Q3 2016 Operating Results and Damang Reinvestment Plan
KEEPING THE FOCUS DESPITE HIGHER GOLD PRICE
Nick Holland
24 October 2016
Forward looking statements

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In particular, the forward looking statements in this document include among others those relating to the Damang 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 pipeline; levels and expected benefits of current and planned capital expenditures; future reserve, resource and other mineralisation 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 gold 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.
### Highlights from Q3 2016

- **Group attributable equivalent production of 537koz (+2% QoQ, -4% YoY)**

- **AISC (US$1,026/oz) and AIC (US$1,038/oz) both tracking below FY16 guidance**

- **Net cash flow from operating activities of US$152m in Q3 2016 (2.5x that of H1 2016)**

- **Debt balance further reduced during Q3 2016 to US$1,029m (30 June 2016: US$1,155m)**

- **Damang Reinvestment Project approved which will result in an 8-year LOM to 2024**

- **Tough quarter at South Deep with fatality: Production of 69koz (-9% QoQ)**

- **Ghana: production of 188koz (+14% QoQ) at AIC of US$999/oz (down 7% QoQ)**

- **Peru: Au eq production of 61koz (-5% QoQ) at AIC of US$765/oz (up 28% QoQ)**

- **Australia: production of 237koz (-1% QoQ) at AIC of US$991/oz (up 2% QoQ)**

- **FY16 guidance intact – production of 2.10-2.15Moz at AIC of US$1,035-1,045/oz**

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**Strong cash generation in Q3 2016**
Production and costs

Margin starting to expand

Q3 2016 Operating Results and Damang Reinvestment Plan, 24 October 2016
Strong focus on cash generation

Net cash flow

US$152m net cash flow from operating activities generated in Q3 2016

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West Africa Region

- Development agreement reached with the government of Ghana in March 2016
  - A reduction in the corporate tax rate from 35.0% to 32.5%, effective 17 March 2016
  - A change in the royalty rate from a flat 5% of revenue to a sliding scale royalty based on the gold price, effective 1 January 2017 (3% at a gold price of US$1,300/oz)

- New gas plants to be commissioned in Q4 2016
  - Damang: 30% reduction in power unit cost to 16.0 USc/kWh
  - Tarkwa: 10% reduction in power unit cost to 13.5 USc/kWh

### 2015 vs 2016F

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attributable Production (koz)</td>
<td>754</td>
<td>710</td>
</tr>
<tr>
<td>AISC (US$/oz)</td>
<td>1,049</td>
<td>990</td>
</tr>
</tbody>
</table>

### Resources and Reserves

<table>
<thead>
<tr>
<th></th>
<th>Tonnes (Mt)</th>
<th>Grade (g/t)</th>
<th>Gold (Moz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources</td>
<td>344</td>
<td>1.34</td>
<td>14.8</td>
</tr>
<tr>
<td>Reserves</td>
<td>248</td>
<td>1.09</td>
<td>8.7</td>
</tr>
</tbody>
</table>

Note: Reserves and Resources as at 31 December 2015

Aspirational target of 1Moz at AIC Below US$1,000/oz
Update on Ghana’s politics and economy

Political landscape

- Upcoming general elections on 7 December 2016
- 2 major parties in what is expected to be a closely run election process:
  - National Democratic Congress (NDC) vs. the National Patriotic Party (NPP)
  - John Dramani Mahama vs. Nana Akuffo Addo

Macroeconomic update

- Inflation rate (September 2016): 17.2%
- Bank of Ghana policy rate (November 2015): 26.0%
- Overall budget deficit is set to improve to 5.2% of GDP this year
  - 2015: 7.1% of GDP
  - 2014: 10.1% of GDP
- However, growth outlook for 2016 and 2017 has been revised down due to a slowdown in oil production (FPSO shutdown)
  - GDP growth expected to slow to 3.0% - 4.0% in 2016 vs the Government target of 5.4%
Tarkwa

- Wits Style Paleoplacer mineralisation
- 20,825 ha of granted tenements with significant exploration potential at existing pits and on-site
- Long life asset with 7Moz reserves
- Over-the-fence power supply off the grid to be commissioned in Q4 2016
- Good grades should continue with further mining of Teberebie and introduction of Kottraverchy
- Focus areas:
  - Retain positive AISC trends
  - Embed Development Agreement

Mineral Resources and Reserves at December 2015

<table>
<thead>
<tr>
<th>Operation</th>
<th>Tonnes (Mt)</th>
<th>Grade (g/t)</th>
<th>Gold (Moz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tarkwa Resources</td>
<td>258.8</td>
<td>1.13</td>
<td>9.4</td>
</tr>
<tr>
<td>Tarkwa Reserves OP Only</td>
<td>144.8</td>
<td>1.25</td>
<td>5.8</td>
</tr>
<tr>
<td>Tarkwa Reserves – total*</td>
<td>211.3</td>
<td>0.99</td>
<td>6.7</td>
</tr>
</tbody>
</table>

2016 Guidance

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Production</td>
<td>560 koz</td>
</tr>
<tr>
<td>AISC &amp; AIC</td>
<td>US$980/oz</td>
</tr>
<tr>
<td>Capex</td>
<td>US$166m</td>
</tr>
</tbody>
</table>

World-class operation
Reinvesting to unlock Damang’s potential

North to South view over the Damang complex

Bird's eye view of the current Damang complex
Summary of Damang Reinvestment Plan

Investing in a key operating region

- Reinvestment will extend Damang’s life of mine (LOM) by 8 years from 2017 to 2024
- US$1.4bn in total operating and capital expenditure over LOM
- Will enhance Gold Field’s presence in key operating region and result in significant social benefits
- Benefits of the Development Agreement have been key inputs into the Plan and enhance the economics of the project
- Operating metrics:
  - 165Mt will be mined over a 7-year period
  - 32Mt will be processed at a grade of 1.65g/t, resulting in gold production of 1.56Moz
  - Average annual production of c.225koz and AIC of US$950/oz over LOM
- Social and fiscal benefits:
  - Direct employment of 1,850 people (c.55% from catchment community)
  - Investment in sustainable development projects of US$5m

A new lease on life
Study background – Investment case

Damang Reinvestment Plan includes Damang Complex & Satellite Pits

- Optionality studies were undertaken during 2015/16. Options considered:
  - Continue mining
  - Expansion
  - Care & maintenance
  - Closure
- The preferred option was the Reinvestment Plan: Continue mining with a life of mine extension of 8 years
- Reinvestment study reviewed by external experts (SRK, Optiro, Rowley Geological Services, AMC)
- Open pit mining being undertaken by local and global mining contractors
- The only major civil works is the construction and expansion of Tailing Storage Facilities on site (ETSF & FETSF)
- Damang Processing Plant will require a new SAG Mill shell
# Mine assumptions

**Resource Models & Geotechnical Assumption are the key drivers of the Mine Design**

| Ownership       | • Gold Fields 90%  
|                 | • Ghanaian Gov’t 10% |
| Mine Type       | • Open Pit Mining  
|                 | • Contract Mining operation |
| Price Assumptions | • Gold Fields Guidance Price of $1,200/oz  
|                 | • Latest Contract Mining Costs |
| Mining Constraints | • Vertical Advance rate set at max. 63m/yr  
|                 | • Mining Limit of 35Mtpa Total Mined Movement |
| Processing      | • 4.2Mt processing per annum  
|                 | • Variable Processing Recovery - CIL Plant |
| Mine Inventory  | • Measured and Indicated Resources on Major Pits  
|                 | • Stockpiles |
| Mine Life       | • Operating life of 8 years including stockpiles  
|                 | • Mining 7 years |
| Geotechnical    | • Satisfies ETSF stand-off distance (50m)  
|                 | • Satisfies geotechnical stability criteria |
Operating metrics: Production and cost profile

Average annual production of c.225koz and AIC of US$950/oz over LOM

<table>
<thead>
<tr>
<th>LOM Plan</th>
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<tbody>
<tr>
<td>Tonnes mined (Mt)</td>
<td>165</td>
</tr>
<tr>
<td>Tonnes milled (Mt)</td>
<td>32</td>
</tr>
<tr>
<td>Head grade (g/t)</td>
<td>1.65</td>
</tr>
<tr>
<td>Gold production (Moz)</td>
<td>1.55</td>
</tr>
<tr>
<td>Mining cost (US$/t)</td>
<td>3.60</td>
</tr>
<tr>
<td>Processing cost (US$/t)</td>
<td>16.25</td>
</tr>
<tr>
<td>AIC (US$/oz)</td>
<td>950</td>
</tr>
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</table>

Economics of the project are attractive
Outside of waste stripping, the next major capital is the FETSF Project.
Social and fiscal benefits of the Reinvestment Plan

Damang will provide benefits to the local community and Government of Ghana

- Increase in taxes paid to Government, further social benefits for community
- Further investment in local sustainability projects
- A commitment to local employment in the Damang catchment community area
- Gold Fields has also commenced the tarring of the road between Damang and Tarkwa which is expected to have benefits for all stakeholders
Unconstrained Damang Case

Case will add ~ 2.6Moz for a further project life of 10 years