Our Local Content Journey

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Gold Fields West Africa Region

Two operating mines, Tarkwa & Damang; 45% stake in Asanko Gold Mine

- Includes 45% of Asanko Gold from August – December 2018.
- TFIFR – Total Recordable Injury Frequency Rate Injuries per 1 million hours worked, including employees and contractors.
- Net cash flow – cash flow from operating activities, less net capital expenditure, environmental payments and finance lease payments. If growth capital is excluded the numbers in US$M would have been: 2017 – 179 & 2018 – 149.
25 Years in Ghana

OUR JOURNEY SO FAR

- **1993**: Gold Fields buys the Tarkwa Mine from State Gold Mining Company (SGMC).
- **1998**: We start surface mining operations.
- **2002**: We acquire the 71.1% that Ranger Minerals hold in Aboasi Gold Fields Limited, adding the Damang Mine to our portfolio.
- **2004**: We move to owner mining at Tarkwa.
- **2004**: The Gold Fields Ghana Foundation is established.
- **2004**: The Carbon-in-Leach (CIL) is commissioned at Tarkwa.
- **2005-2012**: Gold Fields Ghana signs sponsorship deal with the Black Stars.
- **2005**: We buy IAMGOLD’s 18.9% interest in Aboasi Gold Fields Limited, increasing our ownership in Damang to 90%.
- **2011**: The Sustainable Community Empowerment and Economic Development (SEED) programme is launched.
- **2016**: The US$1.4 billion Damang Re-investment Plan is approved, extending the life-of-mine to 2025.
- **2017**: We return to contractor mining model at Damang.
- **2018**: We buy a 50% stake in Ahafo Gold Ghana, further cementing our commitment to the country.
- **2018**: We return to contractor mining at Tarkwa.
# Tarkwa Spend Analysis

## Spend on Goods & Services

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Spend</td>
<td>69.39</td>
<td>60.94</td>
<td>71.43</td>
</tr>
<tr>
<td>Procurement Spend (In Country)</td>
<td>255.43</td>
<td>39.61</td>
<td>330.06</td>
</tr>
<tr>
<td>Host Community Spend</td>
<td>117.36</td>
<td>22.44</td>
<td>326.86</td>
</tr>
<tr>
<td>Total Procurement Spend</td>
<td>432.33</td>
<td>400.00</td>
<td>524.73</td>
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## Host Community Spend

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>7%</td>
<td>12%</td>
<td>27%</td>
</tr>
</tbody>
</table>

## Percentage of In-country Spend

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>78%</td>
<td>82%</td>
<td>84%</td>
</tr>
</tbody>
</table>

*Spend from 2016 – Dec 2018*

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**Damang Spend Analysis**

**Spend on Goods & Services**

- **2016**: $250.74
- **2017**: $279.77
- **2018**: $229.50

- **Foreign**: $29.03 (2016), $23.29 (2017), $23.31 (2018)
- **Host Community Spend**: $206.21 (2016) - $131.60 (2018)
- **Total Procurement Spend**: $31.67 (2016) - $229.50 (2018)

**Host Community Spend**

- **2016**: 8%
- **2017**: 14%
- **2018**: 40%

**Percentage of In-country Spend**

- **2016**: 82%
- **2017**: 90%
- **2018**: 90%

* Spend from 2016 – Dec 2018
Developing Key Local Suppliers (Genser)

- **Aug 2015 – Phase 1**: Final approval of PPA with Genser
  - Commissioning Tarkwa mine - 42MW
  - **Tarkwa Rates**: 13.5US¢ / kWh
  - **Damang rates**: 16US¢ / kWh

- **1 Jan 2017 – Phase 2**: Damang mine - 27MW
  - Tarkwa mine - 25MW

- **1 Jan 2018 – Phase 3**: Commissioning Tarkwa mine - 42MW
  - **Tarkwa rates**: 12US¢ / kWh
  - **Damang rates**: 16US¢ / kWh

- **1 May 2019 – Phase 4**: Commissioning NG gas pipeline to Tarkwa and Damang mines
  - **Tarkwa Rates**: 10US¢ / kWh
  - **Damang rates**: 14US¢ / kWh

- **1 Aug 2019 – Phase 5**: Commissioning control panel for island mode option for Tarkwa Power Station

- **Tarkwa mine – 42MW Power Station**
  - Tarkwa Power Station – Parallel with Grid

- **Damang mine – 27MW Power Station**
  - Damang Power Station – Island Mode

- **Gas pipeline route to Tarkwa and Damang**
  - Length - 73km
  - Work Pressure - 165bar
  - NG Temp - 23°C
Developing Key Local Suppliers (ZEN Petroleum)

2012
Contract awarded to Zen Petroleum.
Fuel supply to Tarkwa & Damang.

2018
Construction of 5 million litre world-class fuel farm with multiple satellite fuel depots at Tarkwa mine.

Zen now supplies other major mines. Expanded its footprint across West Africa.
Developing Key Local Suppliers (Contract Mining)

**2016 Contract Award**
Mining satellite pits – Damang Reinvestment Project

**2017 Contract Award**
Tailing Storage Facility (TSF) 5 at the Tarkwa Mine

**2017 Contract**
Far East Tailings Storage Facility (FETSF) Damang mine

**2018 Contract Award**
Tarkwa mine
Developing Host Community Contractors

33-km Tarkwa-Damang road constructed by three host community companies:

- Wilhelm
- Jesus Open Doors
- Catrol

Rehabilitated road

Road before rehabilitation

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33km Asphalt US$27M invested
1 Key Challenges

- Access to cheaper sources of funding
- Lack of expertise

2 GFG Support

- Collaboration with banks to offer supply chain financing solutions to contractors
- Supplier development programmes:
  - To understand the complexities and demands of the mining industry
  - Annual GFG Suppliers conference to share best practices
- Knowledge transfer:
  - External suppliers share expertise with local vendors

3 Next Steps

- Lowering interest rates
- Setting up local manufacturing plants
Expatriate Localisation

Localisation compliance currently at 3.6%; below the legislated 6%.

One expatriate position expected to be localised by end of 2019. This will reduce the number to 14.

Further reduction from 39 to 15 by 2018.

Significant reduction of expatriates from 73 to 39 by 2015.

Localisation plan approved in 2012; with 73 expatriate employees.
Host Community Employment

Host Community Jobs, 5,003

Others, 1,998

71%

Business Partner Employees, 3,414

Supplier Jobs, 545

Non-Mining Jobs, 526

GFG Employees, 518

71%

Non-Mining Jobs, 526

GFG Employees, 518

Supplier Jobs, 545

Business Partner Employees, 3,414

Host Community Jobs, 5,003

Others, 1,998

71%

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Social Investments

Community development is central to our business
Gives us social license to operate

Gold Fields Ghana Foundation development framework
Focuses on five thematic areas:

01 Education
02 Health
03 Agriculture
04 Infrastructure
05 Water & Sanitation

US$60M invested in community dev’t projects & programmes since 2005

US$1/oz + 1.5% pre-tax profit

• GFG contribution to the Foundation
Shared Value Projects (Sports Stadium & Hospital)

Tarkwa Sports Stadium
- 10,400 roofed seating (currently seats 400 spectators)
- Dressing rooms for players and officials
- Press box and press conference area
- Fenced FIFA standard pitch
- Disabled access
- Wash rooms
- Floodlights, electronic scoreboard, standby generator

Apinto Government Hospital
- New Medical Hub; Accident and Emergency Centre
- Intensive Care Unit
- Renovation of existing OPD and theater
- Ambulance
- X-ray, autoclaves, ultrasound and ABG equipment
- New beds, tables and trolleys

Estimated project cost: GHs100M
Shared Value Projects (Youth in Horticulture Production)

- Five-year programme; started in 2016
- To create non-mining jobs for host community youths
- To enhance livelihoods
- Buyers & off-takers sourced
- Extension officers engaged
- Credit union to provide financial support to farmers
- Collaboration between GFG and GIZ; US$546.730 invested over the past 3 years
- Programme on tract to achieve all objectives by end 2020

YouHop programme status

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<thead>
<tr>
<th></th>
<th>ACTUAL</th>
<th>TARGETED</th>
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<tbody>
<tr>
<td>New Jobs Created</td>
<td>526</td>
<td>750</td>
</tr>
<tr>
<td>Increased Income</td>
<td>536</td>
<td>900</td>
</tr>
<tr>
<td>Improved Working Conditions</td>
<td>498</td>
<td>700</td>
</tr>
<tr>
<td>YouHoP Beneficiaries as at Dec. 2018</td>
<td>541</td>
<td>900</td>
</tr>
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Thank you