Turning cash flow positive sooner than expected

DENVER GOLD FORUM - 2019
Nick Holland - CEO
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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 or joint ventures, 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.

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Gold Fields Group
Mines: 9  
Projects: 1  
Countries: 5  
Att. production: 1,083koz  
AIC: US$1,106/oz  
Mine net cash flow*: US$198m inflow

Americas region
Mine: Cerro Corona (Peru)  
Att. production: 156koz (Au eq)  
AIC: US$698/eq oz  
Net cash flow: US$52m inflow  
Project: Salares Norte (Chile)

West Africa region
Mines: Tarkwa, Damang and Asanko  
Att. production: 400koz  
AIC: US$1,007/oz  
Net cash flow*: US$72m inflow

South Africa region
Mine: South Deep  
Att. production: 92koz  
AIC: US$1,529/oz  
Net cash flow: US$17m outflow

Australia region
Mines: St Ives, Granny Smith and Agnew, Gruyere  
Att. production: 435koz  
AIC: US$1,035/oz  
Net cash flow: US$92m inflow

A globally diversified gold miner

H1 2019 results
Reinvesting for the future

- Over the past 2 years, Gold Fields has been focused on reinvesting for the future
- Built two new mines (Gruyere and Damang) and completed a project feasibility study (Salares Norte)
  - Will extend life at lower cost
  - Funded largely from operational cash flow
- Focus has now turned to paying down debt and delivering returns
- Tactical hedges undertaken to protect the balance sheet and underwrite debt reduction
  - No more hedges expected
- No need for big M&A
  - We have been countercyclical and invested through the cycle – now focused on delivering cash flow
  - All assets have organic potential
Gold Fields turned net cash flow positive in H1 2019 (after two years of reinvestment), earlier than originally anticipated.

- Net cash flow* of US$49m in H1 2019
- Mine net cash flow of US$198m in H1 2019
- Group’s cash generating ability is expected to increase in H2 2019 and 2020 as the project capex reduces further and the contribution from the new projects increases.

*Net Cash Flow = Cash flow from operating activities less net capital expenditure and environmental payments and finance lease payments
Balance Sheet

- Net debt (before IFRS16 adjustments) of US$1,498m at 30 June 2019
  - Net debt to EBITDA of 1.36x
- Net debt (after IFRS16 adjustments) of US$1,794m at 30 June 2019
  - Net debt to EBITDA of 1.59x
- Maturity extended and staggered through recent bond issues and new RCF agreements
- Unutilised facilities of US$1,179m, R4.2bn and A$50m
  - Will be used to repay 2020 bond
Update on projects
Australia’s newest gold mine

Footprint of the Gruyere plant
Australia’s newest gold mine
Gruyere reached the milestone of pouring first gold post the close of the June 2019 quarter
  - Three dore gold bars totaling 1,139oz produced from the Carbon-in-Leach and elution circuits
Practical completion achieved on 10 August 2019
The full processing circuit is now in operation and the ramp up to steady state has commenced
  - It is anticipated to take six to seven months to reach nameplate capacity of 8.2Mtpa
Mining has performed well relative to expectation over the past six months
  - Total tonnes mined and mined ounces of 2.5mt and 65koz, respectively as at end-June
As previously announced, FY 2019 production is expected to be between 75koz and 100koz (100% basis)
The Final Forecast Capital Cost estimate remains unchanged at A$621m (100% basis)
Update on Damang

- Another strong performance by Damang in H1 2019, beating plan on both production and costs
  - H1 2019 production of 112koz at AISC of US$652/oz and AIC of US$1,061/oz
  - On track to meet full-year guidance of 218koz
- Encouragingly, the mine generated free cash after all capital during H1 2019
- As at end-June 2019 (30 months into the reinvestment plan):
  - Total material mined was 103Mt (19% ahead of project schedule)
  - Gold produced was 436koz (27% ahead of project schedule)
  - Project capital spent to date was US$320m vs. original budget of US$275m largely driven by the additional capital waste tonnes mined which has resulted in the project being ahead of schedule
Update on Damang

Damang pit West wall
Update on Damang

Damang pit East wall
Update on Damang

Damang pit North to South view
Salares Norte

- Salares Norte
  - EIA progressing – expected within the next 12 months
  - Detailed engineering 39% complete
- Average LOM gold equivalent production of 350k oz at AIC of US$545/oz with upfront capex of US$834m
- District drilling metres are 66% over budget YTD
- Horizonte DIA was approved on 17 July 2019. This DIA:
  - Enables the development of Horizonte project by allowing 500 drilling platforms, all the associated access roads and support facilities
- 12,305 metres drilled by end-June
  - Comfortably on track for full-year plan of 12,920 metres
2019 outlook and guidance

2019 Group guidance unchanged

- Attributable equivalent gold production: 2.13 Moz – 2.18 Moz
- AIC: US$1,075/oz – US$1,095/oz (includes project capital of US$69m at Damang, US$74m at Gruyere and Salares Norte expenditure of US$57m)

Focus areas for H2 2019

- South Deep – continue to focus on integrating key mining activities
- Gruyere – deliver ramp up to steady state
- Damang – ramp up ore supply from Saddle area of main pit
- Asanko – work on revised mine plan and new reserve and resource statement
- Salares Norte – advance detailed engineering and EIA process and funding strategy
- Balance sheet – start to pay down debt
Thank you
QUESTIONS AND ANSWERS