GOLD FIELDS

ESG & Q1 2023

RESULTS FOR THE PERIOD ENDED MARCH 2023

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ESG Update & Q1 Results Presentation

Q: Jared Hoover, RMB
Afternoon, Martin and team. Thanks for the call. Three questions from my side, please. One on the operations, one strategy, and one ESG. On the operations, it looks like you guys had a pretty good quarter from a cost perspective, the AISC coming in almost $200 below your full year guidance. I think a large amount of that is probably slightly lower capex spend, which will probably unwind for the rest of the year. But it looks like you're also doing pretty well on your cash costs. And I know you don't guide on this, or you don't disclose it, but can you talk to some of the tailwinds that you're seeing maybe from efficiency initiatives, and maybe some more information on cost inflation abatement? That's my first question.

Then on strategy. I seem to recall from your presentation two days ago, from your Windfall acquisition, where you mentioned that M&A is pretty much done for the group now. But there was a comment in your results booklet talking to still looking for inorganic opportunities. So, should we be thinking of another acquisition in the $300 million to $500 million range in the near to medium term? And very lastly, on ESG, I think you've previously quoted an amount of about $1.2 billion between now and the end of the decade. That’s your decarbonisation capex. How much of that is baked into your recently revised SIB capex per ounce numbers of about $350 to $400 an ounce? I'll leave it there. Thanks.

Paul Schmidt
Jared, it’s Paul here. Let me just talk to the all in cost. You’re right. Q1 historically is always a much lower quarter in terms of capital. So, you will see that the AIC will trend towards the guidance. And so, there are no miracles this quarter in terms of cost reductions. I did say in my presentation we are seeing or forecasting inflation at around 7.2%. Obviously, we've seen a bit of positive on the lower oil price coming through. But we have seen some rise and fall coming through from our contractors, especially in Australia. But all of the regions have got programmes that they've implemented on site to try and take out costs or try and reduce costs.

In terms of the stay in business capital, a lot of the ESG capital depends on whether we're going to go self-build or we're going to do PPAs. Now, the circa A$360 million that we said high level for the Australian micro grid, that is factored into our stay in business capital. The rest of the energy projects at the moment we are assuming PPAs. If we decide not to do PPAs, we would have to revise the stay in business capital. I hope that gives you more guidance on that. But when we did announce it, when Chris announced two years ago, we said about one to $1 billion to $1.3 billion of capital. That was assuming all of it would be built by us. To date, we've obviously had the South Deep capital coming for their solar and we’re saying circa A$360 million for the St Ives one. So, that’s what we've got at the moment. So, most probably just less than half most probably will materialise as capital. The rest will be picked up through the PPAs.

Martin Preece
I think, Jared, your second question around the book, most probably too much happening this week. But the deal we announced with Osisko, we will keep on scanning the market. But I think we've got enough to focus on in the short term with the JV up at AngloGold and Tarkwa at Iduapriem. So, that's a lot of work for our teams to focus on to get that over the last year. Obviously, our new partners in Canada, we've got that work to do. So, I think we've said to our corporate development team, go clean off the radar equipment, get your spreadsheets all up to date again, and maybe a bit more scanning this year. And I think Paul has closed the wallet for a while until we can get these things landed and get them back to steady state.

Q: Tanya Jakusconek, Scotia Bank
Good afternoon, everyone. Thank you so much for taking my questions. I just wanted to follow up on the inflationary pressures, because the all in sustaining cost did come in lower than I had expected. And some of it

was capital, but some of it has to be the total cash cost, which the gentleman before me said you don't report. So, I'm just wondering, as I look at some of your input costs in your cost structure, where you've had maybe some tailwinds. I think you mentioned obviously the oil price. So, just a reminder of what you're using for oil and your sensitivity in your cost for that be helpful. Also, you mentioned contractors. So, I'm wondering, on the labour side, what are you seeing in terms of reduction there? And maybe any other consumable or other that I may be missing out on and what you're seeing there. So, that's my first question.

Paul Schmidt
Tanya, I won't be able to answer all of them, but I'll give you the ones that are clear. I also said when we gave the guidance at the beginning of the year, we factor in 7% inflationary increases for our employees, as well as the contractors. Unfortunately, we've seen a lot more pressure coming from the contractors. In the rise and fall basket, remember there are also salary increases that come in. And especially in Australia, we've seen much higher demands. But when we gave guidance, if I'm correct, we used $95 oil price. Obviously, we see positives in terms of that. Most of the other commodities are tracking what we used in our guidance that we gave out at the beginning of the year, different things as to what we factored. I hope that answers it. Is anything I've missed?

Q: Tanya Jakusconek
Are you seeing anything on consumables? Are you seeing any lower cyanide prices, lime, steel, grinding media. Anything else that may be helping you?

Paul Schmidt
Freight we've definitely seen. Remember, freight is really only applicable to Cerro Corona because they ship the concentrate. We have seen a big reduction there. And that's one of the reasons when I showed in my presentation that it looks like Peru's got probably the lowest inflation forecast for the year. But in terms of the commodity basket, there have been positives and negatives coming in the basket. And depending on the region, some people are getting up, some people are getting down. But the consistent one is oil on the positive side. And on the negative side, it's increased salary pressures coming from contractors.

Q: Tanya Jakusconek
And just on the oil side, if I can ask, in general, most of the coverage groups were at $10 a barrel change. It's about $6 or $7 an ounce to cost. Would you be in that similar range? Maybe Paul can help me on that.

Paul Schmidt
I'll be lying to you if I told you. We'll have to get back to you. That was what it was about two years ago. Let us check and between Avi and I, we will get back to you.

Q: Tanya Jakusconek
Okay. And then my second question has to do with you've now done these two new acquisitions, or one is a joint venture. You've made a footprint now into Canada. I'm just wondering, as you look at your portfolio, we've got obviously Damang still sitting there that has to be dealt with, and probably Asanko. I just want to have your thoughts on how you're thinking about those and timing on your decisions there.

Martin Preece
Tanya, we're certainly very focused on the portfolio. We go into our strategy session mid-year this year. Those mines are still making money for us. But we are looking at opportunities and options for those mines as well as in the longer term at Cerro Corona. And hopefully by year end, we will be a lot clearer on what the process is with the broader portfolio. As we bring in a quality asset like Osisko, which is still some way off, it does give us those opportunities to look at the portfolio more holistically.

Q: Tanya Jakusconek
Okay, so what would it be safe to assume that by year end, we will have some sort of a decision what you're going to do with both?

Martin Preece
That's what we're aiming at. And we're working really hard. The teams are working both in the region and at the centre to find the best pathway to value for us.

Q: Jared Hoover
Yeah, guys. Thanks for taking my follow up. Just one. Production came in pretty good in the quarter, but I just wanted to touch on South Deep. They also had a pretty good quarter. But in some of your commentary you spoke to a fall of ground and challenging ground conditions. So, I just wanted to check, is that indicative of maybe issues around the orientation of the mine as you ramp up production? Or should they be thinking of that as just a localised event that probably won't occur again. Just some commentary on that. Thanks.

Martin Preece
Thanks, Jared. What I'll do is I've got some questions from Adrian which I'll try and answer at the same time. So, we've had two full of ground events at South Deep in quarter. One was in a main access drive in one of the higher grade corridors. Fortunately, nobody was injured. And it's a great testament to moving to mechanisation that we had less people there. But the people were in a drill rig that had proper robs and fobs on. So, we've damaged the drill rig, but we are able to walk away from it. The teams are working on opening that up. So, to answer some of Adrian's questions, reduced volumes out of that corridor, being in the main access drive. So, tonnages were down at South Deep related to that. It is a prominent stoping area.

Your question, Jared, I think it's got nothing to do with orientation. I don't think it's something that we must factor into the mine. But the reality is deep level mining, you will have falls of ground and discontinuities in the geology. And we've learned how to get through it, go rehabilitate those tunnels, and get on with it. So, the second incident occurred where one of the main ramps which we've actually started to mine out, the footwall holed into an old conventional stope below it. So, we stopped mining in that area. The ramps are generally fairly high grade areas. We stopped that mining. We had to go and rehabilitate that, fill the footwall, get it all concreted again. That piece of work is finished now. The teams are back in there mining.

So, to answer Adrian's question, those are the two reasons for the lower tonnes and why the mining tonnes lagged the mill tonnes. What we have had, partly thanks to a strategy to stockpile, and that comes in thanks to the electricity crisis in South Africa, is that we've got material that we've had stockpiled as we go along. So, if we have load shedding, we typically keep our mining operation going and stop milling and hoisting and build up stockpiles, because mining is our bottleneck. And we obviously want to keep the most expensive part of the business running where we've got the least flexibility in terms of capacity. So, the mining and mill tonnes lagged as a result of that. Adrian, that talks to grade as well. So, we've drawn down on GIP and we've treated stockpiled material during Q2. I think pleasingly, at the start of Q2, the volumes have picked up. And we are still getting back into the grade in those areas. So, I think we we've mined through it, Jared. Falls of ground will happen from time to time, and we will get through it.

Q: Webcast question
The first question comes from Sergio from Credit Suisse. He's just asking, why do we expect such a material increase in costs for the full year 2023.

Paul Schmidt

It’s capital. That’s the simple reason. We are way behind in capital. Capital is unfortunately not spent equally over the quarters. We've still got a big chunk to be spending on Salares Norte. So, the bulk of it is capital that's coming through disproportionate on a quarterly basis. And that's why we will end up being very close to guidance.

Q: Webcast question
Thank you. The next question comes from Catherine from JP Morgan. She says there have been no changes to overall group guidance, production guidance. But can you please confirm whether there are any revisions to individual assets guidance compared to the February results?

Paul Schmidt
In terms of production, no. All the months are tracking their individual guidance as well.

Q: Webcast question
Adrian Hammond had a couple more questions. On the South Deep solar project, he says that it can be considered a benchmark study for other gold mines. How is the solar plant mitigating Eskom impact at South Deep currently? And what is the plant’s load factor and how have electricity costs improved thus far?

Martin Preece
Thanks, Adrian. Certainly, it is mitigating the Eskom power. And hence the steady work we're doing currently around a wind farm, putting up turbines at South Deep. We've got a mast erected and we are collecting wind data. And contrary to my belief, living on the reef, I thought the wind didn't blow up here. The wind does blow. And we do see an opportunity for the smaller 3 to 4 megawatt wind turbines. So, what it is giving us is it’s allowing us to keep our mining operation going. And it's making a dent. We forecasted about 24% of our annual electricity consumption from the solar plant as it is, and we will keep on investing in renewables.

In terms of the current load factor, we are currently consuming about 72% of what's being generated in that solar plant. What we found as we commissioned the plant is that the electricity that's going to the south shaft, which is our old shaft, a lot of the equipment there, the pumps, the fans, are direct drive equipment and the compressors. And what we found is that when we were starting those on load from the solar plant, that sudden spike in electricity was causing trips. So, we've bought soft starters to put on their equipment. That is basically been delivered in the next couple of weeks. It's got a fairly long lead time. That will get put in over the next couple of months. And we believe that by year end we will be in the 90% consumption of what we’re generating.

I think your third question is the impacted it has had. When we initially motivated the solar project, we envisaged about R100 million per annum coming out of our budgets in terms of our electricity spend. This year when we put our budgets together, we in August last year had budgeted at about R124 million. And with the subsequent price increases at Eskom going beyond what we had envisaged, we are forecasting about a saving of between R160 million and R170 million on our electricity bill at South Deep this year. I hope that's answered your questions, Adrian.

Q: Webcast question
Thanks, Martin. And Bruce Jackson a UBS has a follow on from that. He's just asking has Eskom loadshedding impacted production in South Africa at all?

Martin Preece
So, Bruce, I think we’re blessed at South Deep. As I was talking earlier, we've got more shaft capacity than we require, and we've got more milling or processing plant capacity than we require. So, as I said earlier, what

we do during load shedding at South Deep, and we're very unique to the rest of the mining industry here, because of that buffer we have, we are able to keep our mining operation going and then stockpile in silos underground and stockpile on surface at the mill. And when loadshedding is not prevalent, we catch up with our processing of ground and hoisting of ground. But always a focus to keep the bottleneck activity, which is your mining and stoping, operating.

So, we track the number of days and there's been a material increase in the number of days that we've been on load shedding. But at this stage it's between the strategy I've now described to you, and we do have some diesel generators which we run when the loadshedding goes to stage six for prolonged periods. I think last year, we started the emergency generators three or four times in anger. The rest of the times they were just started to make sure they're turning over for maintenance purposes. So, I think we are able to manage it well. But I think we're fortunate compared to a lot of other mining businesses.

Q: Webcast question
Another question from Bruce is, when will the Scope 3 target reduction setting work be completed?

Martin Preece
We're aiming to complete that per year end, Bruce.

Q: Webcast question
So, our next question is from Charmel Fleming from DRD Gold. She says congratulations on your gender diversity outcomes. And I look forward to following your journey to reach your target. Do you see the current war for talent, and in this instant instance female talent and representation, as a risk to achieving the target for 2030?

Martin Preece
Hi Mel. I hope you're well. We haven't chatted for a while. I think the fight for talent is a global phenomenon. We see it playing out very differently in our different regions. I think it's driven by the demographics and the culture in the region. So, we certainly have very different challenges in each of our regions and different skills that are getting poached. What is pleasing for me is that we have the best demographics at our operations in South Africa in terms of female gender representation. So, that's a positive, something I'm proud of from where I come.

I think part of the solution though is how do we create an inclusive and caring culture that people want to work with us, that we don't have to lure them with other attractions. And we're doing a lot of work to build a culture that I think everybody feels valued. Everybody can reach their full potential. They see opportunity. There's a culture of caring. There's a culture of inclusivity. And that we stop the bullying and the harassment I think that is so prevalent in core industries like ours. So, that's what our focus is going to be. How do we create an environment where people can achieve their best, do they best and feel that they are part of something a lot bigger than themselves, and that they can make a unique and valuable contribution?

Q: Webcast question
The next question is from Peter Cromberge at Merger Market. Can you outline what additional solar and wind capacity could be installed at South Deep and the approximate cost of this investment?

Martin Preece
Peter, we are working on that. This year alone, we're going to put an extra 10,000 panels at South Deep. But we then are getting to the limit of what solar can do before we have to put batteries in. I have a view that in an energy starved country, spending money on batteries is much probably not the best way to invest right

now because there's a big battery called the grid and a lot of angry consumers. So, we are working with Eskom to take surplus energy back that we can get back at a later stage. In terms of wind, that's the next phase. So, we're must probably be looking at between 30 and 40 megawatts between now and 2030 or 2035 of wind to put in at South Deep. And that would be our immediate focus.

And then as probably looking at some sort of battery solution. And then we top up those batteries with a bit more solar, most probably another 10 megawatts of solar, and most probably another 5 megawatts of wind after that. And that should keep us going for life of mine. Cost, a good wind turbine, you're looking at about… I saw something over the weekend that the price of them is running away as well. But a per wind turbine, you're looking at most probably between R80 million and R100 million. So, ten of those is another R1 billion worth of turbines. You're most probably looking at another R100 million to R150 million of solar, but that would be at the back end. And batteries, the price of batteries if we go to get enough battery capacity in, most probably somewhere between R500 million and R800 million worth of batteries. But batteries are right at the back end of what we are considering.

Paul Schmidt
Sorry, in terms of the question that Jared asked early on, we haven't factored in for the batteries. We factored in the solar and we factored in the wind in our capital guidance, but nothing for batteries at all. And that R100 million for solar is actually in this year's number. We've taken into account this year that we will add the extra 10 megawatts.

Q: Webcast question
Another question from Peter is, can you outline any progress with regards to refinancing of near term debt?

Paul Schmidt
We are in the final stages of refinancing our $1.2 billion and hopefully we can make an announcement in the next week or two.

Q: Webcast question
Bruce Williamson from Integral Asset Management asks, if Eskom goes closer to level 10 during winter, what curtailment of underground ops and loss of monthly tonnes do you expect?

Martin Preece
Bruce, let's pray that we don't get to stage 10. We have built scenarios from total blackout in various stages down. Our focus would, as I said earlier, be on maintaining the mining operation. Firstly, safety of our people would be right at front and centre of what we need to do. We would then after that make sure that we can keep on pumping. And then after that keep mining operations going. So, we believe that on a sustained level six with our diesel generators we can do that. What will impact is that we would stockpile material, so the revenue might lag the cost a little bit. But we try to keep the mining operation going. As we go at levels above that, we would switch off corridors of the mine at a time. So, at stage 10, you're most probably looking at losing 20% to 30% of your capacity. The team is doing detailed study work on that to how we best mitigate that.

Paul Schmidt
Yeah, I think during the day we theoretically could use 22 from the diesel gensets and close to 50 from the… So, during the day, we could almost continue going because we would have circa 70 megawatts of power coming between solar and the gensets. It's just in the evening we wouldn't be able to run it full.

Martin Preece

Yeah. And our concern is obviously we need to keep the mine dry. We need to make sure we can keep the ventilation going and keep our people safe. So, you know, it's an evening impact. And we'll obviously focus on the core activity of mining.

Q: Webcast question
One more question from Bruce Jackson at UBS. And he asks, how are you engineering the change from upstream to downstream dams?

Martin Preece
Thanks, Bruce. So, what we're doing is we are reorganising our waste stripping, and we are buttressing those dams, and making sure that they can't go down the valley. So, the waste dumps are effectively now forming hills or mountains behind those tailings dam. So, we incur a bit of extra cost running our waste facilities or waste rock from the open pits to then buttress and build small mountains or walls behind our tailings dams.

Q: Webcast question
Last question from the webcast is from Asif Mohammed from Aeon Investment Management. He asks why Gold Fields does not disclose the pay ratio and the gender pay gap by major geographic segments?

Martin Preece
I'm just going to get the right numbers so that I don't tell you fibs. That has been an issue for our business, and we've made significant inroads in that over the past couple of years. Just in terms of the pay gaps, over the last five years, the gender pay gap reduced from an average differential of 25% in 2018, to the 3% at the end of last year. We've achieved that by allocating additional funds on an annual basis into the various regions on top of the normal salary increments that we award to address both the gender pay gap, but in the South African context, we were also doing it around the demographics to make sure that we close the pay gap both on gender, but also on race.

Q: Rene Hochreiter, Noah Capital
Hi, Martin and Paul. Thanks very much for taking my question. Just to be clear, you said that 90% of the power for South Deep can be generated through solar and wind. Did I hear that correctly? During the day.

Martin Preece
I think what Paul said, at the level stage 10 loadshedding, we've got 22 megawatts of diesel emergency generators. That's not something we'd want to use as a first preference because it's expensive, and it's putting carbon into the environment. And then we've got the 50 megawatts of solar. So, we've got close to 70 megawatts of available power during the day, which should keep us going during the day. Obviously, as the night comes, we're limited to the 22 megawatts of diesel, and that is where we would have to switch off some of the mining corridors. So, over the years, as we invest in more solar and as we invest in those wind turbines, we are aiming to get off the grid. And eventually at the tail end, which is not in the capex yet because we're not convinced on the batteries, we would look at putting batteries or some other storage solution in place. But the ultimate game, Rene, is to get off the grid, because that's the way we can ensure business continuity and meet these commitments that we've made to get our business carbon neutral.

Q: Rene Hochreiter
Yeah. Understood. What is your total requirement? It sounds like it's about 100 megawatts for South Deep.

Martin Preece
No, we're most probably burning an average of about… we'll get up to just over 60 megawatts.

Q: Rene Hochreiter
I was in your trip to Australia last year, and I see that most of your operations in Australia have about 50% gas generated electricity. And then there is solar, or wind, or a combination. Is it not possible in South Africa to put in a gas fired power station with gas from Mozambique?

Martin Preece
I think that's the challenge. It's how far it has got to come from Mozambique, Rene. The northern part of Australia, I'm told by my colleagues – and maybe Kelly, if I get it wrong, will help me right – but Western Australia because the gas is mined in the northern part of Western Australia, our mines get that gas at a discounted rate to even the rest of Australia. And there's a gas line that runs down from north to south. So, it's convenient for us. It's a bit cleaner. But as Paul mentioned earlier, St Ives, we're looking at investing a lot of money there to even move away from gas. We want to get away from gas eventually. St Ives is a long life asset. That's a horse we are backing as a tier one asset in Australia that we believe investing the right money into solar, wind, batteries is the place to go. It takes cost out of our bottom line. And it does the right thing for our business. So, a gas line from Mozambique, most probably quite expensive for us right now. And we see more value at South Deep in wind and solar.

Paul Schmidt
Yeah, Rene, renewables, that's more so the target. Because even gas, and we've seen it in Australia in the last year, it's obviously subject to market pricing as well. Where renewables, you basically default to a fixed cost once you've installed it of the maintenance. So, for South Deep we want to go totally green, as Martin said, in terms of wind and in terms of solar, because then you've got a fixed cost going forward. You don't have market pricing that affects you, whether it's gas, diesel or whatever you're using.

Martin Preece
Rene, at South Deep, after capex if we take the capex out of the picture, we are generating per kilowatt hour at just under 10 cents a kilowatt hour. You're going to struggle to beat that with a gas line all the way from Mozambique.

Q: Adrian Hammond
What is the capex required for the tailings compliance by 2025?

Paul Schmidt
Adrian, we'll have to get back to you. It's not material, but we'll get back to you.

Martin Preece
Certainly, I think, Adrian, it has been built into our business plans. As I said earlier, the waste that we're building the little mountains or hills beyond the dams, that's factored into operating cost. There's obviously a lot of admin costs. There's a lot of monitoring costs. There are consultants costs. But it's all included in our in our operating costs now. That's business as usual for us now.

Paul Schmidt
It's the extra haulage cost basically of that stuff. But yeah, we'll get back to you, Adrian.

Thomas Mengel
Thanks. That is it with the questions. So, Martin, if you want to wrap it up.

Martin Preece
I think just thank you to everybody for joining us. And then importantly, thank you to my colleagues around

the world. They make this happen. Paul, Kelly and myself sit here and we talk about it, but the men and women around the world, they believe this, they live it, and they make it happen. So, we have the privilege of presenting it. And I want to thank our colleagues from around the world who do this.

END OF TRANSCRIPT