

SEIPONE SA GAUTA



GOLD FIELDS

South Deep Gold Mine

DECEMBER 2013

GOLDEN MIRROR



MESSAGE FROM KEN MATTHYSEN

DEAR COLLEAGUES



As we get ready for our Christmas holidays I want to use this column to review the past year and outline the opportunities and challenges confronting us in the year ahead.

I don't think you will be surprised when I describe 2013 as a difficult year for South Deep. As Kgabo Moabelo and I have pointed out frequently, our operational and financial performance over the year has been disappointing and we have missed many of our critical performance indicators. Numerous interventions that we instituted have not yielded the short-term, tangible and significant progress we were hoping for.

But while these interventions may not have led to immediate positive impacts, I believe that they will contribute to setting up a more stable platform to implement our 2014 operation plan for the mine. The savings we achieved through the reduction of overtime, delayering the management team, reducing contractor work and cutting back on stores costs have been entrenched in the system and will flow through our operations for years to come. We have also made some significant operational improvements during the year, particularly on our safety performance, the rate of distress mining and the tonnage produced.

Gold production though remains our greatest challenge and unfortunately that is what counts at the end of the day. If we can't get our targeted gold ounces to the refinery we miss our financial targets and keep our shareholders short-changed.

With the gold price currently trading at just over US\$1,200/oz – its lowest level in many years – the pressure on the industry has mounted. But good companies distinguish themselves by adapting to a changing environment and many of the other mines in the Gold Fields stable have started to show that they can be profitable even at the current low gold price levels.

Next year we have to prove that we can join the fray by breaking even and not relying on others in Gold Fields to fund us. Don't forget we remain a valuable asset in the company with our Mineral Reserves account for well over half of total Gold Fields Reserves.

But we have to implement some significant changes to get us there. Production targets must become non-negotiable and we cannot be wasteful when it comes to costs. Most importantly though, the journey towards change must begin with how you approach your job – we must act as engaged owners. Many of you have worked extremely hard over the past year and I appreciate your efforts. But this same commitment must spread to your teams and be entrenched amongst the entire workforce.

The challenges facing South Deep in 2014 are significant. But I believe that with the changes already implemented and

with the right attitude we can successfully confront these challenges and turn around the fortunes of this great mine.

My role at Gold Fields will change in the new year, as I will take over the newly created post of Vice President: Mining Engineering for the South Africa Region. In this role I will still be very closely involved at South Deep, but will no longer have day-to-day operating involvement.

The position of GM of the mine has been assigned to Garry Mills, the current GM of our Agnew/Lawlers mine in Western Australia. I think this is a fantastic appointment as Garry has led a significant transformation of Agnew over the past 18 months from a sluggish underperformer to one of Gold Fields' most profitable and low cost operations. Please give Garry all the support when he arrives at South Deep in the new year. (You will find some brief information about Garry inside this magazine)

As this will be my last message as GM I want to thank all of you for your co-operation, support and friendship over the past year. It's been a privilege working with you. As you head off for a well-deserved break, I want to wish you and your loved ones a blessed and healthy festive season. Please be safe on your journeys.





South Deep hosts DMR and Australia – Africa Partnership Facility

In October South Deep Gold Mine hosted officials from the Department of Mineral Resources (DMR), the Australian High Commission and delegates who were attending a study tour in South Africa and Australia.



The delegates at the Kagisano Project

AusAID, through the Australian-Africa Partnership Facility (AAPF) organised a “Women in Mining and Development” study tour for 50 delegates from civil society organisations and mining and women’s affairs ministries from various countries across Africa.

The visit allowed delegates to see how South Deep Mine addresses issues of women’s employment, and how communities interact with the mine regarding the impact of the mine’s operations on women.

The day before the site visit, the visitors had attended a “Mining and Gender Forum” where issues such as “Challenges and opportunities for increased participation of women in extractive sector” and “Gender and Employment Issues in Mining” were discussed.

The Tour started with a formal presentation by the VP and Head of Operations, Ken Matthysen. The second stop was the gold plant where the visitors were given a tour and taken through the stages of gold manufacturing. The last and most exciting destination was the smelthouse where visitors got first-hand experience seeing gold at liquid stage.

Rosina Mabuku Museke-Mabakeng from Namibia was among the visitors and for the first time in her life she touched a Gold bar at a secondary stage. “This is a very special day in my life and I am really honoured to be part of this tour. South Deep is a beautiful mine and the staff is very welcoming,” said Rosina.



Getting ready to enter the smelthouse

“Words cannot express how I feel. I am happy to have finally lifted a Gold brick, an experience most people can only dream of,” she added

One of South Deep’s employees, Johannes Potlaki Namanyane, has been working at the mine for more than a decade but had never touched a bar of gold or visited the smelting housing.

“From today, I am proud to say that I work in a mine. I feel so excited about today because I got an opportunity to visit the Gold Plant, a place that most people who work in the industry for decades, never get a chance to tour. I look forward to sharing the knowledge I acquired today with my colleagues,” said Johannes.

The third stop was the Mock-Up training area, a training facility used for underground workers. Acting Human Resource Development Unit Manager Ernest Makhosane, TM3 Superintendent Eddie Stonehouse, and other Senior Managers of the operation gave visitors an excellent tour of the facility.

The visitors got a comprehensive underground experience while on surface and learnt about South Deep mining methods and the machinery used to mine the ore.

The last stop was the Kagisano Project, a community garment manufacturing project that the mine has assisted with funding. The project manufactures school uniforms amongst other things, with the bulk of their orders placed by the Department of Social Development, which distributes the uniforms to the designated schools.

Overall feedback from the visitors was positive and they raved about the Gold plant tour, gold pour, on-site training facilities as well as the chance to interact with Gold Fields staff and community members involved in our local economic empowerment programs. Sincerest thanks were passed to the Gold Fields staff for their incredible knowledge and friendliness.

– Paseka Menyau

Trackless training centre addresses need for skills

Earlier this year South Deep built a trackless mock-up training centre to alleviate the skills shortage that exists in the mechanised mining field.

The centre serves as a platform to develop best practise trackless skills for engineering and mining, and has already improved practical skills training at the mine.

In the past, practical training was done underground and availability of machinery was at times an issue. Facilitators and trainees would also be required to walk for over an hour before reaching their underground workstations.

The training centre can accommodate 60 people and is manned by a team of trackless training staff who have underground experience as operators and artisans. Trainees are assessed in the mock-up training area and the underground work environment.

Once fully complete, the centre will mirror an underground environment and have a waiting area, refuge chamber, fans and ducting and central blasting system.

– Paseka Menyau



The mock-up training center

South Deep ABET Centre builds science Lab

The South Deep ABET Centre recently converted one of its classrooms into a science laboratory to provide a hands-on learning experience to our own ABET students and local Matric learners studying science.



ABET facilitators

The lab, which cost just over R100 000 to convert, includes physical and natural science kits for the grades 9 – 12 syllabus.

Facilitators will undergo a training workshop to learn how to use the new equipment.

This programme will also be extended to all educators currently teaching high school science at local schools within Greater Westonia. The facility will also offer Saturday Matric Science revision classes to local learners. This forms part of South Deep's school support and intervention programme that focuses on matriculants.

ABET Coordinator Mosa Ramalefane, said, "South Deep's ABET programme responds to a national shortage of maths and science skills and I strongly believe this lab is going to contribute positively towards addressing the existing challenges."

"This is an opportunity for our learners and facilitators to enhance their skills and I hope they use this lab to their advantage," he added.

For training requirements send requests to the ETD Superintendent Ernest Makhosane or call the training centre on (011) 411 1680.

– Paseka Menyau

GARRY MILLS TO JOIN AS SOUTH DEEP'S NEW GM

Garry Mills will take over as General Manager of South Deep from 1 January 2014.

Garry is no stranger to Gold Fields – he joins South Deep from the position of GM of our Agnew mine in Western Australia. In his 18 months there, Garry transformed Agnew from a sluggish, underperforming mine to a highly profitable, motivated and dynamic business. Today Agnew is one of Gold Fields' most profitable operations and one of the lowest cost producers in the industry.

With a Bachelor of Applied Science in Mining supplemented by 35 years of international mining industry experience, Garry understands the imperatives of the gold industry.

He also understands that you cannot draw out the best in people and achieve team based success by simply directing them on what to do. At Agnew Garry gained respect for his ability to mentor and develop those who work for him and to inspire them to achieve more than they thought possible.

We look forward to welcoming him to South Deep.



SOUTH DEEP INSTALLS RO PLANT



At the launch of the RO plant visitors taste the clean water

The South Deep mine in November officially opened its Reverse Osmosis plant which is treating fissure water and water from the Doornpoort return water dam for reuse.

Stephen Joseph, Senior Metallurgical Manager at South Deep, says the water will be treated to a potable standard, thereby reducing the mine's intake of water from the Rand Water utility, thus reducing the purchase costs of potable water.

The RO plant has also helped in curbing the amount of water used in the overall system "therefore reducing the risks of overflows into the environment from the return water dams and pollution control dams, particularly during the rainy season".

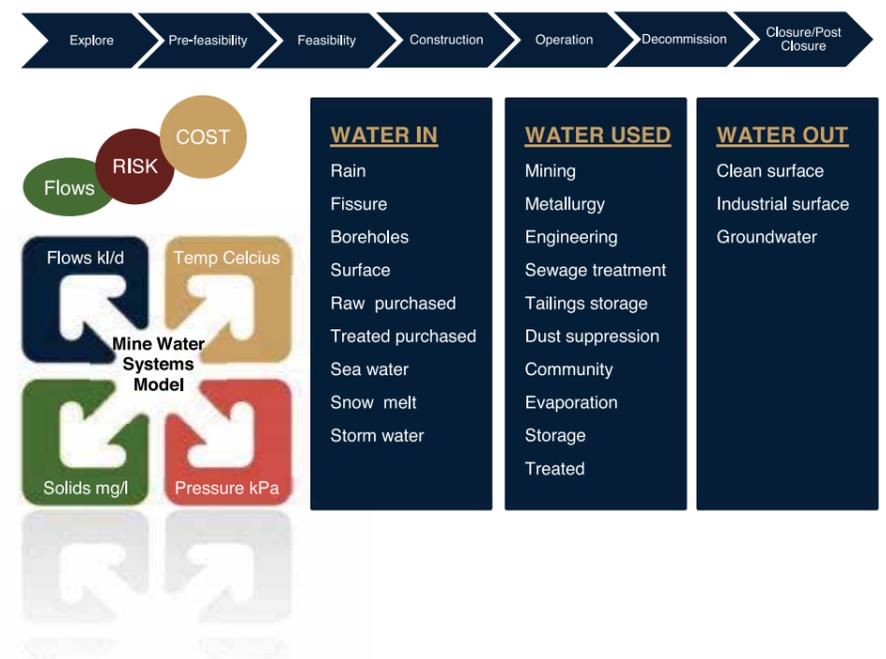
Stephen explains that RO is a process that produces clear water and a waste stream by forcing water via pressure through a semi-permeable membrane. The water molecules will be forced through the membrane leaving the 'dirty' contaminants behind.

The clean water produced by an RO process is called permeate while the water containing the contaminants is called brine. An RO process will separate any bacteria and viruses that may be present in the water. The process is detailed in the drawing below.

At its launch the South Deep team and ION2, the contractor that developed and installed the RO plant, celebrated by bottling the clean water in labelled bottles and drinking it. A similar RO plant is in operation at our Tarkwa mine in Ghana. The plant has a capacity of 3 million litres/day and that ION2 has access to the water in return for construction of the plant.

South Deep has implemented several measures to reduce the amount of water in the system to ensure that there are no discharges into the environment. This includes a reduction of water intake from Rand Water from 250,000 kilolitres/month to 162,000 kilolitres/month, resulting in savings of several hundred thousands of rands.

Dynamic Mine Water Systems Modelling



2013 at South Deep

The year in review



Commemorating Nelson Mandela

South Deep planted a tree and laid a plaque to commemorate the life of former South African President, Nelson Mandela, who passed away on 5 December 2013.

