Mineral Resources and Mineral Reserves Market Presentation
7 April 2015
Good Afternoon Ladies and Gentlemen

We are today going to discuss the Gold Fields Mineral Resources and Mineral Reserves which we published with our Annual Review last week, which also included the mineral resource supplement that is part of your pack. It’s a thing we do every year. We’re very pleased this year, however, that we worked a little bit harder and we managed to get all the documents out at the same time. It was a little bit of a push, but we got it done. And instead of just issuing the document without any kind of discussion we thought it would be good to walk you through the differences between this year and last year on the reserves and resources. I know for the analysts who are here today you use this as a key reference point to do your models, update your valuations, try and get a sense of the tonnes and the grade and not just the ounces. So hopefully this will give you enough information to be able to model for the life of mine from 2015 onwards.

We did this two year ago. We didn’t do it last year. We unfortunately had too many other priorities and we couldn’t do it. I’m not going to be doing the talking today, which is good. We’ve got Tim Rowland here next to me on my left who is our group competent person. And if you read his qualifications in the book you will realise why he is the competent person, because he truly is a master of his discipline. He has been in this particular role being a geologist for many, many years. He has been at Gold Fields now for quite a long time, nearly 13 years. Prior to that he was also at Anglo Gold. So he is our group competent person.

And behind him is a whole team of people who help us put together the mineral reserve and resource supplement. Some people here in the corporate office that work with him and his boss, Brett Mattison over there. He is in charge of group planning, strategy and corporate development. And then there is a whole bunch of people in each of the regions around the world and each of the mines who have had significant
input into this process.

Now, I think as Tim will tell you it’s a very rigorous process we go through to determine these reserves and resources each year. In fact, what we do is we periodically have these assured externally. So we will get people in who are experts in this area to come and check what we’ve done to make sure we haven’t missed anything. And that is done systematically over a two-year cycle. That is all I will do in terms of an introduction. With that I will hand straight over to Tim.

Tim Rowland: Senior Vice President: Technical

Nick, thank you very much.

First of all thank you to everyone for coming through this afternoon. I really appreciate it that you’ve made the time. There are about 20 slides that I’m going to move through at a reasonably decent pace. We will hold any questions or queries to the back end, if that’s all right, and also to people on the call.

Just to reiterate what Nick said, this is a presentation to support the newly-released mineral resources and reserves for Gold Fields which are issued as of 31st December 2014 at a gold price of $1,300 for reserves. And what I’m going to do is not just give an executive summary of what is actually in the resource and reserve supplement. I do want to use the opportunity to emphasise a couple of key themes I think are important to take away from this discussions this afternoon.

Forward looking statements

Certain statements in this document constitute “forward looking statements” within the meaning of Section 27A of the US Securities Act of 1933 and Section 21E of the US Securities Exchange Act of 1934.

In particular, the forward looking statements in this document include among others those relating to the Dimanang Exploration Target Statement; the Far Southeast Exploration Target Statement; commodity prices; demand for gold and other metals and minerals; interest rate expectations; exploration and production costs; levels of expected production; Gold Fields’ growth profile; levels and expected benefits of current and planned capital expenditures; future reserve, resource and other materialisation levels; and the extent of cost efficiencies and savings to be achieved. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other important factors include among others: economic, business and political conditions in South Africa, Ghana, Australia, Peru, and elsewhere; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, exploration and development activities; decreases in the market price of gold and/or copper; hazards associated with underground and surface mining; labour disruptions; availability terms and deployment of capital or credit; changes in government regulations; particularly taxation and environmental regulations; and new legislation affecting mining and mineral rights; changes in exchange rates; currency devaluations; the availability and cost of raw and finished materials; the cost of energy and water; inflation and other macro-economic factors; industrial action; temporary stoppages of mines for safety and unplanned maintenance reasons; and the impact of the AIDS and other occupational health risks experienced by Gold Fields’ employees.

These forward looking statements speak only as of the date of this document. 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 document or to reflect the occurrence of unanticipated events.
Before I jump into the headline numbers, which I would normally do, I think we need to spend a couple of minutes highlighting what is a fairly new aspect to the Gold Fields planning. This is how we embed the Gold Fields strategy into the entire planning process and annual planning calendar. I’m not going to go into depth on the Gold Fields strategy which is well documented in the integrated annual review.

Obviously there are three key focus areas that drive the technical side of the business, which is:

a) focus on quality, cash-generative ounces. So it is not about ounces for ounces’ sake and it’s not about racking up ounces on the reserve declaration. They’ve got to be quality, cash-generative ounces.

b) It is about positioning for margin and growth, and

c) also about strengthening the decentralised Gold Fields model which is about empowered regions.

I’m not going to go through those three areas, but I think it is particularly significant to highlight that when you consolidate the group’s life of mine plans, so you take all eight operating life of mine plans and consolidate them together, it meets or exceeds the 15% free cash flow position. And that shows you that the planning process is strongly wired in to the strategy of the company. I’m aware that not all peer group companies have such strong wiring between strategy and life and mine reserves, but I think it is very healthy for us to be able to demonstrate that at $1,300 an ounce we have that 15% free cash flow margin.

What that does is it gives us a level of buttressing against gold prices or metal prices that track at lower than our planning gold price for a period of time. So it has given us that protection on commercial viability with fluctuating gold prices. So those are commercially very strong, viable life of mine plans.

If I also go into the margin and growth aspect a little bit more, it is not just in 2014 but I think over the last three years we’ve put a concerted effort into unplugging marginal mining or what we often say is trading dollar mining. And we’ve taken a lot more circumspect, intuitive view on what makes it into not only our business plans and our reserves but also our 12 month operational planning. And there are some very strong filters in place to make sure that the mining is always contributing to the bottom line and generating...
cash. So we have seen a lot of clean-up over the last three years on any marginal mining where practical.

Due to mine design constraints and scheduling constraints that you will typically get in any open pit or underground mining scenario you will always take some ounces that will have more of a skinny margin than you’re looking for in your optimised planning. And that is the nature of the constraints of underground and open pit mining that all miners experience.

And then just on capital expenditure, there is a right time and a wrong time to spend stay in business capital. And you need to be acutely aware of the best time to incur that cost. And we’ve got a very focussed, stringent approach to stay in business capital spend. We only spend it when it is going to contribute to capital efficiency and when it actually adds value to the bottom line. So it is not about spending stay in business capital upfront when it is not specifically required. It is that capital efficiency and return on investment that is the focus for stay in business capital spend.

And we’ve got a decentralised model where all of our regions are strongly empowered to run sustainable, successful businesses. The accountability for execution and delivery is very firmly anchored in the regions and particularly on the mining operations themselves. That is where the accountability for execution and delivery lies. I think it is that empowerment of the regions along with making sure they’re correctly resourced and skilled to do that that makes the decentralised model successful. And I think I will highlight some areas in Western Australia a bit later that I think are testimony for how well that model is working for us. As I said, the accountability is in the regions for health, safety and delivery on the plans.
The 52 million ounce reserve that you will see reported for Gold Fields, which is a managed gold reserve as opposed to attributable, delivers a 15% free cash flow margin. How do we achieve this? It is not unfortunately simply by waving a magic wand. You have to wire it into the way you do your planning and your business.

What we have put up on this slide here is a schematic of the annual planning calendar. This is a process the group goes through on an annual basis.

If I just take you through the steps very quickly.

Stage one is really highlighting the defined corporate strategy and the need to deliver on that.

Stage two, and that is currently happening across the group right now in April, is the period where every region and mining asset has the opportunity to strategically challenge the paradigm, look for all opportunities, trade off options against each other in the search for the best value option. And obviously the best value option wires back into the strategy of the company. In some cases we’ve had in excess of 25 different strategic options on the table for a particular mining asset. A lot of those can be stripped out very quickly. They might not be practical or they might have an unacceptable risk profile. We quickly hone in on the best options for each mining asset through that strategic planning process in box two.

Stage 3: We then have a strategic review panel made up of expertise from around the group who will actually do peer review and stress test those models that have been generated within each region from each operation, and consolidate into a group portfolio model.

Stage 4: Now, that group portfolio model then move through to the Gold Fields executive who have a full review of the model, and they look at all the numbers, the production profiles, a trade-offs through a
corporate or group level lens. So the regionalisation is taken away. At this stage the executive are looking the model through a group level lens. That will go through a level of optimisation and ultimately we arrive at a signed off strategic group portfolio model on an annual basis.

Stage 5: Now, importantly it is that strategic plan that informs our business planning and then our operational planning.

Stage 6: The operational plan is the first 12 months or the first year of the business plan. So the rest of the year’s business and operational planning is wired into that strategic plan.

Stage 7: And then ultimately we have the SAMREC, JORC, SEC compliant reserves and resources come out of the business plan ultimately to the numbers that we’re presenting today.

This is a revised model that has only really been in place last year, and then we are embedding it further this year and optimising the process. But it is this particular approach to planning across the group that gives us the consistency and the focus to deliver cash-generative life of mine plans.
I will go into the headline numbers now. We are talking here about operating mines together with growth projects that still reside in the regions. And we are talking about managed numbers here on the left of the slide with the equivalent attributable ounces on the right-hand column.

So if we look at 31st December 2013 we had a managed gold resource of 136.7 million ounces, 52.6 million ounces gold mineral reserve. In the interim 12 months we had production depletion of 2.3 million ounces from the reserve.

Some of you might be interested as to why it is a slightly higher number when we deplete from a resource. You must remember the resource is pre modifying factors and pre the attrition that comes from comprehensive mine design and production scheduling. So when you deplete a resource you are depleting from a slightly larger slice of the cake than when you’re depleting from the reserve. So you will always see a slightly higher number from resource depletion compared to reserve depletion.

And then post depletion we have the 31st December 2014 numbers, 128 million ounces of managed gold mineral resource and then equivalent 52.1 million ounces of mineral reserve managed for the group. So you can see net of the 2.3 million ounces managed depletion the 52.6 million and the 52.1 million are extremely close to each other year on year. So really quite flat in terms of delta year on year. And the attributable numbers are on the right-hand side for you to read through.

What I will do is I’m going to break down these numbers by region and assets in the following slides to give you the granularity on the movement per mine. However, since we are operating under a regionalised model the next two slides just capture the year on year deltas per region for the resources. And then the next slide will be for the reserves.
At the top of the slide we are looking at growth projects. December 2013 is the brown colour and the latest December 2014 declaration is the black bar, with the delta being in green.

So for growth projects we’ve got a net delta of minus 4.4 million ounces. As flagged at the bottom of the slide that’s the result of the disposal of Chucapaca at just over 50 million ounces, Yanfolila at 1.5 million ounces in Mali, which is offset by Salares Norte at 3.1 million ounces gold. We know we reported a maiden inferred resource for Salares Norte last year, but it came in so close to the printing of the document we weren’t able to roll those numbers right up into the headline numbers. That is footnoted in that year’s supplement. What we have been able to do is roll the Salares Norte numbers into the headline numbers this year, and it is a simple arithmetic to show that the sale of the two non-core assets and the inclusion of Salares Norte in Chile gives you the 24.3 million ounces of gold resource for the growth projects.

The Americas region, Cerro Corona is ostensibly just production depletion on the resource. Sorry, I should have flagged as well that Woodjam and APP, Arctic Platinum Project, also included in the growth projects, are earmarked for disposal as non-core assets. For the Australia region remember these are net of depletion. I think with stellar performance at Granny Smith underground at the Wallaby mine an additional 1.4 million ounces of resource was a significant result from the drilling programme there at Granny Smith, but was offset by the resource modelling improvements that Gold Fields brought to the party as regards to the Yilgarn South assets that we purchased a couple of years ago.

Very briefly, when I talk about resource model improvements a lot of you will be familiar with the whittle shell constraints on an open pit resource. What we use is a proprietary software called MSO or Mine Stope Optimiser which does a very similar thing to the whittle optimised pit shell. And that is it makes sure that all your resource stocks are constrained within a practical mine design shape and that you don’t end up reporting resource stocks at are 500m or 1,500m away in discreet locations that ultimately will never make it into a practical mine design. This is underground. So the MSO or Mine Stope Optimiser is the equivalent of...
what the whittle pit shell does for surface operations. So we have cleaned up quite a bit of the Yilgarn South resource applying the Gold Fields protocols.

And then for the West Africa region you can see we’ve gone to 14.8 million ounces for December 2014. Although Damang did see an increase in the mine activity cost in a dollar per ton metric it has actually enjoyed significant improvements in mining recovery, mine core factor, dilution as well as its sustainability and selling costs. So despite the mining activity costs going up because of lower overall mining volumes – and that is part of our drive for quality at the mine – it also brings the cut-off down because all our ancillary costs and mining quality factors have improved. So we’re quite happy with how that has been positioned over the last 12 months.

That is the resource position.
Just moving through to the reserves. Again this is all net of depletion. I’m going to spend a little bit of time on South Deep in a later slide. It is described here as work in progress because we have reported on a pure production depletion model. I will expand a little bit later on why we’ve adopted that approach this year.

The Americas region post depletion is 4.3 million ounces down, effectively production depletion.

Now, the Australia region produced about 1 million ounces last year and you can see we’ve gone from 4 million to 3.6 million. So effectively we’ve replaced about 50% of that production depletion with our drilling and conversion programmes in 2014.

West Africa region post depletion has actually grown by just shy of 500,000 ounces. So not only have we replaced all of the depletion, but through improvements at Damang and also some inferred to indicated conversion at Tarkwa, and also the bringing in of the Teberebi pillar between Tarkwa and the Iduapriem mine there has been a positive growth in ounces in West Africa.

And then the South Africa region, which of course is South Deep, is just reflecting a production depletion model this year. That is the delta reserve per region year on year.
What we do now is break it down a bit more on a regional basis and asset by asset basis. And each slide is fairly generic in its approach, but I just want to talk briefly about how the region is delivering value, how the free cash flow margin looks on a regional basis, and the work we are doing on de-risking the life of mine plans and the reserves, and then we just highlight some of the key site development on the right-hand side. So it is a fairly generic approach and we will go through each region with you.

In the West Africa region I think one of the most significant things we’ve done to improve the delivery of value is increasing the processing capacity of the plant at Tarkwa from 12.3 million tonnes per annum to approximately 13.5 million tonnes per annum, and all this done for a cost of below $10 million. On operations it is very highly geared to moving tonnes and putting tonnes through the plant at industry-leading processing costs. This is a very significant improvement for Tarkwa.

And then free cash flow margin consolidated for Tarkwa and Damang we’re looking at 12% free cash flow at $1,300 an ounce. And that is on a reserve only position which is the SAMREC compliant reserves only. And they are really de-risking the Tarkwa operation. Again we’ve pulled back the overall tonnes mined per annum to between 90 and 100 million tonnes per annum. And then aiming at delivering 550,000 ounces per annum through the capacity improved plan. And then as part of the de-risking AGC is the advanced grade control. Grade control you will do very much in line with your proved reserves at the head of your mining front. With advanced grade control we tend to do drilling which helps improve the confidence significantly of our mining that is possibly six, 12 or even 18 months away to allow us to optimise the mine design and scheduling. So the advanced grade control is ongoing there with resource infill drilling.

What I want to highlight in the bottom left-hand corner is the Tarkwa reserve position. Tarkwa has got a life of mine of 17 years, but in the last four to five years ostensibly production is from putting the south heap leach material and some limited surface stockpiles through. So if you are modelling Tarkwa over a 17 year life of mine for the first 12 years you should be modelling the head grad throughput at about 1.3g per ton.
because the 0.43g per ton of south heap leach and stockpile materials only goes through in the last five years of the life of mine profile. So I think it is important to stress that because it can have a major impact obviously of the NPVs of any models looking at Tarkwa from that perspective.

Tarkwa itself, a 9.6 million ounce resource converting to a 7.5 million ounce reserve. Increased 3% net of depletion. I mentioned earlier that an agreement was put in place with neighbouring Iduapriem to valorise the mining pillar between the two mines. This is in excess of 300,000 ounces from the pillar but also mining-related spillages that made it through into the Tarkwa reserve because of that. We continue to unplug any marginal reserves where we can practically from the plan.

And of course like you develop your ore body underground through capital development and opening up development, the capital waste pre-strip is the equivalent of that in an open pit environment. And if you don’t commit to adequate capital pre-strip rates on an annual basis you will eventually mine yourself into a corner. So being acutely aware of the necessary rates of flexibility and mining optionality those capital pre-strip rates are maintained in place for the life of mine profile and funded accordingly in the cash flow model.
For Damang it is with absolute pleasure that I’m able to say that we sustained the turnaround of Damang through 2014. As I said, the team in place on the mine put tremendous effort into getting control of dilution, mining recovery, improving the mine core factor, improving the performance of the plant and recovery in the plant. And all of that flows right through to your bottom line at the end of the day in any mining environment.

So what we’ve been able to do particularly with the cost control exercises is increase the probable reserve at Damang by 15% net of depletion year on year, which I think is putting it in a much more comfortable position that it certainly was two years ago. We now have reserves in excess of 1.2 million ounces.

The real focus there at Damang in 2014 as well as maintaining operational and cost efficiency is to really get our foot on what the true brownfield opportunities are at Damang. The grid in the background of the slide is a 1km by 1km grid. If we take the main Damang pit up in the top right-hand corner all the way to Amoando South that is about a 7km to 8km on-strike target area where we are predominantly going to be looking for hydrothermal opportunities which we will see at Damang, [unclear] and Amoando South and also at Juno in preference to the paleoplacer opportunities that still exist there because obviously you get higher grade and more margin from your ton mined and processed at the end of the day from the hydrothermal.

And there is a funded, phased, three-year exploration programme to get our arms fully around the opportunities stretching south-west from Damang down towards Tarkwa, a total of 25km off to the bottom left-hand corner. So a lot of opportunity there and technically it is being supported by a full 3D geological model of the entire tenement area which is helping to target the drilling and get the best result out of our drilled metres as well. So I think as we realise the opportunities and the endowment potential from this zone extending south-west from the main pit that information will be drilled and embedded into the future life of mine plans of Damang. So looking positive overall at Damang.
I would like to move on now to the Americas. Obviously Cerro Corona continues to be the stand-out copper gold porphyry mine we have in south America, accompanied now by the Salares Norte project in Chile which continues to show good potential. I will just touch on the status of Salares Norte in a couple of slides later. Importantly the life of mine plan continues to be tailings constrained at Cerro Corona. So you can see the reserve in the bottom left-hand corner, 50 million tonnes. At this point in time that is all we’re able to place in our existing tailings storage facility. If you can relinquish the cap on the tailings real estate and the waste storage facilities you have every opportunity to start to get into the very robust resource which is shown here, which is in excess of 100 million tonnes or 150 million tonnes specifically for gold.

One of the key projects in the coming year is to do a full pre-feasibility on all the technical and real estate options to expand the life of mine of Cerro Corona. So there is a lot of technical challenges to be looked at and opportunity as well as real estate opportunities that will be looked at. When that has been fully reviewed hopefully it will make it into future life of mine plans for Cerro Corona. The 29% free cash flow contribution flagged there just shows how robust this reserve is at lower gold and copper prices.

The de-risking worth highlighting here is we have introduced new jaw crushers at the mill at Cerro Corona. This is to deliver 6 inch material through to the semi-autogenous grind SAG mill. And that effectively debottlenecks the performance of the plant as we move deeper in the pit and we get increasingly harder material as we move deeper and deeper into the hypogene stage of the ore body. So that is in place and we’ve still got to get some empirical data for how the mill will perform, but there is every expectation that we’re going to be able to increase throughput through installation of the jaw crushers.

It remains the lowest all-in cost per ounce producer. I think in 2014 it came out both on equivalent ounces at $702 all-in cost per ounce, which is why it is a stand-out performer. And it continues to have high margin gold and copper throughout its life of mine profile. The option to process the oxides which continue to be on surface will be looked at. We have various technical options to process that which we are going to look at. And we are actually doing quite a bit of test work now to check on the level of performance on metal.
recovery from the oxides that have been on surface for a number of years. Once we feel we have a good value option for that we will look at valorising the oxides currently reported as surface stockpiles.
Now moving on to South Africa. South Africa of course is South Deep. South Deep has a world-class ore body. That ore body is never going to go away. And we’ve put a lot of effort into communicating why we believe we understand and have de-risked that ore body in a number of presentations last year. So I’m not going to go into the detail of where the confidence in the ore body comes through, suffice to say the exploration programme has been completed which ran for over half a decade. All that information has now been mashed in with the 3D seismic survey information. From a structural perspective the ore body is very much de-risked. And then our long incline borehole drilling which is long incline holes which are drilled with wedges ahead of our mining front [unclear] in the various corridors is continuing to be funded and is on plan. And that gives you a confidence in your ore body and your mine design from a two to five year horizon. Where we have drill cuddies to get the machines in that drilling is all on plan and all that information feeds through into the resource model that underpins the budgeting process at South Deep.

And then our long incline borehole drilling which is long incline holes which are drilled with wedges ahead of our mining front [unclear] in the various corridors is continuing to be funded and is on plan. And that gives you a confidence in your ore body and your mine design from a two to five year horizon. And then we strive to do grid drilling underground between a 35m and 50m grid to de-risk the ore body ahead of our operational 12 to 24 month planning horizon. Where we have drill cuddies to get the machines in that drilling is all on plan and all that information feeds through into the resource model that underpins the budgeting process at South Deep.

So the focus on delivering value has been well communicated in recent quarterly reviews. It is the need to transition the mine to bottom line delivery from project construction to mine delivery, setting up for the long term. The focus is about getting the basics right and confidence in the operational delivery metrics from a short-term perspective, but then also linking the short-term delivery with the long-term goals. So although massive focus is on current operational performance and delivery, we have to have that against the background of a strategic perspective and know where we are taking the mine ultimately at steady state production level as well. So that work is working in parallel with the current operational focus.

From a de-risking perspective we have brought on board a geotechnical review board comprised of technical experts brought together from around the world. They have been asked to give a review of the geotechnical support regime on the mine. That is currently work in progress and I think once that work is
completed, the pillar study and the comprehensive peer review, both externally and internally, we will be in a position to see whether there is any need for revised regional support considerations or not. But it is prudent to get the work done and make sure that we've de-risked the mine from that perspective.

And of course de-risking also comes with some of the piloting of alternative mining methods which at this stage we don’t know we will run through to commercial application. But we are continuing to look at the piloting of the 4.5m x 4.5m de-stress at South Deep.

So the ore body is well understood and the key infrastructure is installed and the pillar study needs to play out and be completed over the coming months. The production depletion model I referred to earlier is effectively what I would say is a holding position. The reason for a holding position is when you’ve got so many moving parts on the mine that are currently under technical review and haven’t undergone full technical rigour, independent third-party review, they haven’t been taken past the DMR etc. which is all part of the diligence process we do when we make any changes on any of our mines. Until that is done it would not be prudent to produce assumptions that are not yet validated into the life of mine plan that could provide misleading information into the public domain on South Deep’s future position.

So it is absolutely prudent and sensible to just work the production depletion model on last year’s mine design and schedule or resource model. And only when new initiatives and interventions come into play that have been fully validated and have undergone full technical rigour will we introduce those into the planning going forward. So I think it is important to retain the technical assurance of the changes that may be introduced at the mine, hence the holding position and the application of a production depletion model based on production depletion in 2014.
We move now to the Australia region. Australia is very well positioned from a consolidation of its greenstone hosted mining assets. We’ve got a strong team now fully embedded in Perth in Western Australia which has demonstrated management and exploration capability in Western Australia on these orogenic style ore bodies. They are well positioned for further growth from that strong anchor point in Western Australia.

The consolidated portfolio delivered a 15% reserves only free cash flow margin for the life of mine plan. And we used 95 cents to the US Dollar for the conversion rate, so these reserves are at A$1,370 an ounce Australian. I will show you a couple of slides just now that I really want to tease out the DNA of what is behind an orogenic style ore body, because it is very different to what a lot of people have grown up with and resonate with in a South African context.
Two slides just to bring through the DNA of orogenics. One thing you have to do is maintain annual exploration spend to maintain traction and delivery in your exploration programmes to make sure that your pipeline of projects and new era mines is healthy. The fact that Gold Fields has allocated A$85 million to this year’s exploration campaign just in WA on our existing assets I think is strong testimony to our commitment in delivering the potential that is embedded at those mines. I will go into a little bit more detail just now on exactly where that money is being spent.

The highlights for the region, we’ve had successful and rapid integration of the Yilgarn South assets that we purchased. They are now fully reported under the Gold Fields protocols and SAMREC compliant reporting process. And exploration strategy is targeted to level off the embedded potential of those assets. It is a region with 10 million ounces of resource and just over 3.5 million ounces of reserve. But I have to stress that is reserve that is fully compliant and in line with the SAMREC and JORC reporting standards.

Two slides on the DNA of orogenics. The table in the top right-hand side shows the percentage contribution of the world’s known gold deposits above 500,000 ounces in critical mass. Obviously the paleoplace gold in particular are still driven by the Witwatersrand, 37%. But we can see 18% of the known gold deposits above 500,000 are of orogenic style. And this is very much the style that underpins the mines we have in Australia as well as the hydrothermal component of Damang.

What makes this style of mineralisation attractive as a business? Importantly orogenic ore bodies are well understood and can be taken up the learning curve very quickly with an appropriate drilling campaign. They are large and are typically of good grade. They typically occur in clusters or camps as I think is well demonstrated at St Ives, at different scales providing flexibility and optionality. Importantly the lead time on capital expenditure to build an orogenic style mine or project is not as much as many other styles, particularly blockading and porphyry style deposits. So your capital commitment upfront is more limited. And they also have a shorter construction and lead time typically as well, which I will demonstrate in the
I think we’ve shown particularly at Granny Smith and at Agnew with the competency with exploration and operations in WA is that we do have a strong ability not only to find and define but also to mine these orogenic ore bodies effectively.

When you see a number of A$85 million this year being spent on the back of a significant commitment to exploration last year you say where am I seeing the results flowing through to improved resource numbers in the WA region?
Unfortunately it is not like cutting cheese in the cheese factory. This slide shows very quickly that in the brownfields or near mine environment even on the far left-hand side where you have target definition in a brownfields environment you’re still two to three years away lead time. From taking that project through all of the relevant stages, scoping, pre-feasibility, feasibility through into your budget planning it’s something like three years.

We had a very significant find with the Invincible open pit two years ago and it is now in the 2015 budget, that is really an example of the fastest conversion of a brownfields discovery through to an operational plan. It is different for open pit and underground and it is subject to licensing the permitting conditions on a particular mine. But I think this slide shows very clearly that target generation and early definition of a robust project is two to three years away from being in the operational plan. You have to take that inferred resource through to indicated, and that resource to reserve conversion drilling can take 12 to 18 months. Then you do your mine definition drilling and you move that resource into the high confidence measured category. That allows your mining engineers to convert the measured resource to approved reserve using grade control and on-mine optimisation techniques.

And then you get it into your 12 month operational budget plan. So I think it just shows that depending on the nature of the discovery and whether it is open pit or underground it does take two to three years to move through the pipeline, and inevitably delivery of new projects and mines on the orogenic assets can be quite chunky in nature. It can be quite lean for a year or two as you move through this process, and then you can have one or two new mine deliveries in the same year. That just highlights the kind of generic lead times which are involved.
If I take you to Granny Smith, which is one of the Yilgarn acquisitions we made, it is a flagship high grade, high margin ore body at the Wallaby ore body underground at Granny Smith. And it is world-class as regards continuity of the geology and predictability of the ore lenses. So there is a high confidence life of mien plan especially when you’ve completed your infill drilling. It has a five year life through to 2019, but importantly if I show you the resource and reserve chart in the bottom corner, we’ve got a 3.7 million ounce resource and a 0.9 million ounce reserve.

Now, not all those resource ounces are located underground at Wallaby. A portion of those are at the Granny Smith project which is outside of Wallaby. But Granny Smith has a historical track record of converting underground resources to reserves of about a 55% conversion rate. That is pending introduction of paste fill or underground backfill which at current mining depths at Wallaby has not proved economically viable. But it is revisited on an annual basis. I think there will ultimately be a trigger point for introducing paste fill at depth at Wallaby and then significantly upticking the resource to reserve conversion. I think there is the awareness that there is still a big chunk of that 3.7 million ton resource that is going to be converted through to reserve as the drilling campaigns are completed.

Not only is money being spent on extensional drilling at Wallaby, but for the first time in a number of years at Granny Smith funding of near mine exploration, looking for the next era of new mines outside of Wallaby is being looked at, particularly across Lake Carey. We’ve got relatively immature, underexplored tenements. For the first time we’re introducing leading geophysical techniques and targeting techniques across the lease package. I think with time that is going to realise endowment potential across the property.

From a de-risking perspective when we bought the mine there had to be a significant commitment to reinstalling structural integrity at the Granny Smith plant. I was there a couple of months ago. In fact they have done a tremendous job there on getting that back to Gold Fields standards and also improving the overall process recovery by 3% which is a very significant improvement. So some good de-risking at Granny Smith from that perspective.
The stand-out performance of course was the drilling programme in 2014 at Granny Smith which introduced an additional 1.4 million ounces of resource, and just shows how strong the capacity to not only replenish but grow the resources at Granny Smith is. We’ve had positive results from 100, 110 and 120. And importantly, framework drilling that we’ve now put in at the deeper zones of 130 to 150 has returned significant intercepts which bodes well for ultimately defining replacement reserves down as low as zone 150.

So I have a slide to show a classic example of how an orogenic mine behaves. From 2005 to 2014 the reserves in green have been not only consistent but actually have shown slow and steady growth up to the current 0.9 million ounce position. Production in purple has continued on an annual basis at the levels shown there. And with the exploration expenditure shown in red being consistent and maintaining the momentum we’ve actually been able to continually replace reserve depletion as well as increase the overall reserve position. That is why it is so important to have an opportunity to have an affinity for how these mines behave when you look at a five year life of mine. It is five years because we report against SAMREC reporting standards. Of course it has a significant longevity beyond that as long as you continue to fund annual extensional drilling and exploration.

The cut-away section below shows the depth of 1,800m. That is the red line from top to bottom. That is the Wallaby pit. Then it shows where the exertional drilling is being done and where the focus is in the next 12 months. A lot of the current production is off zone 90 and zone 100, and then you can see the potential we have from zones 110 and 120, and then ultimately 130 to 150 where we are currently doing our framework drilling. So there is still significant potential going forward for the life of mine longevity at Granny Smith.
Australia Region

St Ives Overview

- Well-established mixed open-mine, open pit and underground operations
- Invincible open pit represents a major new discovery, to anchor the LoI plan

LoI Extension

- Based on current Reserve only extends to 2020 (5 years)
- E&O2bH exploration programme tailored to fine discovery in new exploration space

Deoiling

- Projects need earlycisions to meet mine scale criteria
- Marginal mining eliminated wherever practical

Mineral Resources and Reserves 2014

<table>
<thead>
<tr>
<th>Operation</th>
<th>Tonnage (M)</th>
<th>Grade (g/t)</th>
<th>Gold (Moz)</th>
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<tbody>
<tr>
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<td>3.60</td>
<td>3.5</td>
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<tr>
<td>St Ives Reserves</td>
<td>17.6</td>
<td>3.14</td>
<td>1.8</td>
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St Ives of course is a well-established mine under Gold Fields. There is a good mix of open pit and underground operations. Invincible open pit obviously coming in as a major new anchor point for the life of mine profile over the next couple of years, and in its own right was a major discovery for Gold Fields in the South Kalgoorlie goldfields and Kambalda. What that highlighted to us is that there is some significant new exploration space at St Ives that needs to be investigated. Not only are we looking for extensions to current known mining fronts, such as Cave Rocks and Hamlet, but we have to get a handle on the new exploration space that we believe we have in a number of new corridors at St Ives. And I will show you a plan to show you where we are focusing there. Invincible is testimony to discovery in one of these new exploration spaces.

St Ives itself is enjoying a $42 million exploration funding in 2015. Projects have to be retired early and quickly. Project churn on an exploration programme at St Ives has to be very focussed. We don’t want the geologist to become wedded to projects which aren’t showing signs of delivering the commercial margins and cash flows that we need from any new introduction to the life of mine plan. So the project churn is high. We expect to get a number of projects coming through over the next 24 months through these exploration filters and exploration milestones.
We are investing in the next generation mines at St Ives. And particularly here I can highlight that we’ve got the Kambalda tenement package in blue at the top left-hand of the slide here. Those are new tenements that are also relatively underexplored which we are putting quite an effort behind in 2015. We also have the eastern causeway corridor in blue here, and then most importantly the Speedway corridor running all the way down here which is where we discovered the Invincible open pit with underground potential at the top end. So these new exploration spaces are receiving a fair chunk of the exploration budget over the next two years. That is St Ives in a nutshell.
Gold Fields
Mineral Resources and Mineral Reserves Market Presentation
7 April 2015

I will go over to Agnew and Darlot which we consolidate on one slide here. Agnew’s main focus going forward is a number of ore zones that we consolidate into a package called FBH which stands for three separate ore zones, Fitzroy, Bengal and Hastings. They are all incorporated into one geometry for the mine design and scheduling. That effectively will be the next main mining takeover front as Kim progresses to its ultimate maximum mining depth at Waroonga. So FBH is on plan and on schedule to take over from Kim as it matures its mining front at depth at Wallaby.

The value creation at Darlot – and I don’t think there is any secret about this – is discovering a paradigm game-changer at Darlot that can allow us to reset the life of mine plot at that mine. We’ve done a lot of work on cleaning up the required reserve and resource position. The Darlot resource and reserve is reported against the stringent Gold Fields standards now. But with an 18 months life of mine finding a new major discovery is key to life of mine longevity. Of course we have the CDA Centenary Depth Analogue which is receiving the bulk of the exploration drilling at the moment, but we have made money available to explore for other new generation mine opportunities outside of the current mining front.

The de-risking, we continue to do intensified drilling at Waroonga and New Holland, taking out marginal mining where practical. And both at Waroonga and at New Holland we have upgraded the ventilation and quality systems there which has ultimately improved mining efficiencies at both underground mining fronts.

If we look at Agnew, a 3.6 million ounce resource with just under 1 million ounce reserve. I’ve spoken about FBH which has reserves at 348,000 ounces and a resource of just over 500,000 ounces, continuing according to plan and development is on schedule there. We continue to get positive exploration results at Waroonga North and the Kath projects which are extensional within the Waroonga environment. They have really employed only framework level drilling to date, and I think more infill drilling in 2015 should allow us to get some wire frames around hopefully some early pre-resource or possibly inferred resource ounces at Kath and Waroonga North.
And then positive results at Cinderella underground, which actually is situated only 300m from the current New Holland development. That is getting a lot of current focus from the mine team as well as a significant potential gap-filler over the next 18 months or so.

From a Darlot perspective it has seen tremendous improvements in the quality of mining. I think when we took over the mine the focus was very much on moving tonnes out of the mine to the plant. Bringing our focus on free cash flow and quality mining has repositioned the mine to be commercially viable once again. But without that new major discovery or realisation of the Centenary Depth Analogue potential it is going to be difficult to reset that 18 month life of mine clock beyond 18 months at this stage, given what we know. In 2015 the Gold Fields will be on determining whether this mine has the potential to be a long-term franchise asset for Gold Fields. It continues to be under that scrutiny.
If I show you geographically I talked about Waroonga underground at Agnew. The Waroonga North ore body sits out to the west here. Kath is much closer to existing development and is located here. We also have other exploration targets or extensions to FBH and also a project called Yeoman which is just below the old main north and main south areas at Waroonga. So a lot of underground extensional potential there that we will be drilling in 2015. And across New Holland, formally embodied under the Lawler’s mine, is a potential area known as Himitsu. I don’t know if there is a Japanese connotation there at all. Importantly for us extensions to the current 500 series mining located over here. And the real upside potential of the 600 and 700 series located below the 500 series, but really limited to very scant framework drilling at this stage. We need to get some more holes into the 600 and 700 series just to get a feel for consistency in geology and grade there. So a lot of potential still to be profiled at depth at New Holland as well.
Just moving on, I think I have about three slides left. We thought it prudent just to give a quick snapshot of where Salares Norte in Chile and Far Southeast in the Philippines are standing today. They are both very significant resources that are standing on our books. And of course at Salares Norte, which remains unchanged pending the completion of our work this year, we still have a 3.1 million ounce gold resource at over 4g per ton. Now, over 4g per ton is a very significant grade for what potentially will be an open pit mine. And obviously the silver as well. It looks incredibly significant at 33.6 million ounces of silver, but that doesn’t come through ultimately in the recovery the way you’re used to seeing metal recovery. So I will caveat the amount of that which will convert through to reserve at the end of the day on a [unclear] basis.

At Salares Norte the interim scoping study and the environmental impact assessment completed and the EIA approved by authorities in 2014. That allowed us to move on the exploration programme in 2014 with a spend of just over $8 million. In 2015 based on the results we saw coming through last year we have really ramped up the progression on the exploration programme this year with $23 million allocated for drilling. This will be infill drilling on the main resource at Brecha Principal. You need to understand the short-term continuity of the ore body, and ultimately get a feel for the confidence you will have in mine design and production sequencing in an open pit environment. So that investment in drilling out the Brecha Principal area is to allow us to start to think about how we can do production scheduling on that type of ore body.

Then importantly at Agua Amarga, which is an extension to the half of the main resource, we need to do some infill drilling and framework drilling because there is every expectation that that could move through and become part of the core ore body over time as well. The results of this drilling, although I do believe there have been some unexpected climatic conditions up in the mountains there, so there might be some delays on the original drilling schedule, but at this stage there is still every intention in Q3 of this year to revisit the final scoping study based on the results of this drilling and then plot a way forward for Salares Norte. That will be in Q3 2015.
Far Southeast in the Philippines, the numbers remains unchanged because there was no new technical information. It is still a 19.8 million ounce resource and just over 9.921 million pounds of copper. The financial technical assistance agreement, the FTAA, is still application in progress. And then the focus has been on valorising that resource and looking for different opportunities on how it can be brought to account. There is currently a high grade selective mining study underway to look at converting the high-grade component of that ore body to account through a more focussed approach to mining, rather than previous early views on how we would tackle that ore body.

That hopefully will be completed in the first half of this year and then that should inform a review and ultimately plotting the way forward for Far Southeast as well. That continues to be a significant resource and potential value accretive asset in the group. That is Far Southeast.
The last slide. I wanted to start off with this slide, but I thought it wasn’t as exciting as showing you how we’ve wired in the life of mine planning and the group planning process into the heart and soul of the strategy of Gold Fields. I have rather relegated it to the back end of the presentation, but it is nonetheless just as important. It is the corporate governance aspect of what we’re reporting and what you read about when you access this or you go on to see it on the website. We continue to have very stringent internal rules and protocols and reporting criteria for Gold Fields resources and reserves. As Nick said, it goes through quite a filtering mechanism through the competent person teams on the mines, the peer review and oversight from the regional teams, corporate provides the overarching governance and technical assurance from our perspective, and ultimately we end up with a set of resource and reserve numbers which are very solidly and robustly aligned to SAMREC, the JSE Section 12 listing requirements, Industry Guide 7 which is the ruling guideline for the SEC, the New York SEC, and then Sarbanes-Oxley compliant as well in line with the SEC listing.

And it is a pleasure again to be able to announce that our last version of the resource and reserve supplement was yet again recognised by the Investment Analyst Society of South Africa as the best public reporting from a mining or exploration company of resources and reserves. It is colloquially known as the Squirrel award, which sits in Brett’s office among a number of others. But it is good to get recognition for the quality of the work and the effort that goes into putting these numbers out into the public domain. It is a cohesive component of the annual planning process, as I showed you from the planning wheel earlier on in the presentation.

And we continue to invest in external third-party audits as and when we deem it value adding. We certainly don’t do all this to have a piece of paper in our hand to wave around and say we’ve had our numbers audited. We have taken the approach to targeting the audits with more focus of late, whereby the high cash flow generators in our life of mine plans, such as the Invincible open pit and Hamlet at St Ives, such as the 500 series and FBH at Agnew, they get the maximum focus from third-party audits because it is important
that we make sure that they’ve got technical integrity and are de-risked as much as possible.

Against that backdrop on a rolling three-year basis we don’t like any of our operating assets or projects to go more than 36 months without being visited by third-party external auditors. So we also maintain that three-year rolling audit profile as well.

And then at the bottom of the slide the numbers that we’ve used. For the resources it was $1,500 an ounce US at an exchange rate of A$15.70 and R480,000 per kilogram for South Deep. Reserves at $1,300 US, A$1,370 Australian and with the exchange rate R420,000 per kilogram for South Deep. And although you can see that the gold price has been tracking some distance below the $1,300 planning gold price we used here, the fact that we’ve stressed that we’ve embedded the free cash flow margins not only into our short-term planning but our life of mine planning I think bodes well for the headroom and the buttressing against periodically low gold prices in the planning.

So that brings the summary overview to a close. I think we are open to a few questions.

Questions and Answers

Nick Holland – CEO

I think the point that Tim made at the end is probably the most important bit of information in these reserves and resources. There has been a lot of debate in the past about what prices you should use for your reserves and resources. Bearing in mind that the spot price at the moment is lower than the price we are using. And that has been an issue of a lot of debate with investors, analysts and even media. The point that is probably even more important than that is that these are not just reserves that make it because they make a dollar. And that is crudely the definition. If it makes a dollar it gets into the reserves. As you have seen overall these reserves are at 15% over their life.

So what is critically important for us is that we don’t just talk to a one-year operational plan that has a 15% margin embedded into it. We are talking about making sure that the life of mine planning has that factored into it, so that if we’re wrong and gold in fact is lower than $1,300, say $1,200 for the next ten years, it means that we’ve got a margin of safety between that $1,300 price that we’ve factored into our reserves and whatever the prevailing price is. So we don’t have to go and do emergency reworks and rescheduling of the operations. You can actually have comfort that they will stand the test of time and the vagaries of the commodity market. And that is something we haven’t had before.

I think you will find if you talk to the other companies in our sector, in the gold sector, I think you will probably find we’re the only ones giving you that kind of resolution. And as always I would challenge you to challenge everybody else to start thinking about showing your reserves differently. Instead of showing your reserves at a lower price, maybe start thinking about showing your reserves and the margin those reserves will give you. At the end of the day if they don’t give you a margin they’re not going to be mined anyway. So what’s the point of reporting those that will never be mined? I think that is something that you can take away and think about, and possibly elicit other views from other players in the sector. I’m conscious of time, so Avishkar….
Brendan Ryan

Nick, on the point you’ve just raised, how long does the gold price have to stay at $1,200 or $1,100 before you need to modify your plan? How long does gold have to stay low before it has an impact on you?

Nick Holland – CEO

I think if you work on the first year plan where we have high resolution we basically factored into our planning 15% margin, as you know, which would enable us to absorb a reduction of that sort of proportion before we lost money. So around about $1,050 on an all-in sustaining cost basis is about the number. And then you’ve got to factor in interest charges and taxes. I think we are probably okay to about $1,100. I think if gold went to $1,100 or below and stayed there for a year or so we would have to rethink, as would everybody. Bearing in mind I think the average all-in cost for the industry is $1,250 or somewhere around there. I think the whole industry would be under water except for the very low-cost producers. I think at $1,100 the whole industry is in tough times. A year of $1,100 then we would have to revisit.

Brendan Ryan

And then just a follow-up, at $1,500 and $1,300 if you were to use lower numbers that obviously would drop your resources and reserves.

Nick Holland – CEO

No, I don’t think so because of the fact that you’ve embodied the margin in there. That gives you the cushion to absorb lower prices. That is the robustness that is factored into...

Brendan Ryan

So if you restated the $1,300 at $1,200 there would be no change in the [overtalking].

Tim Rowland – Vice President Technical

You will see in the sensitivity at 5%, 10%, 15% from the anchor price but they are not based on detailed redesigns and schedules. And they are really quite limited on many of the mines. Those facilities are really quite small.

Nick Holland – CEO

I would say at $1,200 I think the variance is immaterial. At $1,100 obviously it is a different ball game. Other questions.

Alan Cooke

Salares Norte, [inaudible segment] sell or develop that project on your own? Are those the options we should be thinking about for Gold Fields?
Nick Holland – CEO

I think the next step is to encapsulate the latest drilling into the new geological model, try and put a scoping study behind it, see if we still think that the project is potentially viable. And that would be a trigger then for potentially more work on the ore body. I don’t think we’re at a point of deciding what the long-term outcome for Salares is. We won’t be there this year. That will take longer for us to do. The other thing, Alan, is I don’t think we understand yet how big this could be. It is still open in many directions, at depth and also laterally. So any decisions will have to be informed, and we are not yet informed enough to make any decisions.

But I must say we’ve spent... over 17 years that I’ve been in Gold Fields we’ve spent a lot of money on greenfields exploration but are yet to actually deliver a project that we’ve turned into a mine. And as you know we’ve cut our greenfields exploration. This is the only project that is left that is active. Far Southeast is not really active because we are really focussing on permitting issues in the country. This is the one active project that is no longer a greenfields project because we have already delineated a resource. We are now into resource development, so we are much further up the triangle. I’m very cautious on it, but I have to say shallow oxides at 4g will probably give you a gold equivalent grade of about 4.6g per ton, 3.5 million ounces gold deposit, shallow, easy to mine, pretty easy metallurgy, you don’t find these every day. It’s one thing having good geology. It’s another thing to be able to take that good geology and turn it into cash in the bank, as we’ve learnt from experiences in the past. But I don’t think we are in a rush to make any decisions on this one. It is certainly something that looks a little special, but it still needs a lot of work on it to make sure particularly the high grade holds together. That is really the big focus of this drill programme, Alan, to make sure that high grade continuity. You have heard of Agua Amarga which is an extension, and that could make the whole thing bigger. And yet we haven’t tested the lateral or vertical extensions of the ore body. So it is work in progress at this stage.

Male speaker

I just wanted to ask on the exploration spend are you including that in the 15% free cash flow margin? How are you determining the budget, what return your require on your exploration spend when you are setting the budget. At somewhere like Darlot where you [inaudible] look for a potential game-changer, how do you balance that with maybe allocating that cash to more prospective opportunities at St Ives or Granny Smith?

Nick Holland – CEO

It is in the budget. It is in the capital. So it is in the all-in cost that you see.

If you look at the all-in costs that we give you it includes the brownfields exploration. Why did we decide on A$85 million? We mine a million ounces a year in Australia. If you look back over the last ten years that we’ve been in Australia, 12 years to be precise, the historical discovery cost of taking an ounce out of the ground and getting it into a reserve ounce that you can mine is probably $60 per ounce. That is the average over the ten or 12 years. So if you look at that, we should be spending $60 million crudely if we want to maintain 1 million ounces. We actually want to try and do a little bit better and we want to look at new targets across the property.

Let me give you an example. If you look at Granny Smith, in the past there has been a big focus on Wallaby, the underground mine. In fact there are multiple targets across the lease, and it is a big lease including a lake like we’ve got at St Ives. In the past there hasn’t been much focus on that. We’re looking to add
strategically potentially another mine into Granny Smith, and we need to spend more money than just the $60 million. That is why you’ve got the difference. The other thing is we’ve got a plant that is only being half filled. So if we could find another ore source outside of Wallaby underground we could potentially fill the plant at very low incremental cost. That is what is driving it. It is first of all to replace what we mine every year, and secondly it is to give us more flexibility across all of the mines.

Now, what is the best split? You’ve seen in the presentation we are actually spending $42 million at St Ives, which I think is probably the highest we have ever spent that I’m aware of over 13 years. They are getting half of it. Darlot is probably getting around $7 million. But it is all based on bottoms up programmes that are worked out to try and achieve success, or if you can’t achieve success to draw a line in the sand and move on. We don’t want to spend a whole lot of money unnecessarily. We are drilling 456,000m in Australia in 2015. That is up around about 30% from where we were in 2014. Orogenic ore bodies are drill intensive. It takes a lot of work. But our success rate in the past has been good, so we think it is an investment that is worth making.

And let me tell you something, it is a much better investment right now than a greenfields investment. We could spend years and years and tens of millions of dollars and get nothing. Here we’ve got a proven track record of actually taking that money and making it work for us. At $60 per reserve ounce that is pretty cheap. Go and try and buy that, particularly when you’ve got a plant right next door to it. Questions?

Henry [?]

23% of your reserves are at South Deep, and South Deep just doesn’t seem to be delivering. Is this a concern to you that you have so much of your reserve tied up in a mine that isn’t delivering?

Nick Holland – CEO

Clearly we’ve got to get South Deep going. And as you say we’ve had a number of issues that have impacted us, particularly over the last couple of years. We’ve had safety stoppages in 2014 which has really meant that our flexibility has been hurt. We expect that that will roll through until at least the first half of 2015. We are feeling the brunt of that now. So I think it is going to be tough for a while until we get over the hurdle. And in the second half of this year it should be a little bit better. But it is a big job for us to get it to perform. As you saw in the slide deck, the focus now is about getting the basics right. If we can get the basics right, making sure the fleet is available, the face is available to be mined, we [inaudible]. That is the discipline that we are reinforcing at this stage. But there is work to be done for sure.

Henry

Can you give us an idea of how long it is going to take?

Nick Holland – CEO

You know what? It is going to take what needs to be taken to get it right. But I would say once we get past the middle of this year I think we should be through the worst of the after-effects of the safety stoppage. Look, I think the fact also that they’ve recalibrated the cost base puts us in a good position. It means that with the higher gold price we are seeing in Rand terms and with a lower cost base getting to break even is not an impossible task. And that is really what we are trying to achieve by the end of next year. I think if we could get to that by the end of next year I would be quite happy. And then we build from there. But we want to build on a sustainable base. The reason I’m being a bit coy in the answer is that the new team
needs to take the time, put the right building blocks in place, so that we don’t move up and then fall over again. So let’s rather go slower and do it right.

Alan Cooke

At South Deep on the slide it says you are piloting a new de-stress. How is that going? And the incline slot mining method?

Nick Holland – CEO

We are still modelling that one. I think at this stage it is unlikely we will pilot that this year. But on the 4.5 x 4.5 we’re actually getting the [unclear] ready to go and we hope to be able to start that too. That is certainly earmarked for this year. Whether or not we will have done enough this year to warrant a decision by the end of the year, it’s hard to tell. I think we’ve got to take it step by step. It might take longer for us to take a decision to roll that out across the mine. It may even take a number of pilot areas. It may require us to take an entire corridor and see how that works as opposed to one or two pilot areas that we’re doing at the moment. That is the one I think is more likely at this stage, given the fact that it is not a major change from where we were. In fact given the over-breaks, Alan, that we’ve had in the past we’ve tended to mine at a higher dimension anyway. So it is not a million miles away from where we have been. But we will give you more information on that I’m sure by the middle of the year. Other questions. Yes sir.

Male speaker

Just back to orogenic again. Most of the mines have four or five years ahead of them and you continually replace that. Is that the optimal… you don’t want to over-invest in drilling and be 20 years ahead, but you obviously don’t want to let it go too short. Where do you feel the optimal level is? Does that run short?

Nick Holland – CEO

We’ve had this debate internally a number of times. I would love to have every mine with at least ten years ahead of it. I think you would too for modelling purposes and getting a robust valuation. Unfortunately it doesn’t always work that way. And it is not even a question of throwing money at it. Let’s assume we decided to double the exploration budget for three years. Would that give us ten years of reserves? The answer is we may end up spending a lot of money and not achieving optimal results. And sometimes the drilling on these ore bodies has to be sequential. You can’t just throw money at it. You have to actually follow the ore body.

Look at Granny’s for example. If we rushed in and started drilling too much in the lower levels of Wallaby from the start we would have put ourselves into a pickle. So we had to do it level by level. And where you see good results you have to do the step-out, possibly a bit of infill, and then you keep going from there. But of course it doesn’t always mean that it reports to the reserve. What you see is a huge amount of comfort on a mine like Wallaby. This year we actually added 1.4 million ounces to resources into the underground mine. That is huge. And with the conversion rate being close to two-thirds that bodes well for the future. So that for me is probably more important. I would advise you to maybe look more closely at the resources and the reserves of the orogenics and maybe factorise a historical conversion rate and maybe look at it that way. The fact that we’re spending more money on brownfields exploration I think gives you an idea of our intent to create more flexibility, to try and put back more than what we’ve mined, and to try and grow the reserve. These orogenics are quite interesting. We are learning about them all the time.
Tim Rowland – Vice President Technical

Just on the back of what Nick said, again it is newly-introduced to our planning cycle. When we do our internal strategic planning trade-off option scenarios and our internal business planning it doesn’t have to be the SAMREC requirements. We tend to look at a factored component of the inferred resource and look at typically how much of that is going to flow through the pipeline and eventually get converted to reserves. If you blindfold yourselves to that inferred component coming through the pipeline you are missing the opportunity of seeing what is coming down the track. So our internal business planning and optimisation and trade-offs for those strategic options does factor in the inferred resource component. And that is obviously the awareness of what the orogenic hosted mineralisation can deliver. You don’t look at that when you see SAMREC reserves which have to be converted from measured and indicated resources. But it is useful to be aware of the quality of that inferred resource component, because ultimately a big chunk of it is going to get converted to reserve.

Nick Holland – CEO

Is there anything on the line that anyone wants to ask? No questions on the line?

Operator

No, there are no questions from the line.

Nick Holland – CEO

One final question, unless there are hands going up all over the place.

Male speaker

You’ve got the Teberebi block, the block between Tarkwa and Damang. What about Iduapriem?

Nick Holland – CEO

If you actually fly over by chopper you will see there is only a little boundary pillar separating Iduapriem from Tarkwa and more specifically Teberebi. I think that is something you should ask them. Our view is if there is an opportunity we would clearly be interested. I’ve been asked this question a number of times. I think it really depends on what they want to do maybe in Ghana specifically that dictates that. But there is no doubt that there is potential for more value to be created by combining that with Teberebi and ultimately into one mine. But that is only me talking.

Male speaker

Anglo has said that they have had an offer.

Nick Holland – CEO

I can’t comment on speculation, I mean on stuff like that. I prefer not to get involved, saying that we are in or not in. I think there is logic there. Would somebody else buy it or buy the package in Ghana? I don’t know. I think that would be their preference, to try and do a package deal. But I can’t talk for them. All right. Are we just about there? Well, thanks very much everybody for coming. Thanks for your interest.
hope you found the presentation informative. And thanks once again to Tim for putting together a great document. I think it is firstly very professional and a very high standard. [Inaudible segment].

**Tim Rowland – Vice President Technical**

Thanks a lot guys.

END OF TRANSCRIPT