or the State, and another mining company, in proceedings commenced in the Federal Court of Australia by the Ngadju People, seeking determination of its claim for native title over a parcel of land in the Goldfields region of Western Australia.

Native title refers to the rights and interests held by Aboriginal people in Australia under traditional laws and customs, in relation to land and water to which those Aboriginal people have a connection, that are recognised under the common law of Australia.

In the course of these proceedings, the Ngadju People alleged that a number of mining tenements held by St. Ives (being tenements that were originally granted to WMC Resources by the State under the terms of a State Agreement, and subsequently acquired in 2001 by St. Ives) are invalid to the extent that they affect the Ngadju People s native title rights. The process for obtaining the re-grant of those tenements (in 2014) under the provisions of the Mining Act 1978 (WA) was carefully considered and followed by Gold Fields at the time, acting in conjunction with the State.

In a decision handed down by a single judge of the Federal Court of Australia on July 3, 2014, the court accepted the submissions of the Ngadju People that the re-grant of these tenements by the State was not compliant with the correct processes in the Native Title Act 1993 (Cth), and as such, the re-granted tenements are invalid to the extent that they affect native title. This means that to the extent that there is inconsistency between the rights of St. Ives as tenement holder and the Ngadju People s native title rights (such as the right to conduct ceremonies or to hunt), the rights of the Ngadju People will prevail. This decision was confirmed by a Determination of native title made by the Federal Court in November 2014.

The practical effect of such a finding has never been tested under Australian law. However, it may mean the Ngadju People could seek to prevent the further exercise of rights by St. Ives on the tenements in a manner that is inconsistent with the free exercise of their native title rights and/or seek damages for historical interference with their native title rights. The fact that the Ngadju People have only non-exclusive native title rights (and not the higher category of exclusive possession rights) may reduce the extent to which the two sets of rights are found to be inconsistent.

Importantly, the decision does not affect the grant of mining tenure to St. Ives under the Mining Act 1978 (WA). St. Ives still validly holds all of the tenements which underpin its mining operations at St. Ives, and as these proceedings are not an action against St. Ives for failure to take certain steps, the court has no ability to impose any sort of penalty against St. Ives.