Gold Fields FY 2018 results
NICK HOLLAND: CEO
Approaching the inflection point
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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.

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.

2018 was an eventful year for Gold Fields

**South Deep**: Six week strike starting on 2 November and ending on 18 December. 1092 employees exited the business through the restructuring process

**Tarkwa**: Transitioned to contractor mining and still met production and cost guidance

**Damang**: Outperformed production guidance by 13% and AIC came in below plan

**Gruyere**: Slight delay to production schedule (first gold now in Q2 2019) and slight increase to FFC cost estimate – Building a world class plant with the highest quality workmanship

**Asanko**: Acquired a 45% stake in the Asanko Gold Mine for an upfront payment of US$165m and a deferred US$20m payment, giving GFI exposure to a highly prospective gold region and a sizeable early stage mine

**Salares Norte**: Feasibility study completed and maiden Reserve declared, EIA being reviewed

**Cerro Corona**: Life of mine extended from 2023 to 2030, further life extension study underway

**Balance Sheet**: Extended the maturity of US$380m term loan from June 2019 to June 2020

**Final dividend declared**: 20 SA cents/share (total for 2018: 40 SA cents/share)
Gold Fields has outperformed cost guidance for six consecutive years

2018 production was 96% of original guidance despite the South Deep strike
Limiting cash outflow during reinvestment phase

- Net cash outflow in 2018 was contained despite significant project expenditure
  - Net cash outflow of US$132m in 2018 includes US$277m in project capital expenditure (Damang, Gruyere and South Deep) and US$64m of Salares Norte expenditure

# Mainly cash advances
Growth through reinvestment funded largely by internal cash flow

Net cash outflow limited to US$134m over 2017 and 2018 despite having spent US$502m in project capital and US$117m on Salares Norte over that period.
Balance Sheet

- Net debt of US$1,612m at 30 December 2018
  - Included US$165m paid to Asanko at end-July 2018
- Net debt to EBITDA of 1.45x at end-December 2018 from 1.03x at end-December 2017
- Maturity of the US$380m term loan facility was extended by 12 months to June 2020
- Unutilised facilities of US$976m, R2.19bn and A$50m
- Considering opportunities to access the US$ international bond markets to refinance debt facilities including potentially the US$1bn bond due on Oct 2020
During 2017 and 2018, Gold Fields ran successful hedging programs that protected our cash flow and balance sheet.

The following hedges are in place for 2019:

- **Remaining oil hedge**
  - Australia: 30 million litres at an equivalent Brent Crude swap price of US$49.92/bbl hedged until December 2019
  - Ghana: 49 million litres at an equivalent Brent Crude swap price of US$49.80/bbl hedged until December 2019
  - Volumes hedged represent 50% of annualised fuel consumption for the two regions

- **Gold hedge**
  - Australia: 283koz hedged using swaps with an average price of A$1,751/oz; 629koz hedged using zero cost collars with an average floor price of A$1,778/oz and an average cap price of A$1,847/oz. Both hedges run until December 2019 (100% of 2019 guidance for the region hedged)
  - South Africa: 100koz hedged until December 2019 using forwards with an average price of R617,000/kg (52% of 2019 guidance hedged)
Gold Fields Group
Mines: 8
Projects: 2
Countries: 5
Att. production: 2,036koz
AIC: US$1,173/oz
Mine net cash flow*: US$334m

West Africa region
Mines: Tarkwa, Damang and Asanko
Att. production: 680koz
AIC: US$1,098/oz
Net cash flow*: US$149m inflow

Americas region
Mine: Cerro Corona (Peru)
Att. production: 314koz (Au eq)
AIC: US$699/eq oz
Net cash flow: US$114m inflow
Project: Salares Norte (Chile)

South Africa region
Mine: South Deep
Att. production: 157koz
AIC: US$2,012/oz
Net cash flow*: US$123m outflow
Project: Salares Norte (Chile)

Australia region
Mines: St Ives, Granny Smith and Agnew
Att. production: 886koz
AIC: US$943/oz
Net cash flow: US$194m inflow
Project: Gruyere

*Excludes Damang project capital of US$125m and South Deep project capital of US$18m
Growing R&R ex-SA

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<thead>
<tr>
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<th>December 2018</th>
<th>December 2017</th>
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<tr>
<td></td>
<td>Managed</td>
<td>Attributable</td>
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<tr>
<td>Gold equivalent</td>
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<tr>
<td>Resources</td>
<td>140.5Moz</td>
<td>108.2Moz</td>
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<tr>
<td>Gold equivalent</td>
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<td></td>
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<tr>
<td>Reserves</td>
<td>54.0Moz</td>
<td>50.3Moz</td>
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Highlights:
- Salares Norte maiden Reserve of 4.0Moz (gold equivalent)
- 0.3Moz (+4% YoY) increase in the Australia region’s Reserves net of depletion
- 11% YoY increase in St Ives’ Reserves
- Net decrease of 4.6Moz at South Deep due to geotechnical re-design, adjusted loss factors and increased cut-off grade

At end-2018, **20.5Moz** of Gold Fields’ attributable gold equivalent Reserves (excluding Gold Fields’ 45% interest in the Asanko Gold Mine) were outside South Africa, representing 41% of the Group’s Reserve base

*Note: Price assumptions for gold equivalent ounce calculation: Gold: US$1,200/oz, Copper: US$2.8/lb, Silver: US$17.5/oz. The metallurgical recovery rate has not been applied to the conversion.*
### Global exploration highlights

#### Global exploration programme to grow Reserves further

<table>
<thead>
<tr>
<th>Country</th>
<th>Highlights</th>
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<td><strong>Australia</strong></td>
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| ● Granny Smith | - Have grown the Resource by 4.5Moz and the Reserve by over 2.5Moz since acquiring the asset  
- Focus is now on conversion to Reserves (Resource base of 8Moz)  
- Looking for targets outside of Wallaby to fill the mill |
| ● St Ives | - Extensions on strike and at depth at Invincible  
- Extensions at Hamlet Underground  
- Target definition in historic mining areas through seismic surveys  
- Started air core framework drilling on the Lefroy JV to determine drill targets (372km² vs. St Ives tenement area of 1,310km²) |
| ● Agnew | - Waroonga North is growing laterally and at depth  
- Redeemer North is building up to a 0.5Moz – 1.0Moz deposit  
- Seeing further extensions of Genesis and Sheba at New Holland |
| **Ghana** | | |
| ● Tarkwa | - Palaeoplacer extensions: additional strike potential of 3km – 5km |
| ● Damang | - Focus on further extension of Amoanda to the north towards Tomento East  
- Unconstrained case with c.2.0Moz potential |
| ● Asanko | - Short term strategy of increasing near-mine reserves – 9 targets to be tested in 2019  
- Longer term strategy of reserve replacement – first pass drilling on three high priority targets (Tontokrom, Miradani and Fromenda) to commence in Q1 2019 |
| **Peru** | | |
| ● Cerro Corona | - Feasibility study on life extension to 2030 being completed  
- Prefeasibility study on further life extension beyond 2030 to be substantially advanced by end-2019 |
ESG Highlights in 2018

Safety
● South Deep recorded one fatality during 2018 (2017: three), which was a vehicle related incident
● Group TRIFR improved 24% YoY to 1.83 in 2018 from 2.42 in 2017, our lowest ever rate

Community
● 25% of our Value Distribution of US$2.71bn in 2018 was to our host communities
● Through host community employment, procurement and SED investment

Tailings management
● Over the past 24 months, Gold Fields has embarked on a programme to improve operational safety of its TSFs. This entails moving away from design and construction of upstream facilities
● We currently have one active (Granny Smith) and three decommissioned (two at South Deep, one at St Ives) upstream facilities
● Following an audit in 2018, all of Gold Fields’ tailings dams are in compliance with the 2017 ICMM Tailings position statement – this has been externally assured
● Governance was strengthened through the appointment of a Vice President: Metallurgy in 2017 to continuously review tailings safety and management and quarterly Board reporting on tailings
● Periodic external audits are conducted
● Also, each site now has an engineer of record appointed for design and technical control of the operations
● The following major actions are in process:
  - The design and construction of a low wall downstream integrated waste landform TSF (lined) for the new Gruyere mine
  - The use of downstream design for the recently commissioned FETSF at Damang
  - The use of filtered and dry stacked tailings for the planned Salares Norte mine
  - The increased use of in-pit tailings disposal in Australia (Agnew and St. Ives)
  - The use of tailings for underground backfill at Granny Smith and South Deep
Approaching the inflection point
Approaching the inflection point

Gold Fields will turn free cash flow positive in 2019

- There should be an inflection in free cash flow generation in 2019
  - Project capital decreases significantly (US$143m budgeted for 2019 (excluding Asanko) vs. US$290m spent in 2018)
  - The business is expected to turn free cash flow positive in H2 2019 at planning metal prices (Gold: US$1,200/oz)

- Delivering on the projects which will reduce Group AISC
  - Gruyere first gold in Q2 2019
  - Damang begins mining higher grade ore from the Saddle area of the main pit in H1 2019

- Salares Norte offers attractive longer-term growth
  - Positive feasibility study
  - Maiden Reserve declared

- Expanded our Ghana footprint through the Asanko acquisition

- 20.5Moz attributable gold equivalent Reserves outside of South Africa (41% of group)

- The base has been reset at South Deep
  - First major restructuring at the mine since Gold Fields took ownership in 2007
  - Objective is to approach break even during 2019

Gold Fields will turn free cash flow positive in 2019
Damang Reinvestment

- The project exceeded expectations in 2018 (following a strong start in 2017):
  - Total tonnes mined were 45.9Mt vs. the project schedule of 41.5Mt
  - Gold produced of 181koz was 13% higher than guidance of 160koz
  - Project capital of US$125m on top of the US$115m spent in 2017
  - AIC of US$1,506/oz vs. guidance of US$1,520/oz,
  - AISC of US$813/oz vs guidance of US$860/oz
- Construction of the Far East Tailings Storage Facility (FETSF) (downstream facility) commenced during Q1 2017 and the facility was commissioned during Q4 2017, on time and within budget
  - The FETSF will provide tailings capacity of 44Mt or 10 years of capacity at steady state production
- 2019 Guidance: 218koz at AISC of US$786/oz and AIC of US$1,100/oz, with project capital of US$69m
- Prefeasibility study on the unconstrained case is underway
  - Potential for at least an additional 2.0Moz
- Amoanda north extensions showing continuation along the trend
- Amoanda has been a positive addition to the greater Damang complex
  - 300koz – 400koz has been mined from Amoanda to date
- It is situated along the same trend as the main Damang Pit
- Further extension along strike of 1.6km towards the North
  - This is a greater strike than what has been mined to date at Amoanda
- More drilling planned for 2019 to firm up the R&R model
Slight delay to project completion and an increase in the final forecast capital (FFC) cost estimate announced during 2018

- First gold is expected to be poured during the June 2019 quarter (previously the March 2019 quarter)
- FCC estimate is now A$621m (previously A$532m), which includes scope changes and force majeure costs (due to extreme rainfall events during 2018) of A$30m and a contingency of A$30m
- Gold Fields spent A$153m (US$114m) on the project during 2018, bringing cumulative costs incurred at end-Dec 2018 to A$246m (US$185m)
  - Remaining project capital of A$129m (US$97m) (100% basis)

Increase in average annual production over life to 300koz (previously 270koz) due to an increase in processing throughput to 8.2Mtpa (previously 7.5Mtpa). Slight increase in life-of-mine AISC to A$1,025/oz (US$738/oz)

As at end-December 2018, engineering was largely complete, whilst construction progress was 86.7% vs. budget of 86.4%, with all major equipment and materials for effective construction already delivered to site

Mining contractor (Downer) began mobilising their workforce during Q1 2018 to begin construction of the mining infrastructure
  - Mining activities commenced in November 2018
  - First ore was mined post year-end, with mining rates expected to peak at 30Mtpa in 2023 and average 16Mtpa over life of mine

On track to pour first gold during Q2 2019
  - 2019 guidance of 59koz (GFI share)
Salares Norte

Maiden Reserve declared in an attractive mining jurisdiction

- The feasibility study for Salares Norte completed and peer reviewed (Brecha Principal and Agua Amarga)
- Maiden Reserve declared: 21.1Mt at 5.1g/t gold and 57.9g/t silver for 3.5Moz of gold and 4.0Moz of gold equivalent
- Key metrics from the feasibility study:
  - Initial 11.5-year life of mine
  - Annual process plant throughput: 2Mt
  - Life of mine production: c.3.7Moz gold equivalent – front ended
  - Average annual production of 450koz gold equivalent over first seven years at AISC of US$465/oz (355koz gold equivalent over first 10 years)
  - Feasibility study capital cost estimate: US$834m (real Q4 2018 money)
  - AISC: US$545 per gold equivalent ounce; AIC: US$785 per gold equivalent ounce (over LoM)
  - IRR of 25% at US$1,300/oz gold price with a 2.2 year payback period; NPV of US$654m (discount rate of 7.5%) from investment decision
- Open pit operation envisaged with contractor mining and Merrill Crowe/CIP process design
- More than adequate water secured in close proximity
- Dry stacked tailings
- Water and land rights have been secured and permitted for the future operational phase
- On site diesel power station (gensets) – 14MW
- The environmental impact assessment (EIA) was accepted for review on 11 July 2018
  - 18 – 24 month review period anticipated
- Detailed engineering underway
  - Engineering progress: 35%
- Construction could commence in late 2020
Brecha Principal and Agua Amarga Deposits
Salares Norte

District potential
Asanko JV: Expanding our Ghana footprint

- Transaction completed on 31 July 2018
- Gold Fields acquired a 50% stake in Asanko’s 90% interest in the Asanko Gold Mine
  - Initial payment of US$165m, deferred payment of US$20m
- Organic growth at Esaase:
  - Development of Esaase deposit with ore trucking operation commencing early 2019
  - Esaase is now fully permitted. Amended Environmental Permit received in June 2018 includes trucking operation
  - Further expansion opportunities for Esaase are being assessed
- Highly prospective land package
  - Asanko is the largest land holder on the Asankrangwa Belt which offers significant exploration potential
  - Only 7% of Asanko’s tenements have been explored
  - Advanced targets being re-evaluated with the Gold Fields team
- In 2018, AGM produced 223koz at AISC of US$1,069/oz
  - Gold Fields share for 5 months: 44.5koz
- 2019 guidance:
  - Production: 225koz – 245koz
  - AISC: US$1,040/oz – US$1,060/oz
  - AIC: US$1,130/oz – US$1,150/oz
  - Sustaining capital: US$9m
  - Development capital: US$16m, mainly for the development of Esaase
- Gold Fields is also working with our JV partners on a cost optimisation exercise which is expected to result in further cost reductions
Asanko JV: Esaase
South Deep

Significant reduction in cost footprint

- Significant events in 2018
  - Q1 impacted by two labour restructurings which took place in Q4 2017 and Q1 2018 and a change in shift arrangements
  - Production rates were slowed by the intersection of geological features in the high-grade corridor 3 and poor ground conditions in the higher grade areas of Corridor 4
  - Q2 impacted by a 22-day DMR related safety stoppage
- Material restructuring on the mine announced on 14 August 2018
  - S189 notice served to the NUM and UASA on 14 August and the statutory 60-day consultation period began
  - Extended consultation period ended on 31 October and notices of termination were issued to affected employees
  - NUM embarked on a strike on 2 November which lasted six weeks until 18 December
  - 1,092 permanent employees exited the business through the restructuring
  - Total employees remaining post Q1 and Q4 restructurings: 2,460 (38% decrease from 3,983)
  - Total contractors remaining post Q1 and Q4 restructurings: 1,725 (25% decrease from 2,294)
- The aim of the restructuring was to consolidate mining activity in order to increase focus on productivity, and to match the cost structure to the level of production
  - Reduced number of Cat 1 machines (rigs, loaders and trucks) by 33% from 98 to 66
  - Low grade sections (87 1W and 2W) have been shut down
  - South shaft rationalised to a services shaft
  - R800m (in 2018 terms) in operating costs and R400m capex have been extracted through the restructuring
- Gradually build from restructured position
South Deep

Key enablers

- Accelerate backfill placement
- More robust and timely ground support
- Improved drill and blast to improve mining recovery and design compliance
- Fixed infrastructure maintained for long term delivery
- Improved fleet availability and utilisation
- Flatter organisational structure
- Rigorous performance management linked to line of sight performance
- Improved stakeholder management, including government, unions and surrounding communities
2019 outlook and guidance

2019 Group guidance

- Attributable equivalent gold production: 2.13Moz – 2.18Moz
- 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 2019

- South Deep – strong focus on integration of key mining activities
- Gruyere – deliver first gold in Q2 2019
- Damang – first ore from Saddle area of main pit in Q2 2019
- Asanko – bed down the acquisition and deliver optimised mine plan
- Salares Norte – Significantly advance detailed engineering and EIA process
Member of the ICMM
Committed to responsible and sustainable mining

Catalyst for change
● ICMM is a CEO-led international organisation that advocates responsible and sustainable mining

Sustainable development framework
● 10 sustainability principles and 7 position statements - ethical business practices, environmental stewardship, contribution to economic/social well-being, health and safety, and the responsible supply and use of materials
● Transparent reporting on performance and independent assurance

Enhancing mining’s contribution to society
● ICMM works with members to make lasting social, environmental and economic progress that supports global sustainable development goals

ICMM initiatives at Gold Fields - 2018
● Gold Fields implemented ICMM Water and Tailings position statements at all its mines
● CEO is a member of the Advisory Council of the Innovation for Cleaner Safer Vehicles programme. Through this, the ICMM is working with leading equipment manufacturers to develop a new generation of cleaner and safer mining vehicles
Thank you
QUESTIONS AND ANSWERS