

GOLD FIELDS LTD  
Form 20-F  
April 14, 2015  
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As filed with the Securities and Exchange Commission on April 14, 2015

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**Form 20-F**

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934  
or

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2014

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from                      to

or

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
Date of event requiring this shell company report

For the transition period from                      to

# Gold Fields Limited

(Exact name of registrant as specified in its charter)

Republic of South Africa

(Jurisdiction of incorporation or organization)

150 Helen Road

Sandown, Sandton, 2196

South Africa

00-27-11-562-9700

(Address of principal executive offices)

*with a copy to:*

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Executive Vice-President: General Counsel

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One Silk Street

London EC2Y 8HQ

United Kingdom

Securities registered or to be registered pursuant to Section 12(b) of the Act

Title of Each Class	Name of Each Exchange on Which Registered
Ordinary shares of par value Rand 0.50 each	New York Stock Exchange*
American Depositary Shares, each representing one ordinary share	New York Stock Exchange

\*Not for trading, but only in connection with the registration of the American Depositary Shares pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report

775,308,626 ordinary shares of par value Rand 0.50 each

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes  No

Note: Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

If  Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:  Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.  Yes  No

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**Gold Fields Worldwide Locations<sup>(1)</sup>**

Note:

- (1) The Granny Smith, Darlot and Lawlers gold mines, or the Yilgarn South Assets, were acquired on October 1, 2013 from Barrick Gold Corporation. See Information on the Company Gold Fields Mining Operations Australasia Operations.

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**PRESENTATION OF FINANCIAL INFORMATION**

Gold Fields Limited, or Gold Fields or the Company, is a South African company and in fiscal 2014 approximately 9%, 32%, 45% and 14% of Gold Fields' operations, based on gold production, were located in South Africa, Ghana, Australia and Peru, respectively. Its books of account are maintained in South African Rand. The reporting currency of the Gold Fields consolidated financial statements is the U.S. dollar. The Group's annual and interim financial statements are prepared in accordance with International Financial Reporting Standards, or IFRS, as prescribed by law. Gold Fields also prepares annual financial statements in accordance with United States Generally Accepted Accounting Principles, or U.S. GAAP. Except as otherwise noted, the financial information included in this annual report has been prepared in accordance with U.S. GAAP and is presented in U.S. dollars, and for descriptions of critical accounting policies refer to accounting policies under U.S. GAAP.

For Gold Fields' consolidated financial statements, unless otherwise stated, balance sheet item amounts are translated from Rand and A\$ to U.S. dollars at the exchange rate prevailing on the date that it closed its accounts for fiscal 2014 (Rand 11.56 per \$1.00 and \$1.00 per A\$1.23 as of December 31, 2014), except for specific items included within shareholders' equity and the statements of cash flows that are translated at the rate prevailing on the date the relevant transaction was entered into, and statements of operations item amounts are translated from Rand and A\$ to U.S. dollars at the weighted average exchange rate for each period (Rand 10.82 per \$1.00 and \$1.00 per A\$1.11 for fiscal 2014).

In this annual report, Gold Fields presents the financial items all-in sustaining costs, or AISC, all-in sustaining costs per ounce, all-in costs, or AIC, and all-in costs per ounce which have been determined using industry standards promulgated by the World Gold Council, or WGC, and are non-U.S. GAAP measures. The WGC standard was released by the WGC on June 27, 2013. Gold Fields voluntarily adopted and implemented these metrics as from the quarter ended June 2013. As from fiscal 2014, Gold Fields exclusively reports its costs in accordance with the new World Gold Council definition for AISC and AIC and no longer reports total cash cost and notional cash expenditure, or NCE. An investor should not consider these items in isolation or as alternatives to production costs, income before tax, net income, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the WGC provided definitions for the calculation of all-in sustaining costs and all-in costs, the calculation of all-in sustaining costs, all-in sustaining costs per ounce, all-in costs and all-in costs per ounce may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies. See Key Information Selected Historical Consolidated Financial Data, Information on the Company Glossary of Mining Terms All-in sustaining costs per ounce and Information on the Company Glossary of Mining Terms All-in costs per ounce.

The financial results of Sibanye Gold (as defined below) included in this annual report, which include the KDC and Beatrix mines, have been presented as discontinued operations as a result of the Spin-off in the statement of operations and statement of cash flows for all periods presented. The financial information presented in this annual report refers to continuing operations unless otherwise stated.

**Market Information**

This annual report includes industry data about Gold Fields' markets obtained from industry surveys, industry publications, market research and other publicly available third-party information. Industry surveys and industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. Gold Fields and its advisors have not independently verified this data.

In addition, in many cases, statements in this annual report regarding the gold mining industry and Gold Fields' position in that industry have been made based on internal surveys, industry forecasts, market research, as well as Gold Fields' own experiences. While these statements are believed by Gold Fields to be reliable, they have not been independently verified.

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**DEFINED TERMS AND CONVENTIONS**

In this annual report, all references to the Group are to Gold Fields and its subsidiaries. On February 18, 2013, or the Spin-off date, Gold Fields completed the separation of its wholly-owned subsidiary, Sibanye Gold Limited, or Sibanye Gold (formerly known as GFI Mining South Africa Proprietary Limited, or GFIMSA), which includes the KDC and Beatrix mining operations, or the Spin-off. See Operating and Financial Review and Prospects Overview The Spin-off .

In this annual report, all references to fiscal 2012 are to the 12-month period ended December 31, 2012, all references to fiscal 2013 are to the 12-month period ended December 31, 2013, all references to fiscal 2014 are to the 12-month period ended December 31, 2014 and all references to fiscal 2015 are to the 12-month period ending December 31, 2015. In this annual report, all references to South Africa are to the Republic of South Africa, all references to Ghana are to the Republic of Ghana, all references to Australia are to the Commonwealth of Australia, all references to Venezuela are to the Bolivarian Republic of Venezuela, all references to Finland are to the Republic of Finland, all references to Peru are to the Republic of Peru, all references to Mali are to the Republic of Mali, all references to the Philippines are to the Republic of the Philippines and all references to the United States and U.S. mean the United States of America, its territories and possessions and any state of the United States and the District of Columbia.

In this annual report, all references to the DMR are references to the South African Department of Mineral Resources, the government body responsible for regulating the mining industry in South Africa.

This annual report contains descriptions of gold mining and the gold mining industry, including descriptions of geological formations and mining processes. In order to facilitate a better understanding of these descriptions, this annual report contains a glossary defining a number of technical and geological terms. See Information on the Company Glossary of Mining Terms .

In this annual report, gold production figures are provided in troy ounces, which are referred to as ounces or oz , or in kilograms, which are referred to as kg . Ore grades are provided in grams per metric tonne, which are referred to as grams per tonne or g/t . All references to tonnes or t in this annual report are to metric tonnes. All references to gold include gold and gold equivalent ounces, unless otherwise specified or where the context suggests otherwise. See Information on the Company Glossary of Mining Terms for further information regarding units of measurement used in this annual report and a table providing rates of conversion between different units of measurement. AIC, net of by-product revenue, and AISC, net of by-product revenue, are calculated per ounce of gold sold, excluding gold equivalent ounces. See Operational and Financial Review and Prospects All-in Sustaining and All-in Cost .

This annual report contains references to the total recordable injury frequency rate , or TRIFR, at each Gold Fields operation. The TRIFR at each operation includes the total number of fatalities, lost time injuries, medically treated injuries and restricted work injuries.

In this annual report, R and Rand refer to the South African Rand and SA cents refers to subunits of the South African Rand, \$ , U.S.\$ and U.S. dollars refer to United States dollars, U.S. cents refers to subunits of the U.S. dollar, A\$ and Australian dollars refer to Australian dollars, GH refers to Ghana Cedi, S/. refers to the Peruvian Nuevo Sol and CAD refers to Canadian dollars.

Certain information in this annual report presented in Rand and Australian dollars has been translated into U.S. dollars. Unless otherwise stated, the conversion rates for these translations are Rand 11.56 per \$1.00 and \$1.00 per A\$1.23, which were the closing rates on December 31, 2014. By including the U.S. dollar equivalents, Gold Fields is not representing that the Rand or Australian dollar amounts actually represent the U.S. dollar amounts shown or that these amounts could be converted into U.S. dollars at the rates indicated.

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In this annual report, except where otherwise noted, all production and operating statistics are based on Gold Fields' total operations, which include production from the Tarkwa and Damang mines in Ghana and from the Cerro Corona mine in Peru which is attributable to the noncontrolling shareholders in those mines. This annual report contains references to gold equivalent ounces which are quantities of metals (such as copper) expressed as amounts of gold using the prevailing prices of gold and the other metals. To calculate this, the accepted total value of the metal based on its weight and value is divided by the accepted value of one troy ounce of gold.



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**FORWARD-LOOKING STATEMENTS**

This annual report contains forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, with respect to Gold Fields financial condition, results of operations, business strategies, operating efficiencies, competitive position, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters.

These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Gold Fields, wherever they may occur in this annual report and the exhibits to the annual report, are necessarily estimates reflecting the best judgment of the senior management of Gold Fields and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this annual report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

overall economic and business conditions in South Africa, Ghana, Australia, Peru and elsewhere;

changes in assumptions underlying Gold Fields' mineral reserve estimates;

the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions;

the ability to achieve anticipated cost savings at existing operations;

the success of the Group's business strategy, development activities and other initiatives;

the ability of the Group to comply with requirements that it operate in a sustainable manner and provide benefits to affected communities;

decreases in the market price of gold or copper;

the occurrence of hazards associated with underground and surface gold mining or contagious diseases at Gold Fields' operations;

the occurrence of work stoppages related to health and safety incidents;

loss of senior management or inability to hire or retain employees;

fluctuations in exchange rates, currency devaluations and other macroeconomic monetary policies;

the occurrence of labor disruptions and industrial actions;

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power cost increases as well as power stoppages, fluctuations and usage constraints;

supply chain shortages and increases in the prices of production imports;

the ability to manage and maintain access to current and future sources of liquidity, capital and credit, including the terms and conditions of Gold Fields' facilities and Gold Fields' overall cost of funding;

the adequacy of the Group's insurance coverage;

the manner, amount and timing of capital expenditures made by Gold Fields on both existing and new mines, mining projects, exploration project or other initiatives;

changes in relevant government regulations, particularly labor, environmental, tax, royalty, health and safety, water, regulations and potential new legislation affecting mining and mineral rights;

fraud, bribery or corruption at Gold Fields' operations that leads to censure, penalties or negative reputational impacts; and

political instability in South Africa, Ghana, Peru or regionally in Africa or South America.

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 annual report or to reflect the occurrence of unanticipated events.

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**Table of Contents****PART I****ITEM 1: IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not applicable.

**ITEM 2: OFFER STATISTICS AND EXPECTED TIMETABLE**

Not applicable.

**ITEM 3: KEY INFORMATION****Selected Historical Consolidated Financial Data**

The selected historical consolidated financial data set out below for fiscal 2014, fiscal 2013 and fiscal 2012 and as of December 31, 2014, 2013 and 2012 have been derived from Gold Fields' audited consolidated financial statements for those years and as of those dates and the related notes. The selected historical consolidated financial data for fiscal 2011, the six-month period ended December 31, 2010 and the year ended June 30, 2010 and as of December 31, 2011 and 2010 and June 30, 2010 have been derived from Gold Fields' audited consolidated financial statements as of that date, which are not included in this annual report, and adjusted where applicable as described below. The selected historical consolidated financial data presented below have been derived from consolidated financial statements which have been prepared in accordance with U.S. GAAP. As a result of the Spin-off, the financial results of Sibanye Gold, which include the KDC and Beatrix mines, have been presented as discontinued operations in the consolidated financial statements for fiscal 2013 and the comparative statements of operations and statement of cash flows have been presented as if Sibanye Gold had been discontinued for all periods presented below. The Other Operating Data presented has been calculated as described in the footnotes to the table below:

	Fiscal Period		Fiscal Period Ended			
	Ended June 30, 2010	Six-Month Period Ended December 31, 2010	2011	2012	2013	2014
<b>Statement of Operations Data</b>						
Revenues	2,355.5	1,490.8	3,499.1	3,530.6	2,906.3	2,868.8
Production costs (exclusive of depreciation and amortization)	1,342.3	756.5	1,627.9	1,862.6	1,819.9	1,808.1
Depreciation and amortization	352.9	220.6	421.4	425.8	568.5	677.3
Corporate expenditure	29.2	14.2	30.8	38.2	39.4	27.3
Employee termination costs	1.1	0.9	0.8	6.1	35.5	42.2
Exploration expenditure	86.6	53.2	125.4	135.3	77.9	36.2
Feasibility and evaluation costs		9.3	95.2	103.5	68.0	
Profit/(loss) on sale of property, plant and equipment	0.1	0.3	(1.0)	0.2	10.2	(1.3)
Asset impairments and write-offs			9.5	41.6	215.3	14.0
Decrease in provision for post-retirement health care costs	(0.2)					
Royalties <sup>(1)</sup>		(30.1)	(109.6)	(116.8)	(90.5)	(86.1)
Accretion expense on provision for environmental rehabilitation	8.8	5.1	11.1	13.9	10.4	15.4
Interest and dividends	7.6	4.9	11.8	16.3	8.5	4.2
Finance expense	(38.0)	(23.8)	(52.3)	(55.6)	(72.4)	(80.8)
Gain/(loss) on financial instruments	27.7	1.0	4.4	(0.4)	(0.3)	(11.5)
Foreign exchange (losses)/gains	(8.5)	(1.4)	9.1	(13.8)	7.3	8.4
Profit/(loss) on disposal of investments and subsidiaries	111.7	(0.4)	12.8	27.6	17.8	78.0

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	Fiscal Period		Six-Month Period		Fiscal Period Ended			
	Ended June 30, 2010	Ended December 31, 2010	2011	2011	December 31, 2012	2013	2014	
Impairment of investments	(8.1)		(0.5)		(10.5)	(10.3)	(6.8)	
South African Equity Empowerment Transactions		(126.3)						
Other expenses	(25.7)	(25.4)	(47.3)		(37.9)	(104.2)	(44.2)	
Income/(loss) before tax, impairment of investment in equity investee, share of equity investees (losses)/income and discontinued operations	601.6	229.8	1,004.4		712.7	(162.5)	108.2	
Income and mining tax expense	(266.5)	(136.9)	(384.5)		(359.4)	(105.7)	(121.6)	
Income before impairment of investment in equity investee, share of equity investees (losses)/income and discontinued operations	335.1	92.9	619.9		353.3	(268.2)	(13.4)	
Impairment of investment in equity investee			(6.8)				(7.4)	
Share of equity investees (losses)/income	(31.1)	1.8	(0.8)		(63.1)	(18.4)	(4.4)	
Income/(loss) from continuing operations	304.0	94.7	612.3		290.2	(286.6)	(25.2)	
Income/(loss) from discontinued operations, net of tax	166.3	(28.8)	340.7		362.3	20.5		
Net income/(loss)	470.3	65.9	953.0		652.5	(266.1)	(25.2)	
Less: Net income/(loss) attributable to non-controlling interests	79.3	53.3	71.5		(1.8)	(18.2)	2.0	
Continuing operations	80.1	54.1	71.6		(1.9)	(18.2)	2.0	
Discontinued operations	(0.8)	(0.8)	(0.1)		0.1			
Net income/(loss) attributable to Gold Fields shareholders	391.0	12.6	881.5		654.3	(247.9)	(27.2)	
Continuing operations	223.9	40.6	540.7		292.1	(268.4)	(27.2)	
Discontinued operations	167.1	(28.0)	340.8		362.2	20.5		
Basic earnings/(loss) per share attributable to Gold Fields shareholders (\$)								
Continuing operations	0.32	0.06	0.75		0.40	(0.36)	(0.04)	
Discontinued operations	0.24	(0.04)	0.47		0.50	0.03		
Diluted earnings/(loss) per share attributable to Gold Fields shareholders (\$)								
Continuing operations	0.32	0.06	0.74		0.40	(0.36)	(0.04)	
Discontinued operations	0.24	(0.04)	0.47		0.50	0.03		
Dividend per share (Rand)	1.30	0.70	1.70		3.90	0.75	0.42	
Dividend per share (\$)	0.17	0.10	0.24		0.50	0.08	0.04	
<b>Other Operating Data Continuing Operations</b>								
All-in-sustaining costs net of by-product revenue per ounce of gold sold <sup>(2)</sup>					1,310	1,202	1,053	
All-in-cost net of by-product revenue per ounce of gold sold <sup>(2)</sup>					1,537	1,312	1,087	
All-in-sustaining costs gross of by-product revenue per equivalent ounce of gold sold <sup>(2)</sup>					1,331	1,206	1,053	
All-in-cost gross of by-product revenue per equivalent ounce of gold sold <sup>(2)</sup>					1,539	1,307	1,086	

## Notes:

- (1) The classification of royalty expense at Gold Fields operations requires judgment, particularly at the Groups South African and Ghanaian operations, where the percentages to be applied in calculating royalties are influenced by the expenses incurred in generating those product sales (and therefore the profitability of the operations). In light of the fact that the calculation of royalties in Ghana, representing the largest component of consolidated royalty expense, was changed as of April 1, 2011 to 5% of revenues earned from minerals obtained (regardless of the operating margin), Gold Fields changed the classification of royalty

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- expense in its consolidated financial statements from a component of income and mining taxes to royalties in its consolidated statements of operations for the six-month period ended December 31, 2010. Given the change in circumstances, Gold Fields considers it appropriate to change the presentation for all periods beginning with the six-month period ended December 31, 2010.
- (2) Gold Fields has calculated all-in sustaining costs net of by-product revenue per ounce of gold sold by dividing total all-in sustaining costs net of by-product revenue, as determined using the guidance provided by the World Gold Council, by only gold ounces sold for 2012, 2013 and 2014. Total all-in sustaining costs, as defined by the World Gold Council, are operating costs excluding amortization and depreciation as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), plus all costs not included therein relating to sustaining current production including sustaining capital expenditure. The value of by-product revenues (i.e. silver and copper) is deducted from operating costs excluding amortization and depreciation as it effectively reduces the cost of gold production. The all-in costs net of by-product revenue starts with all-in sustaining costs net of by-product revenue and adds additional costs which relate to the growth of the Group, including non-sustaining capital expenditure and exploration, evaluation and feasibility costs not associated with current operations. All-in sustaining costs and all-in costs are reported on a per ounce of gold basis, net of by-product revenues (as per the World Gold Council definition), as well as on a per ounce of gold equivalent basis, gross of by-product revenues. Changes in total all-in sustaining and all-in costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and the Australian dollar compared with the U.S. dollar. Total all-in sustaining and all-in cost per ounce are not U.S. GAAP measures and have been calculated using IFRS information. Management, however, believes that total all-in sustaining cost and total all-in cost per ounce will be helpful to investors, governments, local communities and other stakeholders in understanding the economics of gold mining. For a description of all-in sustaining costs and all-in costs and a reconciliation of Gold Fields' all-in sustaining costs and all-in costs to its operating costs excluding amortization and depreciation costs for fiscal 2014, fiscal 2013 and fiscal 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost .

	June 30, 2010	2010	As of December 31, 2011	2012	2013	2014
			<i>(\$ million, unless otherwise stated)</i>			
<b>Balance Sheet Data</b>						
Cash and cash equivalents	500.7	809.5	744.0	655.6	325.0	458.0
Assets held for sale					47.0	31.0
Receivables	305.4	411.4	483.4	522.7	272.6	226.5
Inventories	234.9	256.3	297.7	402.1	402.7	373.3
Short-term deferred income and mining taxes					29.0	6.9
Material contained on heap leach pads	91.5	111.3	187.9	65.0		
Total current assets	1,132.5	1,588.5	1,713.0	1,645.4	1,076.3	1,095.7
Property, plant and equipment, net	6,639.7	7,482.0	7,016.8	7,388.9	4,933.0	4,453.3
Goodwill	1,154.9	1,295.2	1,075.4	1,020.1	845.5	756.3
Deferred income and mining taxes				24.1	22.6	10.9
Inventories				111.8	109.0	148.1
Non-current investments	254.3	344.3	272.2	458.0	268.9	286.5
<b>Total assets</b>	<b>9,181.4</b>	<b>10,710.0</b>	<b>10,077.4</b>	<b>10,648.3</b>	<b>7,255.3</b>	<b>6,750.8</b>

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	<b>June 30, 2010</b>	<b>2010</b>	<b>As of December 31,</b>		<b>2013</b>	<b>2014</b>
			<b>2011</b>	<b>2012</b>		
			<i>(\$ million, unless otherwise stated)</i>			
Accounts payable and provisions	551.9	670.6	669.9	734.0	445.0	498.5
Short-term deferred income and mining taxes				17.9	16.0	10.3
Interest payable	4.5	4.1	11.2	11.0	12.4	11.2
Income and mining taxes payable	104.3	156.1	264.4	192.1	34.6	58.2
Current portion of long-term loans	691.1	261.7	547.0	40.0	121.5	140.2
<b>Total current liabilities</b>	<b>1,351.8</b>	<b>1,092.5</b>	<b>1,492.5</b>	<b>995.0</b>	<b>629.5</b>	<b>718.4</b>
Long-term loans	430.0	1,136.6	1,360.7	2,321.2	1,938.6	1,770.7
Deferred income and mining taxes	982.5	1,051.8	1,019.4	901.8	309.3	252.9
Provision for environmental rehabilitation	275.7	324.4	336.9	373.6	269.2	300.1
Provision for post-retirement health care costs	2.8	2.7	2.1	2.1		
Long-term incentive plan						8.3
Other non-current liabilities		19.7	13.5	13.9	10.9	9.1
<b>Total liabilities</b>	<b>3,042.8</b>	<b>3,627.7</b>	<b>4,225.1</b>	<b>4,607.6</b>	<b>3,157.5</b>	<b>3,059.5</b>
Share capital	57.8	58.8	59.0	61.0	62.9	63.0
Additional paid-in capital	5,005.4	5,313.2	5,374.6	5,452.3	4,439.0	4,465.0
Retained earnings	834.4	779.6	772.5	1,054.3	741.1	684.1
Accumulated other comprehensive (loss)/income	(96.5)	562.4	(423.3)	(653.0)	(1,249.0)	(1,617.4)
Total equity attributable to Gold Fields shareholders	5,801.1	6,714.0	5,782.8	5,914.6	3,994.0	3,594.7
Noncontrolling interests	337.5	368.3	69.5	126.1	103.8	96.6
<b>Total equity</b>	<b>6,138.6</b>	<b>7,082.3</b>	<b>5,852.3</b>	<b>6,040.7</b>	<b>4,097.8</b>	<b>3,691.3</b>
<b>Total liabilities and equity</b>	<b>9,181.4</b>	<b>10,710.0</b>	<b>10,077.4</b>	<b>10,648.3</b>	<b>7,255.3</b>	<b>6,750.8</b>
<b>Other Financial Data</b>						
Number of ordinary shares as adjusted to reflect changes in capital structure (including treasury shares)	705,903,511	720,796,887	724,591,516	730,393,143	768,016,593	772,272,821
Net Assets (excluding non-controlling interest)	5,801.1	6,714.0	5,782.8	5,914.6	3,994.0	3,594.7

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The following tables set forth, for the periods indicated, the average, high and low exchange rates of Rand for U.S. Dollars, expressed in Rand per \$1.00. All exchange rates are sourced from I-Net Bridge (Proprietary) Limited, or I-Net Bridge, being the average rate.

<b>Year ended</b>	<b>Average</b>
June 30, 2010	7.58 <sup>(1)</sup>
December 31, 2011	7.22 <sup>(1)</sup>
December 31, 2012	8.19 <sup>(1)</sup>
December 31, 2013	9.60 <sup>(1)</sup>
December 31, 2014	10.82 <sup>(1)</sup>
Through April 7, 2015	11.75 <sup>(1)</sup>

<b>Six-month period ended</b>	<b>Average</b>
December 31, 2010	7.14 <sup>(1)</sup>

Note:

(1) The daily average of the closing rate during the relevant period as reported by I-Net Bridge.

<b>Month ended</b>	<b>High</b>	<b>Low</b>
October 31, 2014	11.33	10.84
November 30, 2014	11.26	10.94
December 31, 2014	11.70	11.00
January 31, 2015	11.72	11.40
February 28, 2015	11.80	11.29
March 31, 2015	12.47	11.74

The closing rate for the Rand on April 7, 2015 as reported by I-Net Bridge was Rand 11.80 per \$1.00. Fluctuations in the exchange rate between the Rand and the U.S. dollar will affect the dollar equivalent of the price of the ordinary shares on the JSE, which may affect the market price of the American Depositary Shares, or ADSs, on the NYSE. These fluctuations will also affect the U.S. dollar amounts received by owners of ADSs on the conversion of any dividends paid in Rand on the ordinary shares.



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**RISK FACTORS**

*In addition to the other information included in this annual report, the considerations listed below could have a material adverse effect on Gold Fields' business, financial condition or results of operations, resulting in a decline in the trading price of Gold Fields' ordinary shares or ADSs. The risks set forth below comprise all material risks currently known to Gold Fields. These factors should be considered carefully, together with the information and financial data set forth in this document.*

***Changes in the market price for gold, and to a lesser extent copper, which in the past have fluctuated widely, affect the profitability of Gold Fields' operations and the cash flows generated by those operations.***

Gold Fields' revenues are primarily derived from the sale of gold that it produces. Gold Fields does not generally enter into forward sales, derivatives or other hedging arrangements in order to establish a price in advance of the sale of its gold production. As a result, it is exposed to changes in the gold price, which could lead to reduced revenue should the gold price decline. For example, during 2014, the gold price fluctuated between \$1,142 and \$1,385 per ounce. See [Quantitative and Qualitative Disclosures about Market Risk](#). The market price for gold has historically been volatile and is affected by numerous factors over which Gold Fields has no control, such as general supply and demand, speculative trading activity and global economic drivers.

Should the gold price decline below Gold Fields' production costs, it may experience losses and should this situation remain for an extended period, Gold Fields may be forced to curtail or suspend some or all of its growth projects, operations and/or reduce operational capital expenditures. Gold Fields might not be able to recover any losses it incurred during, or after, such events. A sustained period of significant gold price volatility may also adversely affect Gold Fields' ability to undertake new capital projects or continue with existing operations or make other long-term strategic decisions. The use of lower gold prices in reserve calculations and life of mine plans could also result in material impairments of Gold Fields' investment in mining properties or a reduction in its reserve estimates and corresponding restatements of its reserves and increased amortization, reclamation and closure charges.

In Peru, copper accounts for a significant proportion of the revenues at Gold Fields' Cerro Corona mine, although copper is not a major element of Gold Fields' overall revenues. A variety of factors may depress global copper prices and a decline in copper prices, which have also fluctuated widely, would adversely affect the revenues, profit and cash flows of the Cerro Corona mine.

***Gold Fields' mineral reserves are estimates based on a number of assumptions, which, if changed, may require Gold Fields to lower its estimated mineral reserves.***

The mineral reserves stated in this annual report are estimates based on assumptions regarding, among other things, Gold Fields' costs, expenditures, commodity prices, exchange rates, and metallurgical and mining recovery assumptions, which may prove inaccurate due to a number of factors, many of which are beyond Gold Fields' control. In the event that Gold Fields adversely revises any of the assumptions that underlie its mineral reserves reporting, Gold Fields may need to revise its mineral reserves downwards. See [Information on the Company Reserves of Gold Fields as of December 31, 2014](#).

Gold Fields is in the process of rebasing the production profile of its South Deep mine. As a result, the mineral reserve information for South Deep as of December 31, 2014 primarily reflect mining depletion of last year's figures except where material differences were encountered for technical or economic reasons, in which case suitably revised models and schedules were implemented. Therefore, the information regarding South Deep's ore reserves as of December 31, 2014 has not been prepared on the same basis as the ore reserves information for Gold Fields' other operations or on the same basis as in fiscal 2013 or 2012; and may not be directly comparable to that reported by the Group's other mines in the current year or South Deep and the Group's other mines in prior years. For further information about the methodology used to prepare South Deep's ore reserves information as of December 31, 2014, see [Information on the Company Reserves of Gold Fields as of December 31, 2014 Methodology](#).

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*To the extent that Gold Fields makes acquisitions, it may experience problems in executing the acquisitions or managing and integrating the acquisitions with its existing operations.*

In order to maintain or expand its operations and reserve base, Gold Fields may seek to make acquisitions of selected precious metal producing companies or assets. For example, on October 1, 2013, Gold Fields completed the acquisition of the Granny Smith, Darlot and Lawlers gold mines, or the Yilgarn South Assets, in Western Australia from Barrick Gold Corporation, or Barrick. See Information on the Company Gold Fields Mining Operations Australasia Operations Any such acquisition may change the scale of the Company's business and operations and may expose it to new geographic, geological, political, social, operating, financial, legal, regulatory and contractual risks. There can be no assurance that any acquisition will achieve the results intended, and, as such, could have a material adverse effect on Gold Fields' business, operating results and financial condition.

*Gold Fields' operations and profits have been and may be adversely affected by union activity and new and existing labor laws.*

Over recent periods, there has been an increase in union activity in some of the countries in which Gold Fields operates that has had a material adverse impact on Gold Fields' operations, production and financial performance.

In South Africa, a recent increase in labor unrest has resulted in more frequent industrial disputes and extended negotiations that have negatively affected South Africa's sovereign debt rating and subsequently the credit ratings of a number of the country's leading mining companies, including Gold Fields. In particular, strikes during the second half of fiscal 2012 impacted Gold Fields' operations and caused work stoppages, resulting in significant production losses, primarily at the Spin-off operations. While the outcome of the wage negotiations with the unions in fiscal 2015 was relatively positive, and while Gold Fields now has fewer employees in South Africa after the Spin-off, in light of the recent labor unrest there can be no guarantee that future negotiations will not be accompanied by further strikes, work stoppages or other disruptions.

Furthermore, guidelines and targets have been provided to facilitate compliance with the open-ended broad-based socio-economic empowerment requirements espoused in Section 2 of the Mineral and Petroleum Resources and Development Act, or MPRDA, and in the broad-based socio-economic empowerment charter for the South African mining and minerals industry known as the Mining Charter, as well as the amendments to that charter that took effect from September 13, 2010, known as the Amended Mining Charter. The Mining Charter, as amended, contains guidelines which provide that all mining companies must achieve, among other things, 26% ownership by historically disadvantaged South Africans, or HDSAs, of mining assets by March 2015 and a minimum of 40% HDSA demographic representation at the executive management, senior management, middle management, junior management and core and critical skills levels (subject to offsets) in order to comply with the empowerment requirements of the MPRDA. The government of South Africa has also announced that it intends to conduct a review of the Mining Charter in fiscal 2015. See Gold Fields' mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute. and Information on the Company Environmental and Regulatory Matters South Africa Mineral Rights . The ongoing implementation and enforcement of these requirements, including as a result of any changes thereto following the announced review, may be contentious.

Gold Fields' operations in Ghana and Peru have recently been, and may in the future be, impacted by increased union activities and new labor laws. In particular, there can be no guarantee that (i) labor unions in either country will not undertake strikes or go-slow actions impacting the Group's operations or those of other related industries or suppliers, or that (ii) changes in local regulations will not result in increased costs and penalties being incurred by the Group.

In Ghana, in April 2013, employees represented by the Ghana Mineworkers Union, or GMWU, the Professional Managerial Staff Union and the Branch Union at both Tarkwa and Damang undertook illegal

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industrial action, resulting in the temporary suspension of production at both operations. The strike lasted six days and ended after Gold Fields and the GMWU reached a settlement. While the wage negotiations with the unions in fiscal 2013 were completed, in light of the recent labor unrest there can be no guarantee that negotiations in the future will not be difficult or accompanied by further strikes, work stoppages or other labor actions.

In Peru, the Group may see increased union activity over the course of fiscal 2015 as a result of reduced commodity and mineral prices which may lead to reductions in the annual income of employees. This may in turn cause unions to seek better and/or additional benefits to compensate for any such decrease in their annual income, such as through increased activities and/or industrial action. In addition, while the Peruvian government has introduced a three year remediation program which prioritizes the imposition of corrective measures and establishes a three-year moratorium on the imposition of environmental fines save in exceptional cases, there has been an increase in labor inspection activities over the course of fiscal 2014, and this may continue into fiscal 2015. See Information on the Company Environmental and Regulatory Matters Peru.

In the event that Gold Fields experiences further industrial relations related interruptions at any of its operations or in other industries that impact its operations, or increased employment-related costs due to union or employee activity, these may have a material adverse effect on its business, production levels, operating costs, production targets, operating results, financial condition, reputation and future prospects. In addition, lower levels of mining activity can have a longer term impact on production levels and operating costs, which may affect operating life. Mining conditions can deteriorate during extended periods without production, such as during and after strikes, and Gold Fields will not re-commence mining until health and safety conditions are considered appropriate to do so.

Existing labor laws (including those that impose obligations on Gold Fields regarding worker rights) and any new or amended labor laws may increase Gold Fields labor costs and have a material adverse effect on Gold Fields business, operating results and financial condition.

***Gold Fields mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute.***

Gold Fields right to own and exploit mineral reserves and deposits is governed by the laws and regulations of the jurisdictions in which the mineral properties are located. Currently, a significant portion of Gold Fields reserves and deposits are located in countries where mining rights could be suspended or canceled should it breach its obligations in respect of the acquisition and exploitation of these rights.

In all of the countries where Gold Fields operates, the formulation or implementation of governmental policies on certain issues may be unpredictable. This may include changes in laws relating to mineral rights and ownership of mining assets and the right to prospect and mine, and, in extreme cases, nationalization, expropriation or nullification of existing concessions, licenses, permits agreements and contracts. For example, Gold Fields operations in South Africa are subject to legislation regulating the exploitation of mineral resources through the granting of rights required to prospect and mine for minerals. This includes broad-based BEE legislation designed to effect the entry of HDSAs into the mining industry and increase their participation in the South African economy. The Mineral and Petroleum Resources and Development Act, or the MPRDA, came into effect on May 1, 2004 and transferred ownership of mineral resources to the South African people with the South African government acting as custodian in order to, among other things, promote equitable access to the nation's mineral resources by South Africans, expand opportunities for historically disadvantaged persons who wish to participate in the South African mining industry and advance social and economic development. As custodian, the South African government exercises regulatory control over the exploitation of mineral resources and does so by exercising the power to grant the rights required to prospect and mine for minerals. Mining companies were required to apply for the right to mine and/or prospect and to convert then-existing mining rights to new order mining rights. In order to qualify for these rights, applicants need to satisfy the South African government that

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the granting of such a right will advance the open-ended broad-based socio-economic empowerment requirements of the MPRDA. The MPRDA also required that mining companies submit social and labor plans, or SLPs which set out their commitments relating to human resource development, labor planning and economic development planning to the DMR. In order to provide guidance on the fulfillment of these broad-based socio-economic empowerment requirements to the mining industry, the DMR published the Mining Charter, which became effective on May 1, 2004. The Mining Charter includes guidelines envisaging that each mining company should achieve a 15% HSDA ownership of mining assets within five years and a 26% HSDA ownership of mining assets within 10 years. See [Information on the Company Environmental and Regulatory Matters South Africa Mineral Rights The MPRDA](#) .

In 2010, the DMR introduced the Amended Mining Charter containing guidelines envisaging, among other things, that mining companies should achieve a minimum of 40% HSDA demographic representation by 2014 at executive management (board) level, senior management (executive committee) level, core and critical skills, middle management level and junior management level. See [Information on the Company Environmental and Regulatory Matters South Africa Mineral Rights](#). In April 2013, Gold Fields submitted a new SLP for South Deep to replace its original SLP submitted in 2010 and is awaiting a response from the DMR.

In fiscal 2014, the DMR launched audits of mining companies, which were conducted by a third party appointed by the DMR to assess such companies' compliance with the BEE guidelines of the Mining Charter and Amended Mining Charter. However, the DMR subsequently abandoned the externally conducted audit process. It is therefore unclear what the status of the process is and what the outcomes were. It is also unclear whether or not the information provided during this audit process will be considered or used by the DMR for any purpose in the future. In fiscal 2015, the DMR directed mining companies to provide information related to compliance with the Amended Mining Charter via an electronic reporting template. This template has raised a number of concerns among mining companies due to its inflexible approach towards the assessment of compliance with the Amended Mining Charter.

On March 31, 2015, the DMR made an interim report of consolidated results of the self-assessment by reporting companies of compliance with the Mining Charter, reporting relatively broad compliance with the non-ownership requirements of the Amended Mining Charter. However, the DMR did not report the results of compliance with the HSDA ownership guidelines of the Mining Charter and noted that there is no consensus on certain applicable principles.

On the same date, the Chamber of Mines reported that the DMR believes that empowerment transactions by mining companies concluded after 2004 where the HSDA ownership level has fallen due to HSDA disposal of assets or for other reasons, should not be included in the calculation of HSDA ownership for the purposes of, among other things, the 26% HSDA ownership guidelines under the Mining Charter. The position of Gold Fields, is consistent with that of the Chamber of Mines, and is that such empowerment transactions should be included in the calculation of HSDA ownership. The DMR and the Chamber of Mines have jointly agreed to approach the South African courts to seek a declaratory order which will provide a ruling on the relevant legislation and the status of the Mining Charter.

If the DMR were to prevail in court, mining companies, including Gold Fields, may be required to undertake further transactions in order to increase their HSDA ownership which would result in the dilution of existing shareholders. In such event, mining companies may be required to maintain a minimum HSDA ownership level indefinitely. The DMR may also suspend or cancel the existing mining rights of, or prevent the obtaining of new mining rights by, mining companies, including Gold Fields, deemed not to be in compliance with the ownership requirements of the MPRDA. It is also possible, should the Chamber of Mines prevail in court, that the DMR may enact new regulations to, among other things, increase HSDA ownership guidelines for mining companies which would result in the dilution of existing shareholders. The DMR may also suspend or cancel existing mining rights of, or prevent the obtaining of new mining rights by, mining companies, including Gold Fields, deemed not to be in compliance with the other requirements of the MPRDA. If the DMR were to determine that Gold Fields is not in compliance with the other requirements of the MPRDA, Gold Fields may be required to engage in remedial steps, including changes to management and actions that require shareholder approval.

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If the DMR were to determine that Gold Fields is not in compliance with the MPRDA, for any reason, including HDSA ownership, Gold Fields may challenge such a decision in court. Any such court action may be expensive and there is no guarantee that Gold Fields' challenge would be successful.

There is no guarantee that any steps Gold Fields has already taken or might take in the future will ensure the successful renewal of its existing mining rights, the retaining of new mining rights, the granting of further new mining rights or that the terms of renewals of its rights would not be significantly less favorable to Gold Fields than the terms of its current rights. Any further adjustment to the ownership structure of Gold Fields' South African mining assets in order to meet BEE requirements could have a material adverse effect on the value of Gold Fields securities.

Failure by Gold Fields to comply with mineral rights legislation in any of the jurisdictions in which it operates may cause it to lose the right to mine, fail to acquire new rights to mine and may have a material adverse effect on Gold Fields' business, operating results and financial condition.

Further, Gold Fields may, in the future, incur significant costs as a result of changes in the interpretation of existing laws and guidelines, such as through the review of the Mining Charter in fiscal 2015 that has been announced by the South African government, or the imposition of new laws whether relating to the mining industry or otherwise, which may have a material adverse effect on Gold Fields' business, operating results and financial condition.

***An actual or alleged breach or breaches in governance processes, or fraud, bribery and corruption may lead to public and private censure, regulatory penalties, loss of licenses or permits and impact negatively upon our empowerment status and may damage Gold Fields reputation.***

Gold Fields operates globally in multiple jurisdictions and with numerous and complex frameworks, and its governance and compliance processes may not prevent potential breaches of law or accounting or other governance practices. Gold Fields' operating and ethical codes, among other standards and guidance, may not prevent instances of fraudulent behavior and dishonesty, nor guarantee compliance with legal and regulatory requirements.

Gold Fields has been informed that it is the subject of a regulatory investigation in the United States by the U.S. Securities and Exchange Commission, or SEC, relating to the Black Economic Empowerment, or BEE, transaction associated with the granting of the mining license for its South Deep operation. In South Africa, the Directorate for Priority Crime Investigation, or the Hawks, has informed the Company that it has started a preliminary investigation into this BEE transaction to determine whether or not to proceed to a formal investigation, following a complaint by the Democratic Alliance. At this stage, it is not possible to determine what effect the ultimate outcome of these investigations, any regulatory findings and any related developments may have on the Company. See Information on the Company Legal Proceedings and Investigations Regulatory Investigations.

To the extent that Gold Fields suffers from any actual or alleged breach or breaches of relevant laws (including South African anti-bribery and corruption legislation or the U.S. Foreign Corrupt Practices Act of 1977) under any circumstances, they may lead to regulatory and civil fines, litigation, public and private censure, loss of operating licenses or permits and impact negatively upon our empowerment status and may damage Gold Fields' reputation. The occurrence of any of these events could have a material adverse effect on Gold Fields' business, operating results and financial condition.

***Due to the nature of mining and the extensive environmental footprint of the operations, environmental and industrial accidents and pollution may result in operational disruptions such as stoppages which could result in increased production costs as well as financial and regulatory liabilities.***

Gold mining by its nature involves significant risks and hazards, including environmental hazards and industrial and mining accidents. These may include, for example, seismic events, fires, cave-ins and blockages, flooding, discharges of gases and toxic substances, contamination of water, air or soil resources, radioactivity and

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other accidents or conditions resulting from mining activities including, among other things, blasting and the transport, storage and handling of hazardous materials.

The occurrence of any of these hazards or risks could delay or halt production, increase production costs and result in financial and regulatory liability for Gold Fields (including as a result of the occurrence of hazards that took place at the Spin-off operations when they were owned by Gold Fields), which could have a material adverse effect on Gold Fields' business, operating results and financial condition.

***Due to ageing infrastructure at our operations, unplanned breakdowns and stoppages may result in production delays, increased costs and industrial accidents.***

Once a shaft or a processing plant has reached the end of its intended lifespan, more than normal maintenance and care is required. Some of Gold Fields' infrastructure in South Africa, Ghana and Australia falls into this category. Ageing infrastructure may also cause the Group to be unable to maintain throughput at its operations in Peru. Although Gold Fields has comprehensive strategies in place to address these issues, including maintenance and process plant optimization projects, incidents resulting in production delays, increased costs or industrial accidents may occur. Such incidents may have a material adverse effect on Gold Fields' business, operating results and financial condition.

***If Gold Fields loses senior management or is unable to hire and retain sufficient technically skilled employees or sufficient HDSA representation in management positions, its business may be materially adversely affected.***

Gold Fields' ability to operate or expand effectively depends largely on the experience, skills and performance of its senior management team and technically skilled employees. However, the mining industry, including Gold Fields, continues to experience a global shortage of qualified senior management and technically skilled employees. In particular, there is a shortage of mechanized mining skills in the South African gold mining industry. Gold Fields may be unable to hire or retain appropriate senior management, technically skilled employees or other management personnel, or may have to pay higher levels of remuneration than it currently intends in order to do so. Additionally, as a condition of our mining license at South Deep, we must ensure that there is sufficient HDSA participation in our management and core and critical skills, and failure to do so could result in fines or the loss or suspension of our mining license. If Gold Fields is not able to hire and retain appropriate management and technically skilled personnel or is unable to obtain sufficient HDSA representation in management positions or if there are not sufficient succession plans in place, this could have a material adverse effect on its business (including production levels), operating results and financial position.

***Because gold is generally sold in U.S. dollars, while some of Gold Fields' production costs are in Australian dollars, Rand and other non-U.S. dollar currencies, Gold Fields' operating results and financial condition could be materially harmed by a material change in the value of these non-U.S. dollar currencies.***

Gold is principally sold throughout the world in U.S. dollars. Gold Fields' costs of production are incurred principally in U.S. dollars, Australian dollars, Rand and other currencies. Recent volatility in the Rand (including significant depreciation of the Rand against the U.S. dollar in recent years) and depreciation of the Australian dollar against the U.S. dollar in fiscal 2014 has made our costs in South Africa and Australia and results of operations less predictable than when exchange rates are more stable. As a result, any significant and sustained appreciation of any of these non-U.S. dollar currencies against the U.S. dollar may materially increase Gold Fields' costs in U.S. dollar terms, which could materially adversely affect Gold Fields' business, operating results and financial condition.

Conversely, inflation in any of the countries in which it operates could increase the prices Gold Fields pays for products and services and could have a material adverse effect on Gold Fields' business, operating results and financial condition if not offset by increased gold prices.

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***Gold Fields may experience unforeseen difficulties, delays or costs in implementing its business strategy and projects, including any strategic projects, cost-cutting initiatives, divestments and other initiatives and any such strategy or project may not result in the anticipated benefits.***

The ability to grow the business will depend on the successful implementation of Gold Fields' existing and proposed strategic initiatives, such as the ramping up of production at South Deep (which accounts for 73% of Gold Fields' mineral reserves), and the achievement of a 15% free cash flow margin, or FCF Margin, at U.S.\$1,300/oz. See Information on the Company Strategy.

The successful implementation of the Company's strategic initiatives depends upon many factors, including those outside its control. For example, the successful achievement of a 15% FCF Margin at U.S.\$1,300/oz. will depend on, among other things, prevailing market prices for input costs. Gold Fields may also prove unable to deliver on production targets and other strategic initiatives, including ramping-up of key capital projects, such as the South Deep mine in South Africa. Unforeseen difficulties, delays or costs may adversely affect the successful implementation of Gold Fields' business strategy and projects, and such strategy and projects may not result in the anticipated benefits. For example, in 2014 South Deep experienced a 34% decrease in production principally due to the introduction of an extensive safety-related ground support remediation intervention and the imposition of a work stoppage by the DMR following three fatalities at the mine. Any such difficulties, delays or costs could prevent Gold Fields from fully implementing its business strategy, which could have a material adverse effect on its business, operating results and financial condition.

Gold Fields is in the process of implementing initiatives relating to its strategic alignment, including the reduction of marginal mining, cost-efficiency initiatives, increased brownfield exploration, production planning, cost-cutting and divestments. Any future contribution of these measures to profitability will be influenced by the actual benefits and savings achieved and by Gold Fields' ability to sustain these ongoing efforts. Strategic alignment and cost-cutting initiatives may involve various risks, including, for example, labor unrest, operating licence withdrawal, and potential knock-on effects to other company projects and jurisdictions. The risk is elevated in South Africa, given Gold Fields' mining licence obligations. See Gold Fields' mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute.

In addition, these measures may not be implemented as planned; turn out to be less effective than anticipated; only become effective later than anticipated; or not be effective at all. Any of these outcomes, individually or in combination, may have a material adverse effect on Gold Fields' business, operating results and financial condition.

As part of its strategy, Gold Fields has stated that it intends to dispose of certain of its exploration and development assets. With respect to these and any other dispositions, Gold Fields' may not be able to obtain prices that it expects for assets it seeks to dispose of or to complete the contemplated disposals in the timeframe contemplated or at all. Any of the above could have a negative impact on Gold Fields' business, operating results and financial condition.

***Mining companies are increasingly required to operate in a sustainable manner and to provide benefits to affected communities. Failure to comply with these requirements can result in legal suits, additional operational costs, investor divestment and loss of social licence to operate, which could adversely impact Gold Fields' business, operating results and financial condition.***

Many mining companies face increasing pressure over their social license to operate which can be understood as the acceptance of the activities of these companies by local stakeholders. While formal permission to operate is ultimately granted by host governments, many mining activities require social permission from host communities and influential stakeholders to carry out operations effectively and profitably.

These businesses are under pressure to demonstrate that, while they seek a satisfactory return on investment for shareholders, the environment, human rights and other key sustainability issues are responsibly managed and stakeholders, such as employees, host communities and the countries in which they operate, also benefit from their commercial activities. The potential consequences of these pressures and the adverse publicity in cases where companies are believed not to be creating sufficient social and economic benefit or are perceived to not be

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responsibly managing other sustainability issues may result in additional operating costs, reputational damage, active community opposition (possibly resulting in stoppages), allegations of human rights abuses, legal suits and investor withdrawal.

In order to maintain its social license to operate, Gold Fields may need to design or redesign parts of its mining operations to minimize their impact on such communities and the environment, either by changing mining plans to avoid such impact, by modifying operations, or by relocating the affected people to an agreed location. Responsive measures may also include the full restoration of livelihoods of those impacted. In addition, Gold Fields is obliged to comply with the terms and conditions of all the mining rights it holds in South Africa. In this regard, the SLP provisions of our mining rights must make provision for local economic development, among other obligations. See [Information on the Company Environmental and Regulatory Matter South Africa Mineral Rights](#). Gold Fields also undertakes social and economic development spending in Australia, Ghana and Peru, both voluntarily and as a condition of its mining licenses. See [Information on the Company Sustainable Development](#). In addition, as Gold Fields has a long history of mining operations in certain regions or has purchased operations which have a long history, issues may arise regarding historical as well as potential future environmental or health impacts in those areas.

Delays in projects attributable to a lack of community support can translate directly into a decrease in the value of a project or into an inability to bring the project to, or maintain, production. The cost of measures and other issues relating to the sustainable development of mining operations could place significant demands on personnel resources, could increase capital and operating costs and could have a material adverse impact on Gold Fields' reputation, business, operating results and financial condition.

***Gold Fields is subject to various regulatory costs, such as mining taxes and royalties, changes to which may have a material adverse effect on Gold Fields' operations and profits.***

In recent years, governments (local and national), communities, non-governmental organizations and trade unions in several jurisdictions have sought and, in some cases, have implemented greater cost imposts on the mining industry, including through the imposition of additional taxes and royalties. Such resource nationalism, whether in the form of cost imposts, interference in project management, mandatory social investment requirements, local content requirements or creeping expropriation could impact the global mining industry and Gold Fields' business, operating results and financial condition.

In South Africa, the African National Congress, or the ANC, has adopted two recommended approaches to interacting with the mining industry. While the ANC has rejected the possibility of mine nationalization for now, the first approach contemplates, among other things, greater state intervention in the mining industry, including the revision of existing royalties, the imposition of new taxes and an increase in the South African government's holdings in mining companies. The second approach contemplates the South African government taking a more active role in the mining sector, including through the strengthening of a state mining company to be involved in new projects either through partnerships or individually.

The adopted policies may impose additional restrictions, obligations, operational costs, taxes or royalty payments on gold mining companies, including Gold Fields, any of which could have a material adverse effect on Gold Fields' business, operating results and financial condition.

In 2012, the Ghanaian government increased taxes on mining companies. These changes included an increase in the corporate income tax from 25% to 35%, an increase in stool/land rents to U.S.\$3,750 per km<sup>2</sup> from U.S.\$0.2 per km<sup>2</sup>, an increase in customs duties on mining equipment to 5% and the introduction of a temporary special import levy of 1% to 2%. Further, in Ghana, the ownership of land on which there are mineral deposits is separate from the ownership of the minerals. Mining companies must pay royalties of 5% of the total revenue earned from minerals. The government also has a right to obtain a 10% free-carried interest in mining leases. See [Information on the Company Environmental and Regulatory Matters Ghana Mineral Rights](#).

In Peru, the general corporate income tax rate was reduced from 30% to 28% with effect from January 1, 2015, and will be further reduced in future until it reaches 26% in 2019. In turn, the dividends income tax rate



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applicable to non-resident shareholders has increased from 4.1% to 6.8% and will be further increased until it reaches 9.3% in 2019. These changes in rates are not immediately applicable to Gold Fields La Cima and Gold Fields Corona (BVI) as they have executed Legal Stability Agreements, which provide stability regarding certain aspects of the income tax, hiring and export legal regimes, with the Private Investment Promotion Agency, or PROINVERSION, which have stabilized the income tax rates in force on the date of their execution. However, after 2017, when the Legal Stability Agreements expire, Gold Fields La Cima and Gold Fields Corona (BVI) will be subject to the general regime in force at that time.

Since July 2012, mining companies have also been required to pay an annual supervisory contribution to the the Supervisory Body of Investment in Energy and Mining (*Organismo Supervisor de la Inversión en Energía y Minería*), or the OSINERGMIN, as well as to the Assessment and Environment Supervising Agency (*Organismo de Evaluación y Fiscalización Ambiental*), or the OEFA. See Information on the Company Environmental and Regulatory Matters Peru Mining Royalty and Other Special Mining Taxes and Charges.

In addition, a consultation law has been enacted, requiring the government to consult with indigenous or native populations on legislative or administrative proposals that may have an impact on their collective rights. See Information on the Company Environmental and Regulatory Matters Peru Mining Royalty and Other Special Mining Taxes and Charges.

The impositions of additional restrictions, obligations, operational costs, taxes or royalty payments could have a material adverse effect on Gold Fields business, operating results and financial condition.

***Economic, political or social instability in the countries or regions where Gold Fields operates may have a material adverse effect on Gold Fields operations and profits.***

In fiscal 2014, approximately 9%, 32%, 45% and 14% of Gold Fields production was in South Africa, Ghana, Australia and Peru, respectively. Changes or instability in the economic, political or social environment in any of these countries or in neighboring countries could affect an investment in Gold Fields.

High levels of unemployment and a shortage of critical skills in South Africa, despite increased government expenditure on education and training, remain issues and deterrents to foreign investment. The volatile and uncertain labor environment, which severely impacts the local economy and investor confidence, has led, and may lead, to further downgrades in national credit ratings, making investment more expensive and difficult to secure. See Gold Fields operations and profits have been and may be adversely affected by union activity and new and existing labor laws. This may restrict Gold Fields future access to international financing and could have a material adverse effect on Gold Fields business, operating results and financial condition.

Furthermore, while the South African government has stated that it does not intend to nationalize mining assets or mining companies, certain new smaller political parties have stated publicly and in the media that the government should embark on a program of nationalization. Any threats of, or actual proceedings to, nationalize any of Gold Fields assets, could halt or curtail operations, resulting in a material adverse effect on Gold Fields business, operating results and financial condition and could cause the value of Gold Fields securities to decline rapidly and dramatically, possibly causing investors to lose the entirety of their respective investments.

There has also been regional social instability in the area around Gold Fields mining operations in Peru, where recent political developments in fiscal 2014 have resulted in the election of local and regional officeholders who have taken public positions opposed to mining operations. There is also the potential for social instability or protests regarding mining activity in the communities near Gold Fields South Deep mine relating to, among other things, community investment, environmental concerns, service delivery by local government or other issues. These developments could result in Gold Fields experiencing opposition in connection with its operations in Peru or South Africa. Such opposition at any of Gold Fields operations, in particular if it causes any stoppages, as well as any protests aimed at other mining operations that affect its operations, could have a material adverse effect on Gold Fields business, operating results and financial condition.

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Gold Fields' South Deep mining operation depends upon electrical power generated by the state utility provider, Eskom Limited, or Eskom. See Operating and Financial Review and Prospects Overview Costs. Eskom holds a monopoly on power supply in the South African market. Eskom applied to the National Energy Regulator of South Africa, or NERSA, for tariff increases and for 2015 NERSA granted Eskom an average tariff increase of 12.69% effective April 1, 2015, being 8% plus 4.69% due to the clawing back by Eskom of prudent costs from the Regulatory Clearing Account for the three year period from April 2010 to March 2013. It has also been reported that Eskom intends to request permission to raise the power tariff by 25%, instead of 12.69%, in order to make up a cashflow shortfall. NERSA has given permission for Eskom to raise rates further but it is unclear what the actual rate increase will be. In addition, the South African Minister of Finance has announced a two per cent per kilowatt hour environmental levy on electricity. The actual legislated increase applicable to the South African mining industry effective April 1, 2014 was 8%. Should Gold Fields experience further power tariff increases, its business, operating results and financial condition may be adversely impacted.

In Australia, Gold Fields' St. Ives and Agnew/Lawlers mines contract for the supply of electricity with BHP Nickel-West under a power purchasing agreement. Granny Smith is expected to receive its future energy supply from a new gas pipeline, which has been constructed by the nearby Tropicana mine to supply gas to its operations. Access to this pipeline is subject to the construction of a gas power station, successful negotiations on gas supply and regulatory approval. If any of Gold Fields' Australian operations were to lose their supply, or if Granny Smith is not able to access the proposed pipeline, replacement of this supply may entail a significant increase in costs due to the volatile Western Australian gas market. Any such increase in costs could have a material adverse impact on Gold Fields' business and operating results.

Both Gold Fields Ghana Limited, or Gold Fields Ghana, and Abosso Gold Fields Limited, or Abosso, concluded tariff negotiations for 2013, 2014 and 2015 with their respective power suppliers (the state electricity supplier, the Volta River Authority, or VRA, supplies power to Gold Fields Ghana and the Electricity Company of Ghana, or ECG, provides power to Abosso). ECG's rate for the period January 1, 2012 to December 31, 2013 was \$0.1809/kWh. ECG's tariffs from January 1, 2014 to December 31, 2014 was \$0.216/kWh and that from January 1, 2015 to December 31, 2015 is \$0.23/kWh. Gold Fields Ghana has agreed tariffs with VRA with a base tariff of \$0.1674/kWh. Although Gold Fields Ghana has also entered into an agreement with Genser Energy, or Genser, for the supply of off-grid electricity, any further increase in the electricity price could have a material adverse effect on the Group's business and operating results. See Information on the Company Description of Mining Business.

***Power stoppages, fluctuations and usage constraints may force Gold Fields to halt or curtail operations.***

Electricity supply in South Africa remains constrained and future power disruptions are possible. Labor unrest in South Africa during fiscal 2012 disrupted the supply of coal to Eskom's power station resulting in interrupted supply. In the first quarter of fiscal 2014, rain impacted coal supply and placed serious strain on Eskom's ability to provide power. In November 2014, Eskom declared a power emergency and required large industrial users, including Gold Fields' South Deep operation, to reduce their electricity usage by 10% for five hours as part of a broader load shedding program. Eskom has warned that, while it has adopted a policy of asking households to reduce usage before asking industrial users to do so in order to reduce the economic impact of such disruptions, power constraints will continue.

Gold Fields has been warned of possible load shedding under its voluntary load curtailment agreement with Eskom. Under this agreement, Gold Fields is required to reduce demand by up to 25% of load at the time, depending on the severity of the shortage, for a specified period of time during which the national grid is unable to maintain its load. Any further disruption or decrease in the electrical power supply available to Gold Fields' South Deep operation could have a material adverse effect on its business, operating results and financial condition.

The Department of Energy is developing a power conservation program in an attempt to improve the power situation in South Africa and Eskom is embarking on the construction of new power stations, among other resources. However, there can be no assurance that these and other interventions will provide sufficient supply for the needs of the country or for Gold Fields to run its operations at full capacity or at all.

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Although the VRA has not imposed any power cuts in Ghana since August 2006, frequent power interruptions have occurred in the power supplied by the ECG. There was an increase in power interruptions in fiscal 2014 which has led to an ongoing load shedding exercise. While the Ghanaian Ministry of Power has projected that the situation will improve by the end of March 2015, there can be no guarantee that further power interruptions will not occur. While Gold Fields has taken steps to source power from an independent power producer to complement its self-generation source, there can be no guarantee that Gold Fields will be able to source enough power to make up for any shortfall in the power supplied by ECG.

Should Gold Fields continue to experience power outages, fluctuations or usage constraints at any of its operations, then its business, operating results and financial condition may be materially adversely impacted.

### ***Actual and potential supply chain shortages and increases in the prices of production inputs may have a material adverse effect on Gold Fields operations and profits.***

Gold Fields' operating results may be affected by the availability and pricing of raw materials and other essential production inputs, including fuel, steel and cyanide and other reagents. The price and quality of raw materials may be substantially affected by changes in global supply and demand, along with weather conditions, governmental controls and other factors. A sustained interruption in the supply of any of these materials would require Gold Fields to find acceptable substitute suppliers and could require it to pay higher prices for such materials. Any significant increase in the prices of these materials will increase the Company's operating costs and affect production considerations.

The price of oil has been volatile, fluctuating between \$56 and \$115 per barrel of Brent Crude in 2014. As of March 16, 2015, the price of oil was at \$53 per barrel of Brent Crude. Gold Fields entered into oil price hedging arrangements in respect of its Australian operations. Absent these arrangements and assuming there is no government intervention to stabilize oil prices, management estimates that for every \$10 per barrel increase in the oil price, other factors remaining equal, the total all-in-cost at its operations in Ghana, Australia and Peru would increase by approximately \$18, \$5 and \$7 per ounce, respectively. The all-in cost of certain of Gold Fields' mines, particularly its West African mines, are most sensitive to changes in the price of oil.

Furthermore, the price of steel has also been volatile. Steel is used in the manufacture of most forms of fixed and mobile mining equipment, which is a relatively large contributor to the operating costs and capital expenditure of a mine.

Fluctuations in oil and steel prices have a significant impact on operating costs and capital expenditure estimates and, in the absence of other economic fluctuations, could result in significant changes in the total expenditure estimates for new mining projects or render certain projects non-viable.

### ***Gold Fields' insurance coverage may not adequately satisfy all potential claims in the future.***

Gold Fields has an insurance program, however, it may become subject to liability against which it has not insured, cannot insure or has insufficiently insured, including those in respect of past mining activities. Gold Fields' existing property and liability insurance contains exclusions and limitations on coverage. For example, should Gold Fields be subject to any regulatory or criminal fines or penalties, these amounts would not be covered under its insurance program. Should Gold Fields suffer a major loss, future earnings could be affected. In addition, insurance may not continue to be available at economically acceptable premiums. As a result, in the future, Gold Fields' insurance coverage may not cover the extent of claims against it or any cross-claims made.

### ***Gold Fields' financial flexibility could be materially constrained by South African exchange control regulations.***

South Africa's exchange control regulations, or the Exchange Control Regulations, restrict the export of capital from South Africa, the Republic of Namibia, and the Kingdoms of Lesotho and Swaziland, known collectively as the Common Monetary Area, or the CMA. Transactions between South African residents (including companies) and non-residents of the CMA are subject to exchange controls enforced by the South

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African Reserve Bank, or SARB. As a result, Gold Fields' ability to raise and deploy capital outside the CMA is restricted. These restrictions could hinder Gold Fields' financial and strategic flexibility, particularly its ability to fund acquisitions, capital expenditures and exploration projects outside South Africa. See Information on the Company Environmental and Regulatory Matters South Africa Exchange Controls.

***Gold Fields may suffer material adverse consequences as a result of its reliance on outside contractors to conduct some of its operations.***

A portion of Gold Fields' operations in South Africa, Ghana, Australia and Peru are currently conducted by outside contractors. As a result, Gold Fields' operations at those sites are subject to a number of risks, some of which are outside Gold Fields' control, including contract risk, execution risk, litigation risk, regulatory risk and labor risk.

In addition, Gold Fields may incur liability to third parties as a result of the actions of its contractors. The occurrence of one or more of these risks could have a material adverse effect on Gold Fields' business, operating results and financial condition. See Directors, Senior Management and Employees Employees Labor Relations South Africa, Directors, Senior Management and Employees Employees Labor Relations Ghana, Directors, Senior Management and Employees Employees Labor Relations Australia and Directors, Senior Management and Employees Employees Labor Relations Peru.

***Regulation of greenhouse gas emissions and climate change issues may materially adversely affect Gold Fields' operations.***

Energy is a significant input and cost to Gold Fields' mining and processing operations, with its principal energy sources being electricity, purchased petroleum products, natural gas and coal. A number of governments or governmental bodies, including the United Nations Framework Convention on Climate Change and the Kyoto Protocol, have introduced or are contemplating regulatory changes in response to the potential impact of climate change. Many of these contemplate restricting emissions of greenhouse gases in jurisdictions in which Gold Fields operates.

In Australia, the Australian Clean Energy Act 2011 (Cth), or Clean Energy Act, and associated legislation establishing a national carbon pricing scheme, or Scheme, passed into law in November 2011. The Scheme was subsequently repealed with effect from July 1, 2014. The overall impact of the Scheme for the period prior to July 1, 2014 was approximately A\$12 million per annum on Gold Fields' Australian operations (including the Yilgarn South Assets). See Information on the Company Environmental and Regulatory Matters Australia Environmental.

A carbon tax has been mooted in South Africa for some time, with the most recent indication of the government's resolve to introduce the tax being the announcement, by the Minister of Finance in his 2015 Budget Speech, of the South African Treasury's intention to release draft carbon tax legislation for public consultation during the first half of 2015 with a view to the implementation of the tax by mid-2016. At this time it is not possible to determine the ultimate impact of the proposed carbon tax on the Company. See Information on the Company Environmental and Regulatory Matters South Africa Environmental.

In addition, a number of other regulatory initiatives are underway in countries in which Gold Fields operates that seek to reduce or limit industrial greenhouse gas emissions. These regulatory initiatives will be either voluntary or mandatory and are likely to impact Gold Fields' operations directly or by affecting the cost of doing business, for example by increasing the costs of its suppliers or customers. Inconsistency of regulations particularly between developed and developing countries may affect both Gold Fields' decision to pursue opportunities in certain countries and its costs of operations. Assessments of the potential impact of future climate change regulation are uncertain, given the wide scope of potential regulatory change in countries in which Gold Fields operates.

Furthermore, the potential physical impacts of climate change on Gold Fields' operations are highly uncertain and may adversely impact the business, operating results and financial condition of Gold Fields' operations.

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***Theft of gold and copper bearing materials and production inputs, as well as illegal and artisanal mining, occur on some of Gold Fields properties, are difficult to control, can disrupt Gold Fields business and can expose Gold Fields to liability.***

A number of Gold Fields properties have experienced illegal and artisanal mining activities and theft of gold and copper bearing materials and copper cables (which may be by employees or third parties). The activities of illegal and artisanal miners could lead to depletion of mineral reserves, potentially affecting the economic viability of mining certain areas and shortening the lives of the operations as well as causing possible operational disruption, project delays, disputes with illegal miners and communities, pollution or damage to property for which Gold Fields could potentially be held responsible, leading to fines or other costs. Rising gold and copper prices may result in an increase in gold and copper thefts. The occurrence of any of these events could have a material adverse effect on Gold Fields business, operating results and financial condition.

***HIV/AIDS, tuberculosis and other contagious diseases pose risks to Gold Fields in terms of lost productivity and increased costs.***

The prevalence of HIV/AIDS in South Africa poses risks to Gold Fields in terms of potentially reduced productivity and increased medical and other costs. Compounding this are the concomitant infections, such as tuberculosis, that can accompany HIV illness, particularly at the end stages, and cause additional healthcare-related costs. If there is a significant increase in the incidence of HIV/AIDS infection and related diseases among the workforce, this may have a material adverse effect on Gold Fields business, operating results and financial condition. See Directors, Senior Management and Employees Employees Health and Safety Health HIV/AIDS Program.

Additionally, the spread of contagious diseases such as respiratory diseases are exacerbated by communal housing and close quarters. The spread of such diseases could impact employees productivity, treatment costs and, therefore, operational costs.

***Gold Fields operations are subject to environmental and health and safety regulations, which could impose additional costs and compliance requirements and Gold Fields may face claims and liability for breaches, or alleged breaches, of such regulations and other applicable laws.***

Gold Fields operations are subject to various environmental and health and safety laws, regulations, permitting requirements and standards. For example, Gold Fields is required to secure estimated mine closure liabilities. The funding methods used to make provision for the required portion of the mine closure cost liabilities, in accordance with in-country legislation, are as follows:

South Africa: contributions into environmental trust funds and guarantees;

Ghana: reclamation bonds underwritten by banks, and restricted cash;

Australia: due to legislative changes in Western Australia becoming effective in July 2014, companies are now required to pay an annual levy to the State of 1% of the total mine closure liability. This levy goes into a State-administered fund known as the Mine Rehabilitation Fund which will be used to rehabilitate legacy sites or sites that have been prematurely closed or abandoned; and

Peru: bank guarantees.

Gold Fields may in the future incur significant costs to comply with such environmental and health and safety requirements imposed under existing or new legislation, regulations or permit requirements or to comply with changes in existing laws and regulations or the manner in which they are applied. Gold Fields may also be subject to litigation and other costs as well as actions by authorities relating to environmental and health and safety matters, including mine closures, the suspension of operations and prosecution for industrial accidents as well as significant penalties and fines for non-compliance. These costs could have a material adverse effect on Gold Fields business, results of operations and financial condition. See Information on the Company Environmental and Regulatory Matters.

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The principal health risks associated with Gold Fields' mining operations in South Africa arise from occupational exposure and potential community environmental exposure to silica dust, noise and certain hazardous substances, including toxic gases and radioactive particulates. The most significant occupational diseases affecting Gold Fields' workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease, or COAD) as well as noise-induced hearing loss, or NIHL. Employees have sought and may continue to seek compensation for certain illnesses, such as silicosis, from their employer under workers compensation and also, at the same time, in a civil action under common law (either as individuals or as a class) as is the case with the silicosis individual and class action lawsuits. Such actions may also arise in connection with the alleged incidence of such diseases in communities proximate to Gold Fields' mines.

A consolidated application has been brought against several South African mining companies, including Gold Fields, for certification of a class action on behalf of current or former mineworkers (and their dependants) who have allegedly contracted silicosis and/or tuberculosis, while working for one or more of the mining companies listed in the application. The certification application will be heard in October 2015, and will be preceded by various legal technical applications and court processes. In addition to the class action, an individual silicosis-related action has been instituted against Gold Fields and one other mining company. See *Information on the Company Legal Proceedings and Investigations Silicosis*. If a significant number of such claims were suitably established against it, the payment of compensation for the claims and for any significant additional costs arising out of these issues could have a material adverse effect on Gold Fields' business, reputation, operating results and financial condition.

South Africa's deputy Mineral Resources Minister has stated that the ministry may increase sanctions, including closures, for mines in which fatalities occur because of violations of health and safety rules. The DMR can and does issue, in the ordinary course of its operations, instructions, including Section 54 orders, following safety incidents or accidents to partially or completely halt operations at affected mines. It is also Gold Fields' policy to halt production at its operations when serious accidents occur in order to rectify dangerous situations and, if necessary, retrain workers. In May and July 2014, the DMR imposed Section 54 work stoppage orders on Gold Fields' South Deep operation following three fatalities at the mine, which led to the deferral of about 16,000 ounces of production. Gold Fields also embarked on a secondary support intervention which restricted access to certain parts of the mine, leading to the deferral of approximately 48,225 ounces of production in fiscal 2014 with knock-on effects in fiscal 2015. In addition, there can be no assurance that the unions will not take industrial action in response to such accidents which could lead to losses in Gold Fields' production. Any additional stoppages in production, or increased costs associated with such incidents, could have a material adverse effect on Gold Fields' business, operating results and financial condition. Such incidents may also negatively affect Gold Fields' reputation with, among others, employees and unions, South African regulators and regulators in other jurisdictions in which Gold Fields operates.

Gold Fields could incur significant costs as a result of pending or threatened litigation, which could have a material adverse effect on Gold Fields' business, operating results and financial condition. See *Information on the Company Legal Proceedings and Investigations Silicosis*. Further, any new regulations, potential litigation or any changes to the health and safety laws which increase the burden of compliance or the penalties for non-compliance may cause Gold Fields to incur further significant costs and could have a material adverse effect on Gold Fields' business, operating results and financial condition. See *Information on the Company Environmental and Regulatory Matters Health and Safety*.

***To the extent that Gold Fields seeks to add to its reserve base through exploration, it may experience problems associated with mineral exploration or developing mining projects.***

In order to expand its operations and reserve base, Gold Fields may rely on exploration for gold, and other metals associated with gold, as well as its ability to develop mining projects. Exploration for gold and other metals associated with gold is speculative in nature, involves many risks and is frequently unsuccessful. To the extent that ore bodies are to be developed, it can take a number of years and substantial expenditures from the initial phases of drilling until production commences, during which time the economic feasibility of production may change. In addition, to the extent Gold Fields participates in the development of a project through a joint

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venture or any other multi-party commercial structure, there could be disagreements, legal or otherwise, or divergent interests or goals amongst the parties, which could jeopardize the success of the project.

Furthermore, significant capital investment is required to achieve commercial production from exploration efforts. There is no assurance that Gold Fields will have, or be able to raise, the required funds to engage in these activities or to meet its obligations with respect to the exploration properties in which it has or may acquire an interest.

***Gold Fields operations are subject to water use licenses, which could impose significant costs and burdens.***

Under South African and Ghanaian laws, respectively, Gold Fields South Deep, Tarkwa and Damang operations are subject to water use licenses that govern each operation's water usage and that require, among other things, mining operations to achieve and maintain certain water quality limits regarding all water discharges. Gold Fields is required to comply with these regulations under its permits and licenses and any failure to do so could result in the curtailment or halting of production at the affected locations.

Gold Fields continues to use all reasonable and practical measures to remove underground water to permit the routine safe functioning of South Deep. South Deep was issued with a water use licence in November 2011. Certain conditions and other aspects of the approved license were identified as requiring modification and an application to address these was submitted to the Department of Water Affairs and Sanitation, or DWAS, in February 2012. A further amended water use license application was submitted to the DWAS in November 2013, primarily to reflect the results of a re-assessment of expected water use requirements and a changing water balance. No response was received from the DWAS in relation to the 2013 amendment. In November 2014, an agreement was reached with the DWAS to withdraw the 2013 amendment and to submit an updated amendment during the second quarter of fiscal 2015. The new amendment will reflect a variety of water management projects and initiatives that were implemented during fiscal 2014 and that are planned for implementation in fiscal 2015 and 2016. A presentation was provided to the DWAS in March 2015 to appraise them of the proposed structure and content of the new amendment, prior to the planned re-submission in April or May 2015. Gold Fields expects to incur significant expenditure to achieve and maintain compliance with the license requirements at South Deep and other regulatory requirements.

Gold Fields is also implementing a water and environmental management strategy in an effort to satisfy the conditions of its water use license and other relevant water and environmental regulatory requirements. However, there can be no assurance that Gold Fields will be able to meet all of its water and environmental regulatory requirements, primarily due to the inherent uncertainties related to certain requirements of the legislation, which are subject to ongoing discussions between government and the mining industry through the Chamber of Mines.

Any failure on Gold Fields' part to achieve or maintain compliance with the requirements of its water use licenses with respect to any of its operations could result in Gold Fields being subject to substantial claims, penalties, fees and expenses; significant delays in operations; or the loss of the relevant water use license, which could curtail or halt production at the affected operation. Any of the above could have a material adverse effect on Gold Fields' business, operating results and financial condition.

***Gold Fields has experienced and may experience further acid mine drainage related pollution, which may compromise its ability to comply with legislative requirements or results in additional operating or closure cost liabilities.***

Acid mine drainage, or AMD, and acid rock drainage, or ARD (collectively called acid drainage, or AD), are caused when certain sulphide minerals in rocks are exposed to oxidizing conditions (such as the presence of oxygen, combined with water). AD can occur under natural conditions or as a result of the sulphide minerals that are encountered and exposed to oxidation during mining or during storage in waste rock dumps, ore stockpiles or tailings dams. The acidic water that forms usually contains iron and other metals if they are contained in the host rock.

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AD generation, and the risk of potential long-term AD issues, specifically at Gold Fields' Cerro Corona and South Deep mines, is ongoing. Immaterial levels of surface AD generation also occur at Gold Fields' Tarkwa, Damang and St. Ives mines. Any AD which is currently generated is contained on Gold Fields property at all operations where it occurs and is managed as part of each mine's operational water management strategy. The relevant regulatory authorities are also kept apprised of the Group's efforts to manage AD through various submissions and other communications.

Gold Fields continues to investigate technical solutions at both its South Deep and Cerro Corona mines to better inform appropriate strategies for long-term AD management (mainly post-closure), as well as to work towards a reliable cost estimate of these potential issues. None of these studies have allowed Gold Fields to generate a reliable estimate of the total potential impact on the Group. In addition, there can be no assurance that Gold Fields will be successful in preventing or managing long term potential AMD issues at these operations.

Gold Fields' mine closure cost estimate (namely environmental rehabilitation provisions) for fiscal 2014 contains the aspects of AD management (namely tailings facilities, waste rock dumps, ore stockpiles and other surface infrastructure), which Management has been able to reliably estimate.

No adjustment for any effects on the Company that may result from potentially material (mainly post-closure) AD impacts at South Deep and Cerro Corona, has been made in the consolidated financial statements, other than through the Group's normal environmental rehabilitation provisions.

The existence of material long-term AD issues at any of Gold Fields' operations could cause it to fail to comply with its water use license requirements and could expose Gold Fields to fines, mine closures, production curtailment, additional operating costs and other liabilities, any of which could have a material adverse effect on Gold Fields' business, production, operating results and financial condition.

***Some of Gold Fields' tenements in Australia are subject to native title claims and include Aboriginal heritage sites, which could impose significant costs and burdens.***

Certain of Gold Fields' tenements are subject to current native title claims. For example, a number of mining tenements held by St. Ives are the subject of an ongoing native title claim brought by the Ngadju People, or the Ngadju Native Title Claim. In July 2014, the Federal Court of Australia, or the Federal Court, held that the re-granting of certain of St. Ives' tenements in 2004 by the State of Western Australia was not compliant with processes set out in the Native Title Act 1993 (Cth), or Native Title Act, and that the re-granted tenements were therefore invalid to the extent the exercise of rights under the tenements is inconsistent with the Ngadju People's native title rights. Gold Fields announced on December 12, 2014 that an appeal had been lodged against the decision. See Information on the Company Legal Proceedings and Investigations Ngadju Native Title Claim. Other tenements may become the subject of native title claims if Gold Fields seeks to expand or otherwise change its interest in rights to those tenements. There are also a number of recognized Aboriginal cultural heritage sites located on certain of Gold Fields' tenements.

Native title and Aboriginal cultural heritage legislation protects the claims and determined rights of Aboriginal people in relation to the land and waters throughout Australia in certain circumstances. Native title claims such as the Ngadju Native Title Claim could require costly negotiations with the registered claimants and could have implications for Gold Fields' access to or use of its tenements and, as a result, have a material adverse effect on Gold Fields' business, operating results and financial condition. Similarly, there are risks that if Aboriginal cultural heritage sites are damaged or materially altered as a result of current or future operations, Gold Fields could be subject to criminal and/or civil penalties under relevant legislation. See Information on the Company Environmental and Regulatory Matters Australia Land Claims.

***Gold Fields utilizes information technology and communications systems, the failure of which could significantly impact its operations and business.***

Gold Fields utilizes and is reliant on various information technology and communications systems, in particular SAP, payroll and time and attendance applications. Damage or interruption to Gold Fields' information



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technology and communications systems, whether due to accidents, human error, natural events or malicious acts, may lead to important data being irretrievably lost or damaged, thereby adversely affecting Gold Fields' business, prospects and operating results.

***Gold Fields has provided certain guarantees on notes issued by Gold Fields Orogen Holding (BVI) Limited. If Gold Fields were to become obligated to make payments under these guarantees, its operating results would be materially and adversely impacted.***

On September 30, 2010, Gold Fields Orogen Holding (BVI) Limited, or Orogen, announced the issue of \$1,000,000,000 4.875% guaranteed notes due October 7, 2020, or the Notes, issued on October 7, 2010. The payment of all amounts due in respect of the Notes was unconditionally and irrevocably guaranteed by Gold Fields, Sibanye Gold, Gold Fields Operations Limited, or GFO, and Gold Fields Holdings Company (BVI) Limited, or GFH, or, together, the Guarantors, on a joint and several basis. The Notes and guarantees constitute direct, unsubordinated and (subject to the negative pledge provisions related to further capital market indebtedness) unsecured obligations of Orogen and the Guarantors, respectively, and rank equally with all other existing and future unsubordinated and unsecured obligations from time to time outstanding of Orogen and the Guarantors, respectively.

Each of Gold Fields and the other Guarantors have entered into an indemnity agreement, or the Indemnity Agreement, in favor of Sibanye Gold in order to indemnify Sibanye Gold against any loss caused to Sibanye Gold in circumstances where Sibanye Gold is required to make a payment to noteholders or the trustee of the Notes by virtue of its guarantee of the Notes.

On March 12, 2015, Orogen launched a consent solicitation process seeking to obtain a consent from the holders of the Notes to, among other things, the release of Sibanye Gold as Guarantor of the Notes, or the Consent Solicitation. A meeting of Note holders seeking to approve the Consent Solicitation was held on April 7, 2015 and was adjourned due to lack of a quorum to April 22, 2015. There can be no guarantee that the Consent Solicitation will be approved and that Sibanye Gold will be released as Guarantor of the Notes. If the Consent Solicitation is not approved, Sibanye Gold will continue to be a Guarantor of Notes and the Indemnity Agreement will remain in place. If Gold Fields or the other Guarantors were to become obligated to indemnify Sibanye Gold, it could have a material adverse effect on Gold Fields' business, operating results and financial condition.

Further, market conditions may negatively impact Gold Fields' ability to obtain financing for amounts it becomes required to pay under its obligations as guarantor, as well as the rate of interest required to finance these amounts.

***Our high debt levels pose risks to our viability and may make us more vulnerable to adverse economic and competitive conditions, as well as other adverse developments.***

Gold Fields carries significant debt relative to its shareholder equity. As of December 31, 2014, Gold Fields' consolidated debt was approximately \$1.91 billion. Approximately \$0.79 billion of Gold Fields' consolidated debt securities come due over the 36 months following the date of this annual report.

Gold Fields' significant levels of debt can adversely affect it in several other respects, including:

limiting its ability to access the capital markets;

exposing it to the risk of credit rating downgrades, which would raise its borrowing costs and could limit its access to capital;

hindering its flexibility to plan for or react to changing market, industry or economic conditions;

limiting the amount of cash flow available for future operations, acquisitions, dividends, or other uses;

making it more vulnerable to economic or industry downturns, including interest rate increases;

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increasing the risk that it will need to sell assets, possibly on unfavorable terms, to meet payment obligations; or

increasing the risk that it may not meet the financial covenants contained in its debt agreements or timely make all required debt payments.

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The effects of each of these factors could be intensified if Gold Fields increases its borrowings. Any failure to make required debt payments could, among other things, adversely affect Gold Fields' ability to conduct operations or raise capital, which could have a material adverse effect on Gold Fields' business, operating results or financial condition.

***Shareholders outside South Africa may not be able to participate in future issues of securities (including ordinary shares) carried out by or on behalf of Gold Fields.***

Securities laws of certain jurisdictions may restrict Gold Fields' ability to allow participation by certain shareholders in future issues of securities (including ordinary shares) carried out by or on behalf of Gold Fields. In particular, holders of Gold Fields securities who are located in the United States (including those who hold ordinary shares or ADSs) may not be able to participate in securities offerings by or on behalf of Gold Fields unless a registration statement under the Securities Act is effective with respect to such securities or an exemption from the registration requirements of the Securities Act is available thereunder.

Securities laws of certain other jurisdictions may also restrict Gold Fields' ability to allow the participation of all holders in such jurisdictions in future issues of securities carried out by Gold Fields. Holders who have a registered address or are resident in, or who are citizens of, countries other than South Africa should consult their professional advisors as to whether they require any governmental or other consents or approvals or need to observe any other formalities to enable them to participate in any offering of Gold Fields securities.

***Investors in the United States and other jurisdictions outside South Africa may have difficulty bringing actions, and enforcing judgments, against Gold Fields, its directors and its executive officers based on the civil liabilities provisions of the federal securities laws or other laws of the United States or any state thereof or under the laws of other jurisdictions outside South Africa.***

Gold Fields is incorporated in South Africa. All of Gold Fields' directors and executive officers (as well as Gold Fields' independent registered public accounting firm) reside outside of the United States. Substantially all of the assets of these persons and substantially all of the assets of Gold Fields are located outside the United States. As a result, it may not be possible for investors to enforce against these persons or Gold Fields a judgment obtained in a United States court predicated upon the civil liability provisions of the federal securities or other laws of the United States or any state thereof. In addition, investors in other jurisdictions outside South Africa may face similar difficulties.

Investors should be aware that it is the policy of South African courts to award compensation for the loss or damage actually sustained by the person to whom the compensation is awarded. Although the award of punitive damages is generally unknown to the South African legal system, it does not mean that such awards are necessarily contrary to public policy. South African courts cannot enter into the merits of a foreign judgment and cannot act as a court of appeal or review over the foreign court. South African courts will usually implement their own procedural laws and, where an action based on an international contract is brought before a South African court, the capacity of the parties to the contract will usually be determined in accordance with South African law. It is doubtful whether an original action based on United States federal securities laws or the laws of other jurisdictions outside South Africa may be brought before South African courts. Further, a plaintiff who is not resident in South Africa may be required to provide security for costs in the event of proceedings being initiated in South Africa. In addition, the Rules of the High Court of South Africa require that documents executed outside South Africa must be authenticated for the purpose of use in South Africa.

Investors should also be aware that a foreign judgment is not directly enforceable in South Africa, but constitutes a cause of action which will be enforced by South African courts only if certain conditions are met.

***Investors may face liquidity risk in trading Gold Fields' ordinary shares on JSE Limited.***

Historically, trading volumes and liquidity of shares listed on the JSE have been low in comparison with other major markets. The ability of a holder to sell a substantial number of Gold Fields' ordinary shares on the JSE in a timely manner, especially in a large block trade, may be restricted by this limited liquidity. See "The Offer and Listing" JSE Limited .

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***Gold Fields may not pay dividends or make similar payments to its shareholders in the future and any dividend payment may be subject to withholding tax.***

Gold Fields pays cash dividends only if funds are available for that purpose. Whether funds are available depends on a variety of factors, including the amount of cash available and Gold Fields' capital expenditures (on both existing infrastructure as well as on exploration and other projects) and other cash requirements existing at the time. Under South African law, Gold Fields will be entitled to pay a dividend or similar payment to its shareholders only if it meets the solvency and liquidity tests set out in the Companies Act No. 71 of 2008, or the Companies Act, and Gold Fields' Memorandum of Incorporation. Given these factors and the Board of Directors' discretion to declare cash dividends or other similar payments, dividends may not be paid in the future. It should be noted that a 15% withholding tax on dividends declared by South African resident companies to non-resident shareholders or non-resident ADS holders was introduced with effect from April 1, 2012. See [Additional Information Taxation Certain South African Tax Considerations Withholding Tax on Dividends](#).

***Gold Fields' non-South African shareholders face additional investment risk from currency exchange rate fluctuations since any dividends will be paid in Rand.***

Dividends or distributions with respect to Gold Fields' ordinary shares have historically been paid in Rand. The U.S. dollar or other currency equivalent of future dividends or distributions with respect to Gold Fields' ordinary shares, if any, will be adversely affected by potential future reductions in the value of the Rand against the U.S. dollar or other currencies. In the future, it is possible that there will be changes in South African Exchange Control Regulations, such that dividends paid out of trading profits will not be freely transferable outside South Africa to shareholders who are not residents of the CMA. See [Additional Information South African Exchange Control Limitations Affecting Security Holders](#).

***Gold Fields' ordinary shares are subject to dilution upon the exercise of Gold Fields' outstanding share options.***

Shareholders' equity interests in Gold Fields will be diluted to the extent of future exercises or settlements of rights under the Gold Fields Limited 2012 Share Plan, the Gold Fields Limited 2005 Share Plan, and any additional rights. See [Directors, Senior Management and Employees The Gold Fields Limited 2012 Share Plan](#) and [Directors, Senior Management and Employees The Gold Fields Limited 2005 Share Plan](#). Gold Fields shares are also subject to dilution in the event that the Board is required to issue new shares in compliance with BEE legislation.

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**ITEM 4: INFORMATION ON THE COMPANY**

**Introduction**

Gold Fields is a significant producer of gold and a major holder of gold reserves in South Africa, Ghana, Australia and Peru. In Peru, Gold Fields also produces copper. Gold Fields is involved in underground and surface gold and copper mining and related activities, including exploration, development, extraction, processing and smelting. Gold Fields also has an interest in a platinum group metal (and associated by-product metals) exploration project in Finland (currently earmarked for divestment). See Information on the Company Planned Disposals .

In 2014, Gold Fields South African, West African, Australasian and American operations produced 9%, 32%, 45% and 14% of its total gold production, respectively. Gold Fields South African operation is South Deep. Gold Fields also owns the St. Ives mine, the Agnew mine and the Yilgarn South Assets in Australia and has a 90.0% interest in each of the Tarkwa gold mine and the Damang gold mine in Ghana. Gold Fields also owns a 99.53% economic interest in the Cerro Corona mine. In addition, Gold Fields has gold and other precious metal exploration activities and interests in Africa, Eurasia, Australasia and the Americas.

As of December 31, 2014, Gold Fields reported attributable proven and probable gold and copper reserves of approximately 48.1 million ounces of gold and 620 million pounds of copper, as compared to the 48.6 million ounces of gold and 708 million pounds of copper, reported as of December 31, 2013. See Reserves of Gold Fields as of December 31, 2014 Methodology .

In fiscal 2014, Gold Fields processed 33.513 million tonnes of ore and produced 2.294 million ounces of gold equivalent ounces. On an attributable basis, Gold Fields produced 2.219 million ounces of gold equivalent ounces.

**Competitive Position**

Gold Fields is a producer of gold and major holder of gold reserves in South Africa, Australia, Ghana, and Peru. Gold is a commodity product generally sold in U.S. dollars, with London being the world's primary gold trading market. Gold is also actively traded using futures and forward contracts. The price of gold has historically been significantly affected by macroeconomic factors, such as inflation, exchange rates and reserves policy and by global political and economic events, rather than simple supply and demand dynamics. As a general rule, Gold Fields sells the gold it produces at market prices to obtain the maximum benefit from prevailing gold prices.

The key gold producers globally have historically been Barrick Gold, Newmont Mining, AngloGold and Gold Fields, which produced 6.25, 4.85, 4.44 and 2.22 million ounces, respectively, in 2014 and together accounted for approximately 18% of the total global gold production for the year, according to the information provided by the companies and industry reports.

Based on fiscal 2014 production, the first, second and third largest gold producers in the world were Barrick Gold, Newmont Mining and AngloGold, respectively. According to publicly available sources, at March 16, 2015, Barrick Gold had 16 operations in eight countries, Newmont Mining had eight operations in four countries and AngloGold had 20 operations in 10 countries. In fiscal 2014, Gold Fields was the seventh largest gold producer in the world.

Gold Fields attempts to attract and retain motivated high caliber employees through a mix of guaranteed and performance-based remuneration, as well as short-term and long-term incentives, and non-financial rewards relating to work experience. However, the worldwide mining industry, including Gold Fields, continues to experience a shortage of qualified senior management and technically skilled employees. In order to maintain

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competitiveness in the global labor market, regular industry market surveys are conducted to benchmark remuneration practices and to keep abreast of industry movements regarding employee benefits and non-financial employee reward and recognition programs.

### **Developments since December 31, 2013**

Since the end of fiscal 2013, the following significant events have occurred:

On March 20, 2014, Gold Fields completed the sale of the Talas Copper-Gold Project to Robust Resources Limited. See [Gold Fields Mining Operations West Africa Operations Talas Copper-Gold Project](#) . On July 24, 2014, Gold Fields also disposed of its investment in Yanfolila. On August 19, 2014, Gold Fields disposed of its 51% stake in the Chucapaca exploration project in southern Peru. See [Operating and Financial Review and Prospects Overview Disposal of Chucapaca](#) and [Operating and Financial Review and Prospects Overview Disposal of Yanfolila](#) .

On March 12, 2015, Gold Fields announced the Consent Solicitation. A meeting of Note holders seeking to approve the Consent Solicitation was held on April 7, 2015 and was adjourned due to lack of a quorum to April 22, 2015. See [Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources U.S.\\$1 billion Notes Issue](#) .

### **Planned Disposals**

During fiscal 2013, Gold Fields decided to disband the Growth and International Projects, or GIP, division. As part of this restructuring, Gold Fields identified and earmarked for divestment growth projects that were not aligned with the Group's business objectives. Projects earmarked for divestment include the Arctic Platinum Project in Finland and Woodjam in Canada.

### **The Spin-off**

See [Operating and Financial Review and Prospects Overview The Spin-off](#) .

### **Organizational Structure**

Gold Fields is a holding company with its significant ownership interests organized as set forth below.

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**Group Structure<sup>(1)(2)</sup>**

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### Notes:

- (1) As of April 7, 2015, unless otherwise stated, all subsidiaries are, directly or indirectly, wholly-owned by Gold Fields Limited.
- (2) See Additional Information Material Contracts Additional Black Economic Empowerment Transactions .
- (3) Not all other subsidiaries and investments are wholly-owned.

Gold Fields is a limited public company incorporated in South Africa, with a registered office located at 150 Helen Road, Sandown, Sandton, 2196, South Africa, telephone number +27-11-562-9700.

### **Strategy**

#### ***General***

The transformation of Gold Fields has its roots in CEO Nick Holland's keynote address to the Melbourne Mining Club in August 2012. During this speech, he challenged the gold mining industry to reinvent itself with a more credible case for gold mining equities, by addressing investor perceptions prevailing at the time, that, collectively, they were not offering sufficient leverage to the then-high gold price.

Gold Fields' response to this challenge in the second half of fiscal 2012 was to adopt an ambitious and ongoing transformation process aimed at turning itself into a focused, lean and globally diversified gold mining company that generates meaningful free cash flow and provides investors with superior leverage to the price of gold. At the same time, our ability to generate cash enables us to meet the legitimate socio-economic demands of many of our other stakeholders, in line with our vision of leadership in sustainable gold mining.

At its core, this process entails a shift away from a focus on the pursuit of growth in production and reserve ounces at any cost, and the adoption of a new focus on growing its margins and improving free cash flow per ounce.

This fundamental shift in strategy was embodied in Gold Fields' overarching objective of achieving a 15% FCF Margin at a gold price of US\$1,300/oz, which has become the guiding principle for what it does, and is germane to the progressive transformation that the Group has seen over the last two and a half years.

The early adoption of the Group's focus on improving cash flow proved to be beneficial to the Group by providing it with an inbuilt safety cushion that is able to withstand lower gold prices, especially when the gold price declined significantly early in fiscal 2013 and again in fiscal 2014.

The trade-off between production volumes and production quality inherent in the Group's strategy has resulted in its adoption of a number of supporting and complementary strategies, first reported on in its 2013 Integrated Annual Review. Progress on these is outlined below:

#### *Focus on what the Group is good at*

The philosophical orientation guiding Gold Fields' transformation journey is to focus on those activities that it is good at. Following a process of serious analysis and introspection, the Group came to the conclusion that its core competencies are the operation of mechanized mines, mergers and acquisitions and brownfields (or near-mine) exploration.

One area in which the Group has been less successful is greenfields exploration and in taking projects from initial discovery through construction into production. Despite having spent in excess of U.S.\$1 billion on greenfields exploration since the founding of the modern Gold Fields in 1998, and having had some of the best exploration professionals in the business, Gold Fields has never taken a single project through this entire process. This demonstrates how elusive greenfields exploration success can be.



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In fact, Gold Fields' entire portfolio of current operating assets has been acquired. In contrast to its lack of success with greenfields exploration, the Group has been very successful at brownfields exploration, in particular at its orogenic-style assets in Australia and at Damang in Ghana. As a consequence of this outcome, the Group made the difficult decision to stop greenfields exploration as the key driver of growth, and to focus instead on acquisitions and brownfields exploration. Salares Norte in Chile which is a project in resource development, is a product of greenfields exploration but has since graduated up the maturity ladder and continues to be an active project. The Group therefore disbanded its GIP division in late fiscal 2013, and refocused its growth efforts on mergers and acquisitions and brownfields exploration. The Group's growth strategy and philosophy is discussed in more detail below.

With respect to operating mines, the Group concluded early in fiscal 2012 that its core competency lay in the operation of mechanized mines rather than in hard-rock, deep-level, labor intensive mining that characterized the KDC and Beatrix mines in South Africa, which at that time formed part of the Gold Fields portfolio. In late fiscal 2012, the Group therefore decided to separate those assets from Gold Fields by creating Sibanye Gold Limited under a new, focused management team. Gold Fields' remaining portfolio is one that comprises mechanized operations throughout the world.

### *Fit-for-purpose corporate, regional and operational structures*

The transformation of Gold Fields, combined with its relentless focus on cash generation, necessitated the implementation of fit-for-purpose corporate, regional and operational structures in which managers and employees are encouraged to act as dynamic, engaged owners, and are rewarded for doing so.

In response, the Group devolved full operational accountability for sustainable cash generation to its regions, supported by appropriate resourcing of its management teams at the different levels in the organization. Inevitably, there was a corresponding rationalization of the Group's corporate office functions, mainly housed at the Group's head office in Johannesburg, which now only focuses on a relatively narrow set of strategic and Group activities.

During fiscal 2014, the Group's new corporate, regional and operational structures were further bedded down and entrenched throughout its operations, including in the South Africa Region. As a result, Gold Fields now enjoys a cost-effective, focused, flexible and fit-for-purpose management structure that is appropriate to both its size and its strategic priorities.

### *Focus on cash generation and free cash flow margin, not ounces for ounces' sake*

Cost containment is a critical pillar of Gold Fields' cash-generating strategy and the Group made considerable progress, as reflected in the 17% decline in its AIC per ounce during fiscal 2014. This was on top of a 15% decline in AIC during fiscal 2013, bringing cumulative cost reductions between fiscal 2012 and fiscal 2014 to 29%. A number of initiatives were pivotal in achieving the lower cost base, namely:

The cessation of marginal mining at various operations;

The restructuring and rightsizing of the Group's corporate regional and operational structures;

An 8% reduction in the Group's global workforce (equivalent to 1,309 employees and contractors) during fiscal 2014, which is in addition to the 711 employees and contractors that left the Group in fiscal 2013;

The rationalization and prioritization of capital expenditure and the deferral of non-essential capital, while managing the sustainability of our mines;

The cancellation of near-mine growth projects that demonstrated inadequate returns;

The disbandment of the Group's GIP division; and

General cost savings driven by ongoing business process re-engineering, or BPR.

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During fiscal 2014, these efforts continued with a view to protecting the Group's margins in the current low gold price environment. Effective cost management is also expected to prove beneficial to the Group's margin when the gold price eventually recovers, as it is expected to.

In addition to the focus on operational cost containment, the Group took the decision to scale down its involvement in activities which are typically the domain of larger, industry-leading companies. The Group no longer aspires to be a pioneer of research and development in areas such as technology, but to be fast adopters of best practice. This has helped the Group to reduce the costs of developing and applying cutting-edge practices, while still ensuring that it is able to leverage their benefits. A noticeable exception is at South Deep, where Gold Fields is continuing to invest heavily in the training of mechanized mining skills, of which there is a critical shortage in South Africa.

Furthermore, the Group has scaled back its participation in a wide range of professional and industry bodies which in the past inflated its corporate costs as well as its general and administrative expenditure. One example of this is the Group's cancellation of its membership of the World Gold Council. During fiscal 2014, the Group reduced its overall corporate costs to approximately U.S.\$10 per ounce, which is among the lowest in the industry.

### *Protecting the long-term sustainability of the Group's ore bodies*

One of the serious risks associated with a low gold price environment and the attendant rationalization, prioritization and deferral of scarce capital is that producers may be tempted to engage in practices that may have a short-term beneficial impact on cash flows, but that have a potentially devastating effect on the long-term sustainability and integrity of their ore bodies. Regrettably, evidence of this is starting to emerge throughout the industry in the form of high-grading as well as excessive cutbacks in brownfields exploration, stripping and ore reserve development.

To ensure that its business has a strong future, the Group has made continued exploration and development of its underground and surface ore bodies a strategic priority. These are among the last activities that the Group would cut in a sustained low gold price environment.

In addition, Gold Fields' strategic objective of generating a sustainable free cash flow margin of at least 15%, at a planning gold price of U.S.\$1,300 per ounce, provides it with an inbuilt safety cushion that is able to withstand a drop in gold prices. Included in this price are the costs associated with maintaining the integrity of the Group's ore bodies. Should prices go down to levels of around U.S.\$1,100/oz or lower for a sustained period of time, the Group would be looking at a new operating and planning protocol for these lower prices to protect the integrity of its ore bodies.

The Group's strategic guidance to all of its mines is to mine at or below the reserve grades of their ore bodies and, when prices recover, to maintain and grow its margins rather than be lured by incremental increases in ounces produced.

### *A new paradigm in growth - proactive portfolio management*

Gold Fields' new strategy has a direct bearing on its approach to growth. Not only does it mean that the Group must scrutinize every dollar spent on growth, it also defines the quality of the assets that it seeks to acquire.

In essence, it means that the Group can no longer afford the capital and time-intensive greenfields exploration-led growth strategy of prior years, hence the disbandment of the Group's GIP division in late fiscal 2013; the closing down of its greenfields exploration portfolio; and the disposal of projects in the Group's portfolio that were not aligned with its overarching group objective, including the Chucapaca and Yanfolila projects in Peru and Mali, respectively.

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The projects remaining in the Group's portfolio are the Woodjam Project in British Columbia, Canada, and the Arctic Platinum Project in Finland, which are earmarked for disposal. The Group also still holds the Far Southeast, or FSE, Project in the Philippines and the Salares Norte Project in Chile, both of which the Group intends to retain in its portfolio in recognition of the embedded value in these assets. See Information on the Company Developments Since December 31, 2013 Planned Disposals, Information on the Company Gold Fields Mining Operations Australasia Operations Far Southeast Scoping Study, and Information on the Company Gold Fields Mining Operations Salares Norte and Piedra.

To replace its previous exploration-led approach to growth, the Group has adopted a more opportunistic acquisition approach. All new opportunities must meet the following main criteria:

They must be in production and improve the quality of the Group's portfolio on a free cash flow per ounce basis; and

They should be located in or near the Group's existing regions, in well-understood, stable countries that offer favorable regulatory regimes, and that offer near-mine growth potential and/or synergies with the Group's existing operations or regional structures. These criteria mean that in future, the Group's growth portfolio will be premised on a larger number of smaller, higher quality and lower-cost mines that offer immediate cash flow benefits. Management believes that the Group's acquisition of the Yilgarn South Assets in Western Australia in October 2013 provides the benchmark in this regard.

Central to the Group's new growth strategy is the adoption of an active portfolio management approach to the management of all of the assets in its portfolio as well as any future projects that it may consider acquiring.

This requires an ongoing strategic review of all assets in the portfolio as well as potential acquisition targets with a view to improving the quality of the Group's overall portfolio. It implies that the Group is prepared to trade existing assets for better, new assets, if they are expected to improve the quality of its portfolio.

Gold Fields is comfortable with its corporate structure, which is defined by its limited red tape and which does not have too many levels of hierarchical responsibilities. The Group believes that its size makes it more flexible and nimble. The Group currently has eight operating mines and conceptually, management would ideally like to add two more mines to its portfolio in the short to medium term.

### *Innovation, up-skilling and mechanization*

The transformation of Gold Fields into a mid-tier producer has clearly had a profound impact on the profile of the Group's workforce. The most obvious, and painful, impact has been the need to reduce the number of employees to bring down the Group's cost base to a more sustainable level. This process started in fiscal 2013, when 711 employees were made redundant, and continued in fiscal 2014 with 1,309 retrenchments, or 8% of our total workforce, mostly at its mines in Ghana and at South Deep. With 8,954 employees and 6,486 contractors on its books at the end of fiscal 2014, management believes that the Group's human resource base is now close to where it should be in terms of numbers.

However, Gold Fields' transformation has also required a different set of skills. The profile of the Group's employees at its operations in Australia, Peru and Ghana by and large meets its skills requirements, and is supported by the continued development and training of its workforce.

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At South Deep, Gold Fields is pioneering mechanized gold mining on a scale and depth not previously seen in South Africa, and the success of the operation is largely dependent on its people. The Group's strategy is to grow its own people through focused internal training efforts and to recruit the best local mechanized mining skills to supplement the existing talent pool. During fiscal 2014, Gold Fields spent around U.S.\$13.4 million globally on training and developing its employees.

A significant effort has been made to introduce international best practice standards at South Deep. In addition to its existing mechanized mining training center, the Group also brought over an experienced team from its mines in Australia to transfer skills and mine management is starting to collaborate with the South African platinum industry in setting training baselines for mechanized mining. The Group has also recruited new leadership from the successful Two Rivers mechanized underground platinum mine.

### *Collaborative value creation at the national and community level*

Mining, when executed responsibly, is a significant force for sustainable growth. The Group's investment has significant multiplier effects on employment, livelihoods and the national economy. This value creation impacts a wide range of stakeholders, including employees, host governments, host communities, businesses and suppliers as well as the providers of risk capital.

Management believes that the mining industry's ability to create and distribute value could be significantly enhanced if it worked more closely with governments, trade unions and communities in boosting mining economies. In fiscal 2013, CEO Nick Holland alluded to efforts to grow the mining pie that would enable all stakeholders to receive a greater share of the wealth created by mining.

Management remains of the view that this will only be achieved through strong partnerships with all stakeholders, supported by stable fiscal, legislative and regulatory environments and underpinned by recognition of the full costs and benefits of mining. As a committed corporate citizen in all the jurisdictions in which it operates, the Group is willing to play its role in these partnerships.

Entire communities are directly and often exclusively dependent on the sustainability and growth of the mining sector and one of the biggest challenges facing mining companies is addressing what is known as the social license to operate, namely the building of relationships and trust with host communities. While the consequences of not obtaining this social license may not always be dramatic, there is potential for operational disruption or even project delays and cancellations.

It takes substantial time, effort and resources to establish and maintain a strong social license to operate and, once it is lost, it is very hard to regain. Furthermore, Gold Fields' ability to grow through the expansion of existing mines and the development of new projects as and when deemed appropriate, will be determined by its ability to win the trust of communities in its areas of interest. See Risk Factors Mining companies are increasingly required to operate in a sustainable manner and to provide benefits to affected communities. Failure to comply with these requirements can result in legal suits, additional operational costs, investor divestment and loss of social licence to operate, which could adversely impact Gold Fields' business, operating results and financial condition.

While the Group has always invested heavily in communities through its corporate social investment programs, in fiscal 2013 it committed to a different strategy for community-level value creation, namely the creation of Shared Value. This means pursuing mine-level business strategies that not only generate positive socio-economic impacts but that also enhance the value of the Group's business. During fiscal 2013, the Group implemented three Shared Value projects, focusing on local procurement, mathematics and science skills and water supply and quality. A range of new, value-creating projects are currently being rolled out.

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### ***The Group's strategic priorities for fiscal 2015***

During fiscal 2015, Gold Fields will continue to build on the strategies that it has implemented and rolled out over the past two years. The five strategic priorities for fiscal 2015, which reflect this continued focus, are:

South Deep the Group's top priority;

Cash flow and margin making money at current prices;

Making dividend payments of between 25% and 35% of normalized earnings;

Balance sheet reducing the net debt to EBITDA ratio to 1.0 times by the end of 2016; and

Growth (in the form of brownfields exploration and opportunistic, value-accretive acquisitions).

These priorities support Management's long-term Vision for Gold Fields, namely global leadership in sustainable gold mining.

The sustainability of the Group's business is intended to be ensured by understanding the links between all the inputs and outputs of its operations, enabling management to maximize the benefits for all stakeholders and reduce the risk to the business. Integrated thinking, which is defined by the SA Institute of Chartered Accountants as ensuring the long-term sustainability of organizations through the sustained creation of value for all stakeholders, underpins this approach.

Management believes that integrated management of the Group is ensured through four key performance areas that the Group will be focusing on in the years ahead to ensure that integrated thinking is further entrenched in its business. These are: business optimization; people; finance; and the social license to operate. These broad performance areas will inform how the Group measures the business performance of its senior managers and will determine these managers' annual bonus payments.

### ***Redefining growth***

Management believes that growth at Gold Fields is not just a matter of increasing the Group's mineral reserves or of boosting its production profile, but about growing cash flow per ounce and per share in the medium- and long-term.

### ***A strategic shift towards quality***

In this context, Gold Fields' immediate growth strategy is to generate growth in both reserves per share and in sustained cash flow margin per ounce through a process of Active Portfolio Management. In fiscal 2014, this resulted in:

The cessation of all early greenfields exploration activity;

Refocusing from greenfields exploration to low-risk near-mine exploration and cash-generative acquisition opportunities that are aligned with Gold Fields' core competencies; and

The disposal of growth projects that are marginal, located in high-risk locations and/or are primarily focused on metals other than gold.

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This has resulted in a short-term reduction in Gold Fields' mineral resources in fiscal 2014. In the past, this would have been a cause for concern. In light of the Group's new focus, however, it is not only acceptable but to be expected that every new ounce Gold Fields brings into production should directly support the delivery of superior returns to current and future shareholders and the upgrading of its existing portfolio. It is the starting point for a truly cash-generative growth pipeline that is well-aligned with Gold Fields' current and long-term business priorities.

Beyond this, the Group intends to, over the next two to three years:

Continue to apply Active Portfolio Management, including through the application of stringent hurdle rates for all new growth opportunities and the disposal of its non-franchise assets;

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Try to repeat the successful integration of the Yilgarn South Assets by pursuing further opportunistic, bolt-on mergers and acquisitions where these offer immediate cash generation and strategic alignment;

Fund growth through equity financing, alternative financing or the disposal of existing projects, rather than through an exclusive focus on debt funding if possible; and

De-risk new growth opportunities through technical or financial partnerships with other companies.

Reflecting these priorities, in fiscal 2014 Gold Fields:

Did not invest any funds in greenfields exploration;

Increased its near-mine exploration (Damang & Australia) spend by 81% to US\$58 million (2013: US\$32 million);

Reduced its total growth-related expenditure by 78% to US\$36 million (2013: US\$162 million), of which the bulk was spent on the Salares Norte Project in Chile; and

Raised US\$107 million in cash or shares through the disposal of its holding in the Chucapaca project in Peru, excluding future royalty contributions, the Yanfolila Project in Mali and the Talas Project in Kyrgyzstan.

In line with the major organizational restructuring process initiated in fiscal 2013, Gold Fields has consolidated its growth portfolio, including through the selection of appropriate acquisition targets and the disposal of assets, under the Group's corporate development department to ensure its alignment with strategic objectives. All other growth-related activities, including day-to-day management of projects, fall under the responsibility of Gold Fields' regional operations, in order to leverage their local expertise, management capabilities and infrastructure.

### *Active Portfolio Management*

Gold Fields' Active Portfolio Management approach is based on the assessment of all existing assets, near-mine exploration opportunities and acquisition targets against three key criteria:

The right address, namely growth opportunities located in stable, mining-friendly operating environments in the Group's existing regions that pose only limited potential barriers to successful project execution and profitable future production;

Gold focus, namely growth opportunities that are well-aligned with Gold Fields' core competency, including the identification, development and extraction of gold-bearing ore bodies. As such, over 50% of future output needs to be gold; and

Commercial sustainability, namely growth opportunities that can ultimately offer a 15% free cash flow margin at a gold price of US\$1,300/oz and add value to its portfolio.

The ultimate aim of this approach is to improve the quality of Gold Fields' portfolio on an ongoing, long-term basis. To this end, Gold Fields disposed of a number of growth assets that failed to meet these three criteria. Nonetheless, two growth assets were found to be of sufficient quality to justify their retention, namely the Salares Norte project in Chile and the Far Southeast Project in the Philippines.

### *An integrated approach to growth*



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As with production, Gold Fields integrates sustainability into all of its growth activities. This is due to its:

Desire to be seen, as a result of its actions, track record and stakeholder relationships, as the partner of choice for host governments, local communities and peer companies; and

Recognition that the success or failure of major growth projects (as well as the sale value that they can command) increasingly depends on how well companies can manage sustainable development issues, particularly relationships with host communities.

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Gold Fields' integrated approach to growth is driven by the management team at each of its regional operations, in line with Group-level standards. This ensures a consistent approach towards integrated growth management, while also allowing requisite flexibility for locally-appropriate and project-specific decision making. In this context, Gold Fields' regional growth teams continue to:

Apply Group-level best-practice sustainability standards (tailored to suit local circumstances) across all growth projects;

Apply integrated risk management to all growth activity, covering financial, technical, political, social and environmental issues and dynamics likely to influence project success;

Integrate the creation of Shared Value into core project development activities from the very start;

Work with Group sustainability and risk management experts to ensure the smooth transition of growth opportunities through the project lifecycle; and

Implement comprehensive crisis management plans across all growth projects.

The Group's regional growth teams are supported in this respect by Group-level guidance based on international best practice. This includes:

The ISO 14001- and OHSAS 18001-certified Environment, Health and Safety Management System;

Gold Fields' Community Policy;

Gold Fields' Community Relations Handbook;

Gold Fields' Community Relations and Stakeholder Engagement Guidelines; and

Gold Fields' Shared Value strategy.

By building in the highest standards from the start, the Group's regional growth teams aim to ensure that good-practice operational management is built into the DNA of any new mines that may ultimately be delivered, as is the case for the Group's existing operations. These practices are also intended to give purchasers of Gold Fields' growth assets confidence that potential legacy issues have been identified and responsibly managed from inception to disposal. This is an increasingly important factor as it is a growing trend that projects have their social liabilities factored into their pricing.

### *Earning and maintaining a social license to operate*

The value offered by an integrated approach to growth is most apparent with respect to the securing and maintenance of a strong political and social license to operate. Indeed, companies' social license to operate can, in many jurisdictions, be the key determinant of project success. This is true both in higher-risk, frontier operating environments, as well as in the kind of better-established, lower-risk growth environments that Gold Fields is increasingly targeting.

Gold Fields places strong emphasis on getting it right from the start in respect of projects that it wishes to pursue. This means operating in a way that generates trust and confidence amongst local stakeholders, and ensuring that each project has the kind of early political and social backing

that will ultimately support its long-term execution and operation.

One of the advantages of Gold Fields' strategic refocusing on near-mine exploration is that there is generally support for mine regeneration and expansion within its existing local communities. This is because these communities are often directly or indirectly economically reliant on the continued and profitable operation of Gold Fields' mines.

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Gold Fields' approach to growth-focused stakeholder engagement is based on its Community Relations Handbook and Guidelines, which are aligned to the AccountAbility AA 1000 principles of inclusivity, materiality and responsiveness. This includes extensive and ongoing engagement with, among others, local community members, local traditional representatives, local and national government officials, as well as local and national non-governmental organizations, or NGOs. More specifically, this approach is supported by the installation of community relations experts at each project, ongoing stakeholder mapping, analysis and monitoring, as well as detailed risk analysis and the implementation of effective risk management action plans.

Some of Gold Fields' key interactions between its regional growth teams and local stakeholders in 2014 include those relating to:

Water availability and access for the Salares Norte project, which is located in an arid, relatively unpopulated part of the Atacama region of Chile. A formal water rights application was made to the local authorities in the first quarter of fiscal 2014;

The finalization of an officially-recognized agreement for the Free, Prior and Informed Consent, or FPIC, of the Kankana-ey community for the progression of the FSE Project in the Philippines;

The signing of a memorandum of agreement with the Kankana-ey communities and the passing of a resolution in favour of granting Gold Fields an FTAA license by the Kankana-ey people's elders in February 2015;

The creation of local value at the FSE project, including capacity-building for local community members. This is to ensure they are able to positively contribute to this process and benefit from its outcomes as the project develops; and

Ongoing engagement with local indigenous groups at the Agnew/Lawlers, Granny Smith and St Ives mines in Australia regarding land access for near-mine drilling and the protection of cultural heritage.

Aside from supporting its own growth activities, a proactive sustainability approach also supports Gold Fields' ability to divest itself of unsuitable growth projects – a key issue in the context of Active Portfolio Management. Project divestment can place particular pressure on relations with local communities, due to frustrated expectations around employment creation and revenue generation, as well as Gold Fields' withdrawal from hard-won stakeholder relationships.

In this context, the company's regional growth teams actively work with community relations specialists to explain the transition process, mitigate the impacts of the Group's withdrawal and honor its existing commitments. This helps to ensure Gold Fields can maintain the value of its divested assets by handing over a secure political and social license to purchasers. Furthermore, the company actively seeks out purchasers who will not undermine its own reputation through their subsequent operational standards and approach to stakeholder relations.

Gold Fields' vision of global leadership in sustainable gold mining commits the company to:

Maximize the enduring value from gold mining for all stakeholders;

Understand and respond to the needs of stakeholders in a responsible manner;

Represent a trusted and valued mining partner;

Enhance the environments in which its activities take place, while limiting its negative impacts; and

Leave a positive legacy by creating shared value for all stakeholders.

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### ***Gold Fields as an employer of choice***

Gold Fields' People Strategy aims to drive a high-performance culture across all operations. Despite the challenges posed by the current low gold price, Gold Fields remains committed to being an employer of choice. This means ensuring that employees:

Receive market-aligned pay and benefits;

Have access to a wide range of training and development opportunities;

Work in a safe, productive and respectful environment; and

Are acknowledged and recognized for their role in value creation.

In line with its new, cash-generative production profile and low-cost operating model, the Group has established a leaner, more efficient and better skilled workforce. This has driven increased emphasis on employee efficiency, accountability and rewards, and enhanced training for key personnel, with particular emphasis on further developing mechanized mining skills at South Deep.

The comprehensive restructuring of Gold Fields since fiscal 2013, in particular the Spin-off, has led to a significant reduction in the size of the Group's workforce but also to a change in the workforce profile, which now predominantly comprises labor-efficient mechanized mining skills.

These processes continued during 2014, driven by:

The re-basing of production and development at South Deep;

The integration of the Yilgarn South Assets, which included workforce rationalisation at Agnew/Lawlers; and

The closure of Tarkwa's North Heap Leach facility and workforce restructuring at Damang.

The ongoing right-sizing of Gold Fields' workforce has played an important role in ensuring the Group's long-term sustainability in the wake of continued cost pressures and supports the ability to generate free cash flow despite a very challenging gold price.

Following the reduction in its headcount, Gold Fields has focused on ensuring that employees and contractors are:

Effectively deployed to operate efficiently and safely across the remaining production base;

Incentivized in line with the company's sustainable cash-generation targets; and

Equipped with the appropriate skills to achieve a world-class mechanized mining performance.

### ***Government***

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As the issuers of mining licenses, developers of policy and overseers of regulation, host governments are among Gold Fields' most important stakeholders. Engagement with national governments typically takes place on a collective basis through local chambers of mines. Gold Fields also regularly engages with regional regulatory authorities and municipal authorities in its host communities. It is Gold Fields' policy not to provide financial contributions to political parties and lobby groups, unless explicitly approved by the Gold Fields Board of Directors.

It is natural and right that governments seek to maximize the social benefits that accrue from the extraction of scarce natural resources. As a matter of policy, Gold Fields fully complies with the fiscal and taxation regulations and laws of the countries it operates in, understanding that these fiscal contributions are critical to fund governments, its employees and public sector infrastructure and projects. Nonetheless, attempts to secure

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these benefits through higher levels of targeted taxation can, in the long-term, have the opposite effect. Indeed, the weak commodities market, including the low price of gold, is throwing into sharp relief just how damaging short-term attempts to secure a greater proportion of companies earnings can be. Mining investment is falling, new growth projects are being left undeveloped and existing projects are facing closure even without additional fiscal uncertainty. The implications for longer-term national and host community development are obvious.

Gold Fields generates significant value for all the societies in which it operates, some of which can be quantified and some which cannot. The Group recognizes that the payment of taxes, royalties, dividends and other sums to host governments is vital if national mineral wealth is to be converted into broad-based, sustainable development. In fiscal 2014, the Company's payments in this regard amounted to U.S.\$194 million, compared to U.S.\$380 million in fiscal 2013.

Compared to global norms, all of Gold Fields countries of operation enjoy relatively strong democratic governance standards and are considered to pose low to moderate corruption risks by third-parties. Furthermore, Ghana and Peru adhere to the Extractive Industries Transparency Initiative, or EITI. Collectively, this helps Gold Fields' payments to government actively contribute to broader socio-economic development in its host societies.

Gold Fields recognizes that not all of the value it creates at a national-level benefits its host communities. To address this deficit and to maintain its social licence to operate, Gold Fields implements a range of Socio-Economic Development, or SED, initiatives, in addition to community procurement and employment, in its host communities that focus on the key priorities in these communities. Gold Fields spent US\$16 million on SED programmes in both fiscal 2014 and fiscal 2013.

Gold Fields is also implementing innovative Shared Value projects in local communities. These are sustainable projects that support Gold Fields own business objectives, whilst also generating positive socio-economic impacts for local people, whether in the form of skills transfers, enterprise development or employment creation.

### ***Community relations***

#### ***Overview***

Many mining companies face increasing pressures over their social license to operate, namely the acceptance or approval of their activities by local stakeholders. While formal permission to operate is ultimately granted by host governments, the practical reality is that many operations also need the social permission of host communities and other influential stakeholders to carry out their operations effectively and profitably.

As such, Gold Fields believes it is important to both minimize the negative impacts that its operations have on local stakeholders, while maximizing the positive benefits. In current market conditions, which have the potential to curtail the ability of Gold Fields to deliver local benefits, active stakeholder engagement, in combination with the company's Shared Value development approach (set out below) is particularly important as it shifts the focus from spending to the actual social and business impacts.

In light of this, Gold Fields actively identifies and engages with the representatives of the following groups on a regular basis, both formally and informally:

Central and local government;

Informal community groups;

NGOs;

Organized labor; and



Local businesses.

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Such engagement is guided by, for example:

Applicable legislation;

South Deep's mandated Social and Labor Plan, or SLP;

Gold Fields' Community Policy and Guidelines (including the Community Relations Handbook).  
These are aligned with a range of good international industry practice standards, including:

The International Council on Mining and Metals, or ICMM's, 10 Principles and Community Development Toolkit and Position Statement on Indigenous Peoples;

The International Finance Corporation Performance Standards;

The Equator Principles;

The AA1000 Stakeholder Engagement Standard; and

The ISO 26000 Social Responsibility Standard.

In the case of significant operational changes, relevant public consultation processes are also defined within our Environmental and Social Impact Assessments, or ESIA's.

The finalization of a summary version of the Community Relations Handbook, that will be accessible to all employees, was completed in early fiscal 2015.

Gold Fields requires that all its regional operations establish grievance mechanisms through which communities can voice their concerns and complaints with the Company, including on environmental issues.

### *Community value distribution*

Despite its substantial economic impact on the national level, not all of Gold Fields' contributions necessarily trickle down to host communities. In order to maintain its social license to operate, Gold Fields is committed to more direct initiatives focused on the delivery of benefits to host communities. These include, for example:

Direct employment;

Indirect employment;

Skills development;

Educational investment;

Health investment; and

Infrastructure support.

Such initiatives are supplemented by Gold Fields' Shared Value projects.

The relatively low gold price and the restructuring of Gold Fields' key operations has made maintaining historical levels of SED spending challenging. Furthermore, it is not yet clear whether SED spending is the most effective way in which to support long-term, sustainable community development.

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In this context, Gold Fields introduced Shared Value to the business in 2012, making it one of the earliest adopters of this approach. Taking a leadership role is integral to how Gold Fields implements Shared Value; the Company facilitates collaboration between multiple stakeholders to solve environmental issues such as water security, which have been identified as a community priority.

This Shared Value approach is based on four key pillars:

Strategic interventions to proactively address socio-economic challenges that can drive community tensions, NGO activism or more restrictive regulation;

The integration of business activities and the management of community relations to maximize contributions to host communities and realize business efficiencies;

Participation in collaborative action with other stakeholders to address shared social challenges; and

Transparency around Gold Fields economic contributions to its host societies, in line with the World Gold Council's guidelines on Responsible Gold Mining and Value Distribution .

Given the nature of the Shared Value approach, broad-based, meaningful stakeholder engagement plays a key role in ensuring that SED initiatives deliver well-recognized benefits for all involved.

### **Reserves of Gold Fields as at December 31, 2014**

#### ***Methodology***

Gold Fields is in the process of rebasing the production profile of its South Deep mine to ensure the best strategic value option for the asset is operationalized. This process involves comprehensive reviews, assessments, planning and simulation modeling for South Deep as it evolves from a mine-build project into a full production facility. The rebasing exercise remains a work in progress. Consequently, the December 31, 2014 Mineral Reserves for South Deep primarily reflect mining depletion of last year's figures except where material differences were encountered for technical or economic reasons, in which case suitably revised models and schedules were implemented.

While there are some differences between the definition of the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves, or SAMREC Code, and that of the Securities and Exchange Commission's, or SEC's, Industry Guide 7, only the reserves at each of Gold Fields' operations, growth and advanced exploration projects as at December 31, 2014 which qualify as reserves for purposes of the SEC's Industry Guide 7 are presented in the table below. See Glossary of Mining Terms . In accordance with the requirements imposed by the JSE, Gold Fields reports its reserves using the terms and definitions of the SAMREC Code (2007 edition, amended July 2009). Mineral or ore reserves, as defined under the SAMREC Code, are divided into categories of proved and probable reserves and are expressed in terms of tonnes to be processed at mill feed head grades, allowing for estimated mining dilution, ore loss, mining recovery and other factors.

All of Gold Fields' operations report reserves using cut-off grades or net smelter return cut-offs, or NSR, in the case of multi-metal deposits. Cut-off grade is the grade that distinguishes the economic material within an ore body that is to be extracted and treated from the remaining material. Cut-off grade is typically calculated using an appropriate metal price and the development, stoping, processing, general and administration and sustaining capital costs to derive a total cost per tonne. NSR is the net revenue (total revenue less production costs) that the owner of a mining property receives from the sale of the mine's metal products less transportation and refining costs. Modifying factors used to calculate the cut-off grades include adjustments to mill delivered amounts due to dilution and ore loss incurred in the course of mining, expected return on investment, and sustaining capital. Modifying factors applied in estimating reserves are primarily based on historical empirical information, but commonly incorporate adjustments for planned operational improvements. Tonnage and grade may include some

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mineralization below the selected cut-off grade to ensure that the reserve comprises blocks of adequate size and continuity to facilitate practical mining. Reserves also take into account operating cost levels as well as necessary capital and sustaining capital provisions required at each operation, and are supported by life of mine plans.

*South Africa*

At South Deep (except as noted above), the estimation of reserves is based on surface drilling, underground diamond drilling, surface three-dimensional reflection seismics, ore body facies modeling, structural modeling, underground mapping, detailed ore zone wireframes and geostatistical estimation. The reefs, which are sedimentary in nature and reflect extensive intra-basinal fluvial deposits, are initially explored by drilling from the surface on an approximately 500 meter to 2,000 meter grid. Once underground access is available, diamond drilling is undertaken on an approximate 30 meter to 90 meter grid, to provide the necessary ore body definition to support mine design and production scheduling.

The following sets out the drill spacing ranges used to classify the different categories of reserves at South Deep.

Reserve Classification	Sample Spacing Range	Maximum Distance Data is Projected
	Min/Max	(meters)
Proved	0 to 60	220
Probable	60 to 650	650

For proved reserves, the ore body must be fully destressed, with planned grade control diamond drilling designed at an approximate 50 meter by 50 meter grid spacing, depending on the accessibility for the diamond drill rigs. The destress mining extracts 2.2 meter high cuts that are generally mined horizontally at 17 meter vertical intervals, and it reduces the in situ rock stress from approximately 80 MPa to 30 to 40 MPa to facilitate bulk mechanized mining. Estimation is constrained within both geologically homogenous structural and defined facies zones, and is generally derived from either ordinary or simple kriged small-scale grids.

For probable reserves, the estimates access a significant number of samples on spacing greater than the spacing for development and stoping bordering these areas. In addition, borehole spacings ranging from tens to hundreds of meters are used in conjunction with 3D seismic survey results that confirm certain structural reef elevations and key stratigraphic surfaces. Reserves classified as probable are generally adjacent to those classified as proved. Estimation is constrained within homogenous structural and facies zones, and is derived using a localized direct conditioning technique (used to derive recoverable block estimates) based on simple kriging.

The primary assumptions of continuity of the geologically homogenous zones are driven by the geological model, which is updated when new information arises. Any changes to the model are subject to peer and internal technical corporate review and external independent consultant review when deemed necessary. Historically, mining at South African deep-level gold mines has shown significant geological continuity, so that new mines were started based on limited surface borehole information. Customarily, geological models are primarily based on the definition of different sedimentary facies within each conglomerate horizon. These facies are extrapolated along palaeocurrent and grade trends into new, undeveloped areas taking into account inherent proximal to distal depositional relationships and any surface borehole data in those areas. Normally these facies are continuous, supported by extensive historical sample databases, and can be incorporated in the macro kriging of large blocks.

*Ghana*

For the Tarkwa open pit operation, estimation of reserves is based on a combination of an initial 100- or 200-meter grid of diamond drilling and in certain areas a 12.5 meter to 25 meter grid of reverse circulation

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drilling. For the Damang open pit operation, estimation of reserves is based on a 20 meter to 80 meter grid of combined reverse circulation and diamond drilling and, in certain areas, reverse circulation drilling on an eight- meter by five-meter drill grid. Advance grade control drilling is employed in certain areas to provide detailed estimation to greater depths than normal grade control drilling where information is required to confirm structural and grade trends.

Diamond drilling provides continuous (solid) core from diamond drill bits, using water and chemicals for lubrication. Consequently, diamond drilling provides greater resolution of geological parameters such as lithologies, alterations, mineralization, rock hardness and structures.

In surface drilling programs, reverse circulation drilling provides chip samples from percussion hammers powered by compressed air. The chips are transferred to surface up a central tube with the rods to eliminate contamination from the outer hole. Sampling is generally conducted at intervals relevant to the block model and mining dimensions. Reverse circulation drilling is generally quicker and less expensive than diamond drilling. However, there is a depth limitation to reverse circulation drilling and consequently all deep holes are conducted by diamond drilling.

Generally exploration programs will consist of a mix of reverse circulation and diamond drilling in order to provide the necessary geological resolution, as well as bulk analytical data for evaluation, geotechnical and geometallurgical purposes. Infill drilling programs are usually conducted using both diamond drilling and reverse circulation, depending on the resolution required. Grade control drilling programs use reverse circulation.

### *Australia*

At the Australian operations, the estimation of reserves for both underground and open pit operations is based on exploration and sampling information gathered through appropriate techniques, primarily from diamond drilling, reverse circulation drilling, air-core and sonic drilling techniques. The locations of sample points are spaced close enough to deduce or confirm geological and grade continuity. Generally, drilling is undertaken on grids, which range between 10 meters by 10 meters up to 40 meters by 40 meters, although this may vary depending on the continuity of the ore body. Due to the variety and diversity of mineralization at the Australian operations, sample spacing may also vary depending on each particular ore type.

### *Peru*

For the Cerro Corona operation, estimation is based on diamond drill and reverse circulation holes. The spacing of holes at Cerro Corona is generally around 50 meters, with some areas approximating a 25 meter grid. The blast hole rock chips are used as grade control samples and are drilled on an average 5.5 meter by 4.8 meter grid.

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As at December 31, 2014, Gold Fields had aggregate attributable proved and probable reserves of approximately 48.1 million ounces of gold and 620 million pounds of copper, as set forth in the following tables:

	Gold ore reserve statement as at December 31, 2014 <sup>(1)</sup>									Attributable gold production in fiscal 2014 <sup>(2)</sup> (M oz)
	Proved reserves			Probable reserves			Total reserves			
	Tonnes (million)	Head Grade (g/t)	Gold (M oz)	Tonnes (million)	Head Grade (g/t)	Gold (M oz)	Tonnes (million)	Head Grade (g/t)	Gold (M oz)	
<b>Underground ( UG )</b>										
<b>South Africa</b>										
South Deep (total) <sup>(3)</sup>	13.25	5.9	2.496	191.65	5.3	32.400	204.90	5.3	34.896	0.18
<b>Australia</b>										
St. Ives	1.06	4.8	0.163	2.80	4.9	0.445	3.86	4.9	0.608	0.3
Granny Smith	0.67	7.1	0.154	3.73	5.8	0.698	4.41	6.0	0.852	0.3
Darlot				0.36	7.4	0.085	0.36	7.4	0.085	0.1
Agnew/Lawlers	0.26	8.9	0.074	3.30	7.4	0.786	3.56	7.5	0.860	0.3
<b>Total Underground</b>	<b>15.25</b>	<b>5.9</b>	<b>2.887</b>	<b>201.84</b>	<b>5.3</b>	<b>34.414</b>	<b>217.09</b>	<b>5.3</b>	<b>37.301</b>	<b>1.1</b>
<b>Surface (Production Stockpile)</b>										
<b>South Africa</b>										
South Deep										
<b>Ghana</b>										
Tarkwa	4.51	0.7	0.106	53.97	0.4	0.694	58.49	0.4	0.800	
Damang				3.48	0.8	0.092	3.48	0.8	0.092	
<b>Australia</b>										
St. Ives	4.50	1.0	0.147				4.50	1.0	0.147	
Granny Smith	0.10	6.5	0.020				0.10	6.5	0.020	
Darlot										
Agnew/Lawlers	0.06	2.6	0.005				0.06	2.6	0.005	
<b>Peru</b>										
Cerro Corona	3.82	0.8	0.101				3.82	0.8	0.101	
<b>Surface (Open Pit)</b>										
<b>Ghana</b>										
Tarkwa	69.91	1.3	3.028	71.75	1.3	2.913	141.66	1.3	5.941	0.50
Damang <sup>(4)</sup>	1.56	1.5	0.078	18.09	1.6	0.942	19.64	1.6	1.019	0.16
<b>Australia</b>										
St. Ives <sup>(4)</sup>	0.02	3.9	0.003	9.46	3.4	1.045	9.48	3.4	1.048	0.11
<b>Peru</b>										
Cerro Corona	46.54	0.9	1.419	9.83	0.7	0.229	56.37	0.9	1.648	0.15
<b>Total Surface</b>	<b>131.02</b>	<b>1.2</b>	<b>4.907</b>	<b>166.58</b>	<b>1.1</b>	<b>5.915</b>	<b>297.60</b>	<b>1.1</b>	<b>10.822</b>	<b>0.92</b>
<b>Grand Total</b>	<b>146.27</b>	<b>1.7</b>	<b>7.794</b>	<b>368.42</b>	<b>3.4</b>	<b>40.329</b>	<b>514.69</b>	<b>2.9</b>	<b>48.122</b>	<b>2.03</b>
<b>Totals by Mine</b>										
South Deep <sup>(3)</sup>	13.25	5.9	2.496	191.65	5.3	32.400	204.90	5.3	34.896	0.18
Tarkwa	74.43	1.3	3.134	125.72	0.9	3.608	200.15	1.0	6.742	0.50
Damang	1.56	1.5	0.078	21.57	1.5	1.034	23.13	1.5	1.111	0.16
St. Ives	5.58	1.7	0.313	12.26	3.8	1.490	17.84	3.1	1.803	0.36
Granny Smith	0.77	7.0	0.174	3.73	5.8	0.698	4.50	6.0	0.872	0.32
Darlot				0.36	7.4	0.085	0.36	7.4	0.085	0.08
Agnew/Lawlers <sup>(4)</sup>	0.32	7.7	0.079	3.30	7.4	0.786	3.62	7.4	0.865	0.27
Cerro Corona	50.36	0.9	1.520	9.83	0.7	0.229	60.19	0.9	1.749	0.15
<b>Grand Total</b>	<b>146.27</b>	<b>1.7</b>	<b>7.794</b>	<b>368.42</b>	<b>3.4</b>	<b>40.329</b>	<b>514.69</b>	<b>2.9</b>	<b>48.122</b>	<b>2.03</b>

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### Notes:

- (1) (a) Quoted as mill delivered metric tonnes and Run of Mine, or RoM, grades, inclusive of all mining dilutions and gold losses except mill recovery. Metallurgical recovery factors have not been applied to the reserve figures. The approximate metallurgical recovery factors are as follows: (i) South Deep 96.5%; (ii) Tarkwa 97.2%; (iii) Damang 92% to 93.5%; (iv) St. Ives 86% to 94%; (v) Agnew/



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Lawlers 94.3%; (vi) Granny Smith 92%; (vii) Darlot 95.9%; and (viii) Cerro Corona 51% to 70% for gold and 56% to 89% for copper. The metallurgical recovery is the ratio, expressed as a percentage, of the mass of the specific mineral product actually recovered from ore treated at the plant to its total specific mineral content before treatment. The South African operation has a fairly consistent metallurgical recovery, while the recoveries on the International operations vary according to the mix of the source material and method of treatment.

- (b) For South Deep, a gold price of Rand 420,000 per kilogram (\$1,300 per ounce at an exchange rate of R10 per \$1.00) was applied in valuing the ore reserve. For the Ghana operations, ore reserve figures are based on an optimized pit at a gold price of \$1,300 per ounce. For the Australian operations, ore reserve figures are based on a gold price of A\$1,370 per ounce (at an exchange rate of A\$1.05 per \$1.00). Open pit ore reserves at the Australian operations are similarly based on optimized pits and the underground operations on appropriate mine design and extraction schedules. The gold price used for reserves is lower than the three-year trailing average, calculated on a monthly basis, of the London afternoon fixing price of gold. For the Cerro Corona gold reserves, the optimized pit is based on a gold price of \$1,300 per ounce and a copper price of \$3.00 per pound, which, due to the nature of the deposit and the importance of net smelter returns, need to be considered together.
  - (c) Dilution relates to planned and unplanned waste and/or low-grade material being mined and delivered to the mill. Ranges are given for those operations that have multiple ore body styles and mining methodologies. The mine dilution factors are as follows: (i) South Deep 7.3%; (ii) Tarkwa 30 cm hangingwall and 20 cm footwall; (iii) Damang 17% to 20% (includes both planned and unplanned); (iv) St. Ives 20% (open pits) and 5% to 40% (underground); (v) Agnew/Lawlers 10%; (vi) Granny Smith 10%; (vii) Darlot 15%; and (viii) Cerro Corona 0%.
  - (d) The mining recovery factor relates to the proportion or percentage of ore mined from the defined ore body at the gold price used for the declaration of reserves. This percentage will vary from mining area to mining area and reflects planned and scheduled reserves against total potentially available reserves (at the gold price used for the declaration of reserves), with all modifying factors, mining constraints and pillar discounts applied. The mining recovery factors are as follows: (i) Tarkwa 100%; (ii) Damang 90%; (iii) St. Ives 80% to 95% (open pits) and 85% to 95% (underground); (iv) Agnew/Lawlers 90-95%; (v) Granny Smith 91%; (vi) Darlot 90-95%; (vii) South Deep 96%; (viii) Cerro Corona 100%.
  - (e) The cut-off grade may vary per shaft, open pit or underground mine, depending on the respective costs, depletion schedule, ore type and dilution. The following are the average or range of values applied in the planning process: (i) South Deep 3.8 to 4.2 g/t; (ii) Tarkwa 0.48 g/t for mill feed; (iii) Damang 0.71 g/t for fresh ore and 0.52 g/t for oxide ore; (iv) St. Ives 0.95 g/t for mill feed open pit, and 2.7 g/t to 3.1 g/t for mill feed underground; (v) Agnew/Lawlers 3.2 to 5.4 g/t for mill feed underground; (vi) Granny Smith 3.5 to 3.8 g/t; (vii) Darlot 4.3 to 4.95 g/t; and (viii) Cerro Corona \$18.50 to 25.00/t net smelter return (combined copper and gold).
  - (f) Totals may not sum due to rounding. Where this occurs it is not deemed significant.
  - (g) An ounces-based Mine Call Factor based primarily on historic performance but also on realistic planned improvements where appropriate is applied to the reserves. The following Mine Call Factors have been applied: Damang 95 to 98%, St. Ives and South Deep 98%, with Agnew/Lawlers, Granny Smith, Darlot, Tarkwa and Cerro Corona at 100%.
- (2) Actual gold produced after metallurgical recovery.
  - (3) Includes some gold produced from stockpile material, which cannot be separately measured.
  - (4) In line with other international operations, all South Deep reserves are classed as above infrastructure, as the reserves will be accessed by means of ongoing declines from current infrastructure.

The following table sets forth the proved and probable copper reserves of the Cerro Corona mine as at December 31, 2014 that are attributable to Gold Fields.

	Copper ore reserve statement as at December 31, 2014 <sup>(1)(2)</sup>									Attributable gold production in fiscal 2014 (million lbs)
	Proved reserves			Probable reserves			Total reserves			
	Tonnes (million)	Grade Cu (%)	Cu (million lbs)	Tonnes (million)	Grade Cu (%)	Cu (million lbs)	Tonnes (million)	Grade Cu (%)	Cu (million lbs)	
<b>Surface (Open Pit &amp; Stockpiles)</b>										
<b>Peru</b>										
Cerro Corona	50.4	0.5	525	9.8	0.4	95	60.2	0.47	620	71.2

- Notes:
- (1) Metallurgical recovery factors have not been applied to the reserve figures. The approximate metallurgical factor for copper at Cerro Corona is in the range of 61% to 88%, depending on the material type mined and processed.
  - (2) For the copper reserves, the optimized pit is based on a gold price of \$1,300 per ounce and a copper price of \$3.0 per pound, which, due to the nature of the deposit, need to be considered together.

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### Gold and copper price sensitivity

The amount of gold mineralization that Gold Fields can economically extract, and therefore can classify as reserves, is sensitive to fluctuations in the price of gold. The following table indicates Gold Fields' attributable reserves at different gold prices that are 10% above and below the \$1,300 per ounce gold price used to estimate Gold Fields' attributable reserves, however the reserve sensitivities are not based on detailed depletion schedules and should be considered on a relative and indicative basis only.

	\$1,170/oz <sup>(1)</sup>	\$1,300/oz <sup>(1)</sup> (Moz)	\$1,430/oz <sup>(1)</sup>
South Deep <sup>(2)</sup>	32.8	34.9	36.8
Tarkwa	5.6	6.7	7.8
Damang	1.0	1.1	1.2
St. Ives <sup>(3)</sup>	1.4	1.8	2.1
Agnew/Lawlers <sup>(3)</sup>	0.8	0.9	0.9
Granny Smith <sup>(3)</sup>	0.8	0.9	0.9
Cerro Corona <sup>(4)</sup>	1.7	1.7	1.7

#### Notes:

- (1) Darlot is excluded from the sensitivities as a result of the current short life of mine, which is just over one year, and limited mining flexibility.
- (2) The equivalent gold prices used for the sensitivities in South Africa are ZAR380,000/kg, ZAR420,000/kg, ZAR460,000/kg,
- (3) The equivalent gold prices used for the sensitivities in Australia are A\$1,230/oz, A\$1,370/oz & A\$1,500/oz.
- (4) Under the current tailings dam design at Cerro Corona, reserves would not respond to an upward movement of the gold price because of current capacity constraints at the tailings storage facility for the Cerro Corona mine. A decrease of 10% in gold price is insufficient to affect the level of gold reserves.

The London afternoon fixing price for gold on April 7, 2015 was U.S.\$1,211 per ounce. Gold Fields' attributable gold reserves decreased from 48.6 million ounces at December 31, 2013 to 48.1 million ounces at December 31, 2014, primarily due to mining depletion.

The London Metal Exchange, or LME, cash settlement price for copper on April 7, 2015 was U.S.\$6,041 per tonne.

Gold Fields' methodology for determining its reserves is subject to change and is based upon estimates and assumptions made by management regarding a number of factors as noted above under Methodology. Accordingly, the sensitivity analysis of Gold Fields' reserves provided above should not be relied upon as indicative of what the estimate of Gold Fields' reserves would actually be or have been at the gold or copper prices indicated, or at any other gold or copper price, nor should it be relied upon as a basis for estimating Gold Fields' ore reserves based on the current gold or copper price or what Gold Fields' reserves will be at any time in the future. See Risk Factors. Gold Fields' reserves are estimates based on a number of assumptions, which, if changed, may require Gold Fields to lower its estimated reserves.

### Description of Mining Business

The discussion below provides a general overview of the mining business as it applies to Gold Fields.

#### Exploration

Exploration activities are focused on replacing production depletion and on growth in ore reserves to maintain operational flexibility and sustainability. The Group focuses on the extension of existing ore bodies and the discovery and delineation of new ore bodies both at existing sites and at undeveloped sites. Once a potential ore body has been discovered, exploration is extended and intensified in conjunction with comprehensive infill drilling, in order to enable clearer definition of the ore body and its technical and economic

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characteristics so as to profile the potential portions to be mined. Geological, geochemical, geophysical, geostatistical and geo-metallurgical techniques are constantly refined to improve effectiveness and the economic viability of prospecting and mining activities.

### ***Mining***

Gold Fields currently mines only gold, with copper and silver as by-products. The mining process can be divided into two principal activities: (i) developing access to the ore body; and (ii) extracting the ore body once accessed. These two processes apply to both surface and underground mines.

### ***Underground Mining***

#### ***Developing access to the ore body***

For Gold Fields South African underground mine, primary access to the ore body is provided through vertical shaft systems, while access is through single or multiple decline haulages extended from surface portals at the Australian operations.

Horizontal and decline development at various intervals off the shaft or main decline, known as levels, extend laterally and provide access to the ore horizon. Ore drives open up the ore body for mining.

#### ***Extracting the ore body***

Once an ore body has been accessed and opened up for mining, production activities consisting of drilling, blasting, supporting and cleaning activities are carried out on a daily basis. All mines are fully mechanized.

At South Deep, the broken ore is loaded from the stope face into trucks using mechanical loaders and hauled along decline corridors to ore pass systems which connect the corridors to the cross cuts below. The ore is then transported by rail or conveyor and tipped into the shaft transfer system and hoisted to the surface. Mining methods employed include de-stress mining (to provide the appropriate geotechnical conditions for subsequent stoping), long hole open stoping (for reef targets greater than 15 meters in height) and drifting and benching (for reef targets less than 15 meters in height). The mining voids generated once the ore is removed are filled with treated tailings product termed backfill which provides ground support for the mined out areas.

At the Australian underground operations, the broken ore is loaded straight from the stope face into trucks, using mechanical loaders, and hauled to the surface by underground dump trucks via the decline. Application of backfill to the mined out areas is based on local conditions and is not always required in shallow underground mining areas.

### ***Open Pit-Mining***

#### ***Opening up the ore body***

In open-pit mining, access to the ore is achieved by stripping the overburden in benches of fixed height to expose the ore below. This is most typically achieved by drilling and blasting an area, loading the broken rock with excavators into dump trucks and hauling the rock and/or soil to dumps. The overburden material is placed on designated waste rock dumps.

#### ***Extracting the ore body***

Extraction of the ore body in open pit mining involves the same activity as in stripping the overburden. Lines on the pit floor are established demarcating ore from waste material and the rock is then drilled and blasted. Post blasting, the ore is loaded into dump trucks and hauled to the crusher at the metallurgical plant or stockpile, while the waste is hauled to waste rock dumps.

**Table of Contents*****Rock Dump and Production Stockpile Mining***

Gold Fields mines surface rock dumps and production stockpiles using mechanized earth-moving equipment.

***Mine Planning and Management***

Operational and planning management on the mines receives support from regional technical support functions as well as corporate management. The current philosophy is one of top-down/bottom-up management, with the operational and commercial objectives at each mine defined by the personnel at the mine based on parameters, objectives and guidelines provided by Gold Fields' corporate office. This is based on the premise that the people on the ground have the best understanding of the local business and what is realistically achievable.

Each operation identifies a preferred strategic option which, once approved by the Executive Committee, is used to inform how the detailed one-year operational plan is configured, which is rolled out into a life of mine, or LoM plan, prior to the commencement of each fiscal year. The plans are based on financial parameters determined by the Gold Fields Executive Committee, or the Executive Committee. See [Directors, Senior Management and Employees' Executive Committee](#). The operational plan is presented to the Executive Committee, which takes it to the Board for approval before the commencement of each fiscal year. The planning process is anchored by a Group Planning calendar, and is sequential and based upon geological models, evaluation models, resource models, mine design, depletion schedules and, ultimately, financial analysis. Capital planning is formalized pursuant to Gold Fields' capital spending planning process. Projects are categorized and reviewed in terms of total expenditure, return on investment, net present value and impact on AIC per ounce and all projects involving amounts exceeding R360 million (South Africa), A\$40 million (Australia) and U.S.\$40 million (Ghana/Peru) are submitted to the Board for approval. Material changes to the plans have to be referred back to the Executive Committee and the Board.

***Capital Expenditure***

On an IFRS basis (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), Gold Fields spent U.S.\$608.9 million, U.S.\$739.2 million and U.S.\$1,224.0 million in capital expenditure during fiscal 2014, fiscal 2013 and fiscal 2012, respectively. The capital expenditure for fiscal 2013 and fiscal 2014 excludes that of the KDC and Beatrix mines. The major expenditure items in fiscal 2014 were U.S.\$106.1 million on capital waste mining at Tarkwa, U.S.\$91.9 million on the development and equipping of the South Deep mine, U.S.\$55.6 million on the development and infrastructure of the Waroonga and New Holland underground complexes at Agnew/Lawlers, U.S.\$29.4 million on the development of underground mines at St. Ives, U.S.\$27.7 million on the tailings storage facility at Cerro Corona and U.S.\$19.3 million on the tailings storage facility at Tarkwa. The major expenditure items in fiscal 2013 were U.S.\$202.4 million on the development and equipping of the South Deep mine, U.S.\$112.8 million on capital waste mining at Tarkwa, U.S.\$54.7 million on the development of underground mines at St. Ives, U.S.\$36.1 million on the development of the Waroonga underground complex at Agnew and U.S.\$28.5 million on new mining equipment at Tarkwa. The major expenditure items in fiscal 2012 were U.S.\$314.5 million on the development and equipping of the South Deep mine, U.S.\$112.4 million on development at underground mines at St. Ives, U.S.\$118.0 million on capital waste mining at Tarkwa, U.S.\$12.7 million on the water treatment plant and U.S.\$62.5 million on new mining equipment at Tarkwa, U.S.\$2.6 million on new mining fleet at Damang and U.S.\$31.7 million on the development of the Waroonga underground complex at Agnew. For more information regarding Gold Fields' capital expenditure, see [Information on the Company Gold Fields Mining Operations South African Operations South Deep Mine Capital Expenditure](#), [Information on the Company Gold Fields Mining Operations West Africa Operations Tarkwa Mine Capital Expenditure](#), [Information on the Company Gold Fields Mining Operations West African Operations Damang Mine Capital Expenditure](#), [Information on the Company Gold Fields Mining Operations Australasia Operations St. Ives Capital Expenditure](#), [Information on the Company Gold Fields Mining Operations Australasia Operations Agnew/Lawlers Capital Expenditure](#), [Information on the Company Gold Fields Mining Operations Australasia Operations Darlot Capital Expenditure](#), [Information on the Company Gold Fields Mining Operations Australasia Operations Granny Smith Capital Expenditure](#), [Information](#)

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### ***Processing***

Gold Fields has eight active gold processing facilities (one in South Africa, two in Ghana, four in Australia and one in Peru). A typical processing plant circuit includes two phases: comminution (crushing and grinding the ore) and treatment/electrowinning (gold recovery).

#### ***Comminution***

Comminution is the process of crushing and breaking up the ore to expose and liberate the gold and make it available for treatment. Conventionally, this process occurs in multi-stage crushing and milling circuits, which include the use of jaw and gyratory crushers and rod, tube, ball and semi-autogenous grinding, or SAG, mills. Most of Gold Fields milling circuits utilize SAG milling where the ore itself and steel balls are used as the primary grinding media. Through the comminution process, ore is ground to a pre-determined size before proceeding to the treatment phase.

#### ***Treatment***

In most of Gold Fields metallurgical plants, gold is extracted into a leach solution by leaching with cyanide in agitated tanks. Gold is then extracted onto activated carbon from the solution using either the carbon in leach, or CIL, process or the carbon in pulp, or CIP, process. The activated carbon is then eluted and the gold recovered by electrowinning. Certain Gold Fields mines also utilize gravity-recovered-gold circuits that use a centrifuge to separate the coarse gold based on density differences at the front end of the treatment circuit before the ore progresses to the CIL or CIP.

As a final recovery step, gold recovered from the carbon using the above process is smelted to produce gold doré bars. These bars are then transported to a refinery which is responsible for further refining.

At Cerro Corona, gold/copper concentrate is produced using a standard flotation process. The copper concentrate is then shipped to a third-party smelter for further processing.

### ***Refining and Marketing***

#### ***South Africa***

On October 16, 2013, GFO and GFI Joint Venture Holdings Proprietary Limited, or GFIVH, acting jointly in their capacities as participants in an unincorporated joint venture which owns and operates the South Deep mine, known as the South Deep Joint Venture, entered into a new refining agreement with Rand Refinery Proprietary Limited, or Rand Refinery. Rand Refinery is a non-listed private company in which Gold Fields holds a 2.8% interest, with the remaining interests held by other South African gold producers.

This new refining agreement superseded and replaced any and all previous refining agreements between the South Deep Joint Venture and Rand Refinery. Pursuant to this new refining agreement, Rand Refinery undertook, among other things, to (i) refine all unrefined gold produced by South Deep, (ii) on each delivery date of unrefined gold to Rand Refinery, notify Gold Fields treasury department in writing of the estimated gold and/or silver content of the unrefined gold so delivered, expressed in troy ounces and (iii) retain the refined gold and the refined silver for the South Deep Joint Venture pending written instructions from Gold Fields treasury department that the refined gold and/or refined silver have been sold and may be delivered to the buyer in accordance with the buyer's instructions. Rand Refinery assumes responsibility for the unrefined gold upon arrival of the unrefined gold at the Rand Refinery premises in Johannesburg, South Africa. Rand Refinery invoices the South Deep Joint Venture with the refining charges, who then arranges for direct settlement to Rand

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Refinery. The refining agreement will continue indefinitely until either party terminates it upon at least 12 months' written notice.

Gold Fields' treasury department sells all the refined gold produced by South Deep to authorized counterparties at a price benchmarked against the London afternoon fixing price.

*Ghana*

Up until January 12, 2015, all gold produced by Gold Fields at the Tarkwa and Damang mines in Ghana was refined by Rand Refinery.

With effect from January 12, 2015, gold produced at the Tarkwa and Damang mines is refined by MKS (Switzerland) S.A., or MKS, pursuant to refining agreements entered into by Gold Fields Ghana (in respect of the Tarkwa mine) and Abosso (in respect of the Damang mine) with MKS. Under these agreements, MKS collects the gold from either the Tarkwa or Damang mine and transports it either to its Switzerland refinery or to its Indian refinery, or the Designated Refinery, where the gold is then refined. The MKS refinery in India will be the default Designated Refinery unless either party provides the other party with notice to the effect that a shipment of gold must be transported to MKS's refinery in Switzerland, provided that MKS shall only be entitled to provide Gold Fields Ghana and Abosso with such notice if (i) the arrival date of the gold at the refinery will fall on a day other than a business day in India or during a period of weak physical demand for gold in India; or (ii) the Indian import regulations for the gold have materially and adversely changed.

Once the gold has been refined, Gold Fields Ghana and Abosso shall be entitled to (i) sell the refined gold through Gold Fields' treasury department, acting as agent for and on their behalf; or (ii) require MKS to purchase the refined gold; or (iii) request a prepayment in respect of the refined gold. All sales are benchmarked against the afternoon LBMA Gold Price. The London Gold Fix pricing mechanism has been replaced by a new electronic LBMA price-discovery process from March 20, 2015. The price continues to be set twice daily, at 10:30 and 15:00 London time. The new LBMA Gold Price is operated and administered by an independent third-party provider, ICE Benchmark Administration, or the IBA, who were chosen following consultation with market participants. IBA provides the price platform, methodology as well as the overall administration and governance for the LBMA Gold Price. The IBA's platform provides an electronic, auction-based, tradeable, auditable and fully IOSCO-compliant solution for the London bullion market. MKS assumes responsibility for the gold upon collection at either the Tarkwa or Damang mine.

The MKS refining agreements expire on January 12, 2018, provided that after January 2017, either party may terminate an agreement by giving the other party no less than three months' prior written notice of such termination.

*Australia*

In Australia, all gold produced by St. Ives, Agnew/Lawlers, Darlot and Granny Smith, each an Australian operating company, is refined by the Western Australian Mint. The Western Australian Mint applies competitive charges for the collection, transport and refining services. The Western Australian Mint takes responsibility for the unrefined gold at collection from each of the operations where they engage a sub-contractor, Brinks Australia. Brinks delivers the unrefined gold to the Western Australian Mint in Perth, Australia, where it is refined and the refined ounces of gold and silver are credited to the relevant metal accounts held by each Australian Operating Company with the Western Australian Mint. The arrangement with the Western Australian Mint continues indefinitely until terminated by either party upon 90 days' written notice.

Gold Fields' treasury department in the corporate office in Johannesburg, South Africa sells all the refined gold produced by the Australian Operating Companies. On collection of the unrefined gold from an Australian Operating Company's mine site, the relevant Australian Operating Company will notify Gold Fields' treasury department of the estimated refined gold content, expressed in troy ounces, available for sale. After such confirmation, Gold Fields' treasury department will sell the refined gold to authorized counterparties at a price

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benchmarked against the London afternoon fixing price. All silver is sold to the Western Australian Mint at market rates.

*Peru*

Gold Fields La Cima S.A., or La Cima, has three contracts for the sale of approximately 85% of concentrate from the Cerro Corona mine, one with a Japanese refiner, one with a South Korean refiner and one with a German refiner. Under these contracts, La Cima is to sell approximately 29% of the concentrate to each company and to use reasonable efforts to spread the deliveries evenly throughout the year. Risk passes when the concentrate is loaded in the port of Salaverry, Peru or an alternative port chosen by La Cima. Pricing for copper under each of the contracts is based on the daily LME settlement price for copper. Pricing for gold under each of the contracts is based on the daily average of the London Bullion Market Association initial and final guarantees, which represents an average of the London morning and afternoon fixing price. All production in excess of the amounts sold under long term contracts is sold on the spot market.

**Gold Fields Mining Operations**

Gold Fields has eight producing mines located in South Africa, Ghana, Australia and Peru. Gold Fields acquired the Yilgarn South Assets from Barrick on October 1, 2013. Of the three operating mines acquired from Barrick, two (Granny Smith and Darlot) remain discrete operating entities, while the third (Lawlers) has now been incorporated with Agnew to form an integrated Agnew/Lawlers mine. See Information on the Company Gold Fields Mining Operations Australasia Operations . Gold Fields conducts underground and surface mining operations at St. Ives, underground-only operations at Agnew/Lawlers, Granny Smith, Darlot and South Deep and surface-only open pit mining at Damang, Tarkwa and Cerro Corona. Some processing of surface rock dump material occurs at Damang and South Deep. Material processed from production stockpiles occurs at Tarkwa, Damang and St. Ives.

**Total Operations**

The following table details operating and production results (including gold equivalents) for each of fiscal 2012, 2013 and 2014, excluding the Sibanye Gold assets.

	Fiscal 2012	Fiscal 2013 <sup>(1)</sup>	Fiscal 2014 <sup>(1)</sup>
<b>Production</b>			
Tonnes ( '000)	43,926	38,255	33,513
Recovered grade (g/t)	1.5	1.7	2.1
Gold produced ( '000 oz <sup>3</sup> )	2,124	2,104	2,294
<b>Results of operations (\$ million)</b>			
Revenues	3,530.6	2,906.3	2,868.8
Operating costs (excluding amortization and depreciation) <sup>(3)</sup>	1,673.9	1,678.7	1,684.9
All-in sustaining cost net of by-product revenue per ounce of gold sold (\$) <sup>(3)</sup>	1,310	1,202	1,053
All-in cost net of by-product revenue per ounce of gold sold (\$) <sup>(3)</sup>	1,537	1,312	1,087
All-in sustaining cost gross of by-product revenue per equivalent ounce of gold sold (\$) <sup>(3)</sup>	1,331	1,206	1,053
All-in cost gross of by-product revenue per equivalent ounce of gold sold (\$) <sup>(3)</sup>	1,539	1,307	1,086

Notes:

- (1) Includes Yilgarn South Assets since acquisition on October 1, 2013.
- (2) In fiscal 2012, 2.031 million ounces were attributable to Gold Fields, in fiscal 2013, 2.022 million ounces were attributable to Gold Fields, and in fiscal 2014, 2.222 million ounces were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Ghana and Peru operations during each of those periods.

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- (3) For a reconciliation of Gold Fields' operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost. See Operating and Financial Review and Prospects All-in Sustaining and All-in Cost.

**Underground Operations**

The following table details the operating and production results for Gold Fields' underground operations for fiscal 2012, 2013 and 2014, excluding the Sibanye Gold assets

	Fiscal 2012	Fiscal 2013 <sup>(1)</sup>	Fiscal 2014 <sup>(1)</sup>
<b>Production</b>			
Tonnes ( '000)	4,335	5,419	6,575
Recovered grade (g/t)	4.9	4.6	5.3
Gold produced ( '000 oz <sup>3</sup> )	689	805	1,119

Notes:

- (1) Includes Yilgarn South Assets since acquisition on October 1, 2013.  
 (2) In fiscal 2012, 0.689 million ounces were attributable to Gold Fields, in fiscal 2013, 0.805 million ounces were attributable to Gold Fields and in fiscal 2014, 1.119 million ounces were attributable to Gold Fields (excluding Sibanye Gold).

Tonnes milled from the underground operations increased from 5.4 million tonnes in fiscal 2013 to 6.6 million tonnes in fiscal 2014. The amount of gold produced from underground operations increased from 0.805 million ounces in fiscal 2013 to 1.119 million ounces in fiscal 2014. The increases in tonnes milled and in gold produced were primarily a result of the inclusion of the Yilgarn South Assets for a full year in 2014 as opposed to one quarter only in 2013.

**Surface Operations**

The following table details the operating and production results (including gold equivalents) for Gold Fields' surface operations for fiscal 2012, 2013 and 2014, excluding the Sibanye Gold assets.

	Fiscal 2012	Fiscal 2013 <sup>(1)</sup>	Fiscal 2014 <sup>(1)</sup>
<b>Production</b>			
Tonnes ( '000)	39,591	32,836	26,938
Recovered grade (g/t)	1.1	1.2	1.3
Gold produced ( '000 oz <sup>3</sup> )	1,435	1,292	1,175

Notes:

- (1) Includes Yilgarn South Assets since acquisition on October 1, 2013.  
 (2) In fiscal 2012, 1.333 million ounces were attributable to Gold Fields and in fiscal 2013, 1.210 million ounces were attributable to Gold Fields and in fiscal 2014, 1.100 million ounces were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Ghana and Peru operations during each period.

Tonnes milled and treated from the surface operations decreased from 32.8 million tonnes in fiscal 2013 to 26.9 million tonnes in fiscal 2014, mainly due to cessation of crushing at the heap leach operations at Tarkwa and St. Ives.





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### ***South African Operations***

Gold Fields' South African operations consist of the South Deep mine.

### ***South Deep Mine***

#### ***Introduction***

South Deep is situated 45 kilometers south-west of Johannesburg, in the Gauteng Province of South Africa. South Deep is a capital project and remains a developing mine where the permanent infrastructure to support expanded production has now been installed. South Deep uses trackless mechanized mining methods comprising an array of techniques and mobile machines to achieve the most efficient extraction system for any given area in the ore body.

South Deep is engaged in underground mining and comprises one metallurgical plant and two operating shaft systems, the older South Shaft complex and the newer Twin Shaft complex. The South Shaft complex includes a main shaft and three sub-vertical (SV) shafts, two of which are operational. The Twin Shaft complex consists of a single-barrel main shaft for hoisting personnel, rock materials and an adjacent bratticed ventilation shaft, used for both drawing used air and hoisting rock. The South Shaft complex operates to a depth of 2,650 meters below surface and the Twin Shaft complex operates to a depth of 2,995 meters below surface. South Deep's workings are at depth and therefore require significant cooling infrastructure. The South Deep operation has access to the national electricity grid, water, and road infrastructure and is located near regional urban centers where it can obtain needed supplies and services.

#### ***History***

The current South Deep operations derive from the Barrick Gold Western Areas Joint Venture, which Gold Fields acquired in a series of transactions in the second half of fiscal 2007. The Barrick Gold Western Areas Joint Venture was named the South Deep Joint Venture.

#### ***Geology***

South Deep is a deep-level underground gold mine located along the northern and western margins of the Witwatersrand Basin, which have been the primary contributors to South Africa's production of a significant portion of the world's recorded gold output since 1886.

The Witwatersrand Basin comprises a 6,000 meter vertical thickness of sedimentary rocks, extending laterally for some 350 kilometers northeast to southwest by some 1,200 kilometers northwest to southeast, generally dipping at shallow angles toward the center of the basin. The basin outcrops at its northern extent near Johannesburg, but to the west, south and east it is overlaid by up to 4,000 meters of volcanic and sedimentary rocks. The Witwatersrand Basin is Archean in age, meaning the sedimentary rocks are of the order of 2.8 billion years old.

Gold mineralization occurs within laterally extensive quartz pebble conglomerate horizons called reefs, which are developed above unconformable surfaces near the basin margin. As a result of faulting and primary controls on mineralization processes, the goldfields are not continuous and are characterized by the presence or dominance of different reef units. The reefs are generally less than two meters in thickness and are widely considered to represent laterally extensive braided fluvial deposits or unconfined flow deposits, which formed along the flanks of alluvial fan systems around the edge of an inland sea. Dykes and sills of diabase or dolerite composition are developed within the Witwatersrand Basin and are associated with several intrusive and extrusive events.

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Gold generally occurs in native form, often associated with pyrite, carbon and uranium. Pyrite and gold within the reefs display a variety of forms, some obviously indicative of detrital transport within the depositional system and others suggesting crystallization within the reef itself.

The most fundamental controls of gold distribution are the primary sedimentary features such as facies variation and channel directions. Consequently, the modeling of sedimentary features within the reefs and the correlation of payable grades within certain facies is key to in situ reserve estimation as well as effective operational mine planning and grade control.

Gold mineralization at South Deep is hosted by conglomerates of the Upper Elsburg reefs and the VCR. The Upper Elsburg reefs sub-crop against the VCR in a northeasterly trend, which defines their western limits. To the east of the sub-crop, the Upper Elsburg reefs are preserved in an easterly diverging sedimentary wedge attaining a total thickness of approximately 120 meters, which is subdivided into the lower Individuals and the overlying Massives. To the west of the sub-crop, only the VCR is preserved.

The stratigraphic units at South Deep generally dip southward at approximately 12 to 15 degrees and the gold-bearing reefs occur at depths of 1,500 meters to 3,500 meters below surface.

Production at South Deep is currently derived from the Upper Elsburg Reefs. In general terms, the Upper Elsburg succession represents an easterly prograding sedimentary sequence, with the Massives containing higher gold grades and showing more proximal sedimentological attributes in the eastern sector of the mining authorization than the underlying Individuals. The sedimentary parameters of the Upper Elsburg reef units influence the overall tenor of the reefs with gold grade displaying a gradual, general decrease toward the East, away from the sub crop.

The North-South trending normal West Rand and Panvlakte faults, which converge on the Western side of the lease area, are the most significant large-scale faults in the area and form the western limit to gold mineralization for the mine.

### *Mining*

South Deep is a mine that has been built to extract one of the largest ore bodies in the world. Its 38 million ounces of mineral reserves are understood to a high level of confidence and key required infrastructure has now been installed to deliver the mine as a low cost, long life mechanized mining operation. Due to its deep level and mechanized nature, South Deep has no real benchmark operation in the industry and the current focus therefore remains on establishing the basics at the mine to drive productivity and leverage unit costs. In addition, a wholesale strategic review of the operation is being undertaken with the objective of positioning and rebasing South Deep as a core franchise asset, that aims in the first instance to achieve self-funding (i.e. breaking even) as soon as possible and then to deliver consistent FCF Margin going forward.

South Deep was hindered in May 2014 by a four-month suspension of production due to the introduction of an extensive ground support remediation program. The remediation program took most of the legacy haulages and arterial routes on 95 level and above, from where a significant proportion of current production is sourced, out of service with a commensurate impact on production. The full implication of the largely completed ground support program on the fiscal 2015 production plan is still being assessed.

The review by an appointed independent geotechnical review board of South Deep's current mining layout and methodology, as well as the geotechnical support regime, commenced in fiscal 2014. The need for a fundamental change in the current regional pillar configuration of 240m x 60m has been recognized, which will require reduced pillar spacing to strengthen the geotechnical regime and will result in more mining corridors as mining moves deeper.

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Importantly, this currently remains a work in progress and although a 180m x 60m configuration is preferred over the 150m x 50m or 120m x 40m layouts, geotechnical modeling and final independent peer review is scheduled for the first half of fiscal 2015 to validate the work being completed by external consultants. Further optimization and the tailoring of selected pillar layouts to adapt to local conditions across the mine, will still be necessary. Final approval and sign-off of the new pillar configuration and the impact on the life of mine plan design parameters can realistically only be expected in the first half of fiscal 2015.

In addition, two alternative mining methods are under review. The first method is the 4.5m x 4.5m destress method and the second is the inclined mining slot method. Both of these methods, if successful, could significantly de-risk the South Deep build-up plan and future production profiles, and could also have a meaningful positive impact on mining costs. It is too early to assess whether either of these methods could be commercially implemented.

The following projects are planned at South Deep for fiscal 2015:

Development on 100 and 105 levels. This development in an easterly direction will provide access to the ore body, additional ore handling facilities plus increase the number of airways and cooling infrastructure to the current mine;

Construction of a 100 2W bulk air cooler; and

Pilot trials for the 4.5m x 4.5m destress method.

Detailed below are the operating and production results at South Deep for fiscal 2012, 2013 and 2014:

	Fiscal 2012	Fiscal 2013	Fiscal 2014
<b>Production</b>			
Tonnes ( 000)	2,106	2,347	1,323
Recovered grade (g/t)	4.0	4.0	4.7
Gold produced ( 000 oz)	270	302	201
<b>Results of operations (\$ million)</b>			
Revenues	450.8	425.7	254.8
Operating costs (excluding amortization and depreciation) <sup>(1)</sup>	302.9	321.8	245.5
All-in sustaining cost net of by-product revenues per ounce of gold sold (\$) <sup>(1)</sup>	732	1,541	1,548
All-in costs net of by-product revenues per ounce of gold sold (\$) <sup>(1)</sup>	2,308	1,763	1,732

Notes:

- (1) For a reconciliation of Gold Fields' operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost. AIC and AISC are calculated per ounce of gold sold, excluding gold equivalent ounces. See Operating and Financial Review and Prospects All-in Sustaining and All-in Cost.

Total tonnes milled and gold production decreased from 2.3 million tonnes and 0.302 million ounces in fiscal 2013 to 1.3 million tonnes and 0.201 million ounces in fiscal 2014, respectively, primarily due to the reasons discussed above.

South Deep's power usage has increased over the years as it builds up production and prepares for the development of long-term infrastructure. Eskom has supplied the additional power requirements for the build up and has installed additional transformers and new transmission lines. Eskom applied to the National Energy Regulator of South Africa, or NERSA, for tariff increases and for 2015 NERSA granted Eskom an average tariff increase of 12.69% effective April 1, 2015 being 8% plus 4.69% due to the clawing back by Eskom of prudent costs from the Regulatory Clearing Account for the three year period from April 2010 to March 2013. It has also been reported that Eskom intends to request permission to raise the power tariff by 25%, instead of 12.69%,



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in order to make up a cashflow shortfall. NERSA has given permission for Eskom to raise rates further but it is unclear what the actual rate increase will be. In addition, the South African Minister of Finance has announced a two per cent per kilowatt hour environmental levy on electricity. In order to mitigate the cost impact of these increases, numerous power saving projects were initiated to reduce power consumption. South Deep will be developing a long-term energy security plan (which will include an assessment of renewable energy options) to manage supply risks currently faced by Eskom. In the short term, a load curtailment arrangement has been negotiated with Eskom to minimize production disruptions and ensure the continued safe operation of the mine. See Risk Factors Power cost increases may adversely affect Gold Fields business, operating results and financial condition .

Given the material influence that the broad spectrum of current studies and initiatives can potentially have on the South Deep plan, a holding pattern has been adopted with regard to the mineral reserve declaration for December 2014, in that the December 2013 model will be depleted by the fiscal 2014 mining production. The depleted fiscal 2013 model will by nature reflect last year's assumptions on modifying factors, production rates and cost modeling, but until new metrics and rates are validated this is deemed to be prudent. This approach is meant to ensure that this year's mineral reserve declaration does not invoke untested and unconfirmed revisions to various technical inputs to the life of mine plan, which could prove inaccurate or potentially misleading. See Reserves of Gold Fields as of December 31, 2014 Methodology .

Assuming that Gold Fields does not materially increase or decrease reserves estimates at South Deep and that there are no significant changes to the life of mine plan and based on the method described above, South Deep's December 31, 2014 proven and probable managed reserves of 38.0 million ounces (approximately 34.9 million ounces of which are attributable to Gold Fields, with the rest attributable to non-controlling shareholders) will be sufficient to maintain production through to approximately fiscal 2087. However, as discussed earlier in Risk Factors and

Mine Planning and Management , there are numerous factors which can affect reserve estimates and the mine plan, which could thus materially change the life of mine.

South Deep is engaged in underground mining and is thus subject to all of the underground mining risks discussed in Risk Factors . The primary safety issues facing South Deep underground operations include seismicity (including seismically induced falls of ground), falls of ground due to gravity and the risk of pedestrians being struck by mobile equipment. To prevent falls of ground accidents, South Deep has implemented a comprehensive health and safety strategy. For more information about this strategy as well as details about workplace injuries at South Deep, see

Directors, Senior Management and Employees Employees Health and Safety Safety and Directors, Senior Management and Employees Employees TRIFR, Fatalities and Fatal Injury Frequency Rate .

### *Processing*

All processing at South Deep is carried out at a single gold extraction plant. The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factors during fiscal 2014 for the plant.

### **Processing Techniques**

<b>Plant</b>	<b>Year commissioned<sup>(1)</sup></b>	<b>Comminution phase</b>	<b>Treatment phase</b>	<b>Capacity<sup>(1)</sup> (tonnes/month)</b>	<b>Average milled for fiscal 2014</b>	<b>Approximate recovery factor for fiscal 2014<sup>(2)</sup></b>
Twin Shaft Plant	2002	Primary SAG and Secondary Ball milling	Leach or CIP, with elution and electrowinning	330,000	110,250	97%

Note:

- (1) Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in a level of throughput over and above the designed nameplate capacity.
- (2) Percentages rounded to the nearest whole percent.



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### *Capital Expenditure*

On an IFRS basis (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), Gold Fields spent U.S.\$91.9 million on capital expenditures at the South Deep operation in fiscal 2014, primarily on development, infrastructure and trackless equipment and housing and living conditions of employees. Gold Fields expects to spend approximately U.S.\$78 million on capital expenditures at South Deep in fiscal 2015, primarily on development, infrastructure and trackless equipment.

### **West Africa Operations**

The West Africa operations comprise the Tarkwa and Damang gold mines in Ghana. The West Africa region also had responsibility for, until its sale on June 2014 to Hummingbird Resources PLC, Gold Fields' Yanfolila project in Mali. Until early 2014, the West Africa region also had responsibility for Gold Fields' Talas Copper-Gold project in Kyrgyzstan which was sold to Robust Resources Limited. Gold Fields Ghana, which holds the interest in the Tarkwa mine, and Abosso, which owns the interest in the Damang mine, are owned 90.0% by Gold Fields and 10% by the Ghanaian government.

Both Gold Fields Ghana and Abosso concluded tariff negotiations for 2014 and 2015 with their respective power suppliers (the state electricity supplier, the VRA, supplies power to Gold Fields Ghana and the ECG, provides power to Abosso). The ECG's rate for the period January 1, 2012 to December 31, 2013 was US\$0.1809/kWh. ECG's tariffs from January 1, 2014 to December 31, 2014 were \$0.216/kWh and from January 1, 2015 to December 31, 2015 is US\$0.23/kWh. Gold Fields Ghana has agreed tariffs with VRA with a base tariff of US\$0.1674/kWh with effect from January 1, 2015 using a tariff model which inputs actual variables (including the generation mix and input prices) of the previous quarter to determine the tariff for the current quarter.

Although Gold Fields Ghana has concluded tariff negotiations with the VRA, there has been a delay in finalizing the draft Power Sale and Purchase Agreement, or PSPA, with the VRA, mainly because of a delay in the implementation of the Energy Commission's proposed Wholesale Electricity Market, or WEM, which would impact provisions of the PSPA. The implementation of the WEM is presently on hold due to load shedding exercises being carried out in Ghana.

The VRA is now proposing an interim PSPA, subject to regulatory changes made by the Energy Commission when the WEM is fully rolled out. Gold Fields Ghana intends to discuss the interim PSPA with the VRA in April 2015.

In order to reduce their reliance on power supplied by VRA and ECG, Gold Fields Ghana and Abosso have entered into a ten year power purchase agreement, or PPA, with independent power producer Genser Energy, or Genser. Genser has agreed to commission a clean coal power generation facility at Tarkwa. The delivery of power up to 7MW is expected to begin in April 2015 from an alternative Genser plant while the new facility is being completed. This power supply is expected to eventually replace all or a significant proportion of Tarkwa and Damang's current supply from the VRA and ECG. Over the ten-year contract, the PPA could potentially save around 47% on the cost of power currently supplied by the VRA and ECG. The PPA will, however, increase the company's carbon emissions, by replacing electricity currently generated mainly through hydropower with coal-generated electricity. See Risk Factors Power cost increases may adversely affect Gold Fields' business, operating results and financial condition.

### ***Tarkwa Mine***

#### *Introduction*

The Tarkwa mine is located in southwestern Ghana, about 300 kilometers by road west of Accra. The Tarkwa mine consists of several open pit operations on the original Tarkwa property and the adjacent southern portion of the property, which was formerly referred to as the Teberebie property and was acquired by Gold Fields in August 2000. Gold Fields added a SAG mill, two ball mills and a CIL plant and a High Pressure Grinding Roll Facility.



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The Tarkwa mine operates under mining leases with a total area of approximately 20,800 hectares, the entirety of which are surface operations. The Tarkwa mine has access to the national electricity grid, water, road and railway infrastructure, although rail service has been non-operational for many years. Most supplies are trucked in from either the nearest seaport, which is approximately 90 kilometers away by road in Takoradi, or from Tema, near Accra, which is approximately 300 kilometers away by road.

### *History*

Investment in large-scale mining in the Tarkwa area commenced in the last quarter of the nineteenth century. In 1993, Gold Fields of South Africa, or GFSA, took over an area previously operated by the State Gold Mining Corporation, or SGMC. SGMC had, in turn, acquired the property from private companies owned by European investors. Mining operations commenced in 1997 following initial drilling, feasibility studies and project development (which included the removal of overburden and the resettlement of approximately 22,000 people).

### *Geology*

Gold mineralization at Tarkwa is hosted by Proterozoic Tarkwaian metasediments, which overlie but do not conform to a Birimian greenstone belt sequence. Gold mineralization is concentrated in conglomerate reefs and has some similarities to deposits in the Witwatersrand Basin in South Africa. The deposit comprises a succession of stacked, tabular palaeoplacer units consisting of quartz pebble conglomerates. Approximately 10 such separate economic units occur in the concession area within a sedimentary package ranging from 40 meters to 110 meters in thickness. Low-grade to barren quartzite units are interlayered between the separate reef units.

### *Mining*

The existing surface operation currently exploits narrow auriferous conglomerates from six pits, namely Pepe, Akontansi, Teberebie, Atuabo, Maintrain and Kottraverchy. Tarkwa uses the typical open pit mining methods of drilling, blasting, loading and hauling.

During fiscal 2014, mineral reserves at Tarkwa increased by 3% (net of depletion) to 7.5 million ounces. Restructuring the mine to operate at lower total mining volumes (90 – 100Mtpa total mining) is expected to ensure operational flexibility and underpin targeted head grades to deliver 500,000 to 550,000 ounces of gold per year.

Production decreased by 12% at Tarkwa in fiscal 2014 due to the closure of its heap leach facilities (with all ore now being processed through Tarkwa's existing, high recovery CIL plant), higher-than-average rainfall during the first quarter of fiscal 2014 which reduced total tonnes mined from Tarkwa's open-pits and a shortage of blasted ore due to poor drill-rig availability between the first and third quarters of fiscal 2014. This was partly offset by an overall improvement in process plant performance.

Due to the increasing hardness of the ore as the pits drive deeper and the resultant lower dissolution recoveries, the North Heap Leach operation was stopped at the end of December 2013. Various alternative mining and processing options have been investigated to identify the best value option for Tarkwa. A carbon-in-leach only option proved to be the most operationally and financially viable choice, as it offers an increased throughput rate to 13.3Mtpa from fiscal 2015, with processing of the spent South Heap Leach material at the end of the production profile. The mineral reserves declared as at December 31, 2014 take into account the above strategy, with the objective of optimizing Tarkwa's mineral reserve, cash flow and net present value.

No greenfields projects were commenced in fiscal 2014. A geochemical soil sampling program was carried out in Tarkwa in fiscal 2014 to explore part of the concession, which previously had limited exploration.

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Detailed below are the operating and production results at Tarkwa for fiscal 2012, 2013 and 2014.

	Fiscal 2012	Fiscal 2013	Fiscal 2014
<b>Production</b>			
Tonnes milled ( '000)	22,910	19,275	13,553
Recovered grade (g/t)	1.0	1.0	1.2
Gold produced ( '000 oz <sup>1</sup> )	719	632	558 <sup>(3)</sup>
<b>Results of operations (\$ million)</b>			
Revenues	1,198.9	893.1	706.7
Operating costs (excluding amortization and depreciation) <sup>(2)</sup>	494.4	473.7	373.9
All-in sustaining cost net of by-product revenues per ounce of gold sold (\$) <sup>(2)</sup>	1,117	1,291	1,068
All-in costs net of by-product revenues per ounce of gold sold (\$) <sup>(2)</sup>	1,117	1,291	1,068

## Notes:

- (1) In fiscal 2012, 2013 and 2014, 0.647 million ounces, 0.569 million ounces and 0.502 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operations.
- (2) For a reconciliation of Gold Fields' operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost. AIC and AISC are calculated per ounce of gold sold, excluding gold equivalent ounces. See Operating and Financial Review and Prospects All-in Sustaining and All-in Cost.
- (3) Included in this number are approximately 31,000 ounces which relate to heap leach inventory, which is not being put through the mill. In fiscal 2014, overall ore tonnage mined was 13.6 million tonnes compared with 19.3 million tonnes for fiscal 2013. Total waste mined decreased by 44.7 million tonnes, from 118.4 million tonnes in fiscal 2013 to 73.7 million tonnes in fiscal 2014. Compared to fiscal 2013 levels, gold production at Tarkwa decreased significantly in fiscal 2014 because of the closure of the Heap Leach facilities.

Assuming that Gold Fields does not increase or decrease ore reserves estimates at Tarkwa and that there are no changes to the current mine plan at Tarkwa, Tarkwa's December 31, 2014 proven and probable reserves of 7.5 million ounces (6.75 million ounces of which are attributable to Gold Fields, with the remainder attributable to the Ghanaian government) will be sufficient to maintain production through approximately fiscal 2031 which includes re-treatment of the South Heap Leach at the end of the life of mine. However, as discussed earlier in Risk Factors and Mine Planning and Management, there are numerous factors which can affect reserve estimates and the mine plan, which could thus materially change the life of mine.

The Tarkwa mine is engaged in open pit mining and is thus subject to all the risks associated with open pit mining discussed in Risk Factors. For more information about workplace injuries at Tarkwa, see Directors, Senior Management and Employees Employees Health and Safety Safety and Directors, Senior Management and Employees Employees TRIFR, Fatalities and Fatal Injury Frequency Rate.

There were no strikes and/or labor stoppages in fiscal 2014 and none to date since December 31, 2014.

*Processing*

Tarkwa's ore is processed using SAG milling at its CIL plant. Prior to the restructuring, the operation also incorporated two separate heap leach circuits, the North Plant and the South Plant. As part of the restructuring, the South Heap Leach Facility was closed in December 2012 and stacking of ore ceased at the North Heap Leach facility in December 2013. The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factors during fiscal 2014, for each of the plants at Tarkwa.

**Table of Contents****Processing Techniques**

Plant	Year commissioned	Comminution phase	Treatment phase	Capacity <sup>(1)</sup> (tonnes/month)	Average milled for fiscal 2014	Approximate recovery factor for fiscal 2014 <sup>(2)</sup>
CIL Plant	2004	SAG milling (with ball mill) <sup>(3)</sup>	CIL treatment	1,025,000	1,113,417	97%

## Notes:

- (1) Nameplate capacity as designed. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.
- (2) Percentages are rounded to the nearest whole percent.
- (3) The ball mill was added in December 2008.

The expansion of the Carbon in Leach (CIL) plant from an annual throughput of 12.3 to 13.3 million tonnes per annum was completed by the end of December 2014. The expansion is expected to enable Tarkwa to increase its future production profile to a steady state level of approximately 550,000 ounces per annum.

*Capital Expenditure*

On an IFRS basis (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), Gold Fields spent U.S.\$174.1 million on capital expenditures at the Tarkwa operation in fiscal 2014, principally for capital waste mining, primary and ancillary mining fleet, tailings storage facility construction and the CIL plant capacity increase. Gold Fields has budgeted approximately U.S.\$197 million for capital expenditures at Tarkwa for fiscal 2015, principally for capital waste mining, primary and ancillary mining fleet and tailings storage facilities.

**Damang Mine***Introduction*

The Damang deposits are located in the Wassa West District in southwestern Ghana approximately 330 kilometers by road west of Accra and approximately 30 kilometers by road northeast of the Tarkwa mine. The mine exploits hydrothermal in addition to Witwatersrand-style palaeoplacer gold. The Damang mine consists of an open pit operation with a SAG and ball mill and CIL processing plant. Damang operates under a mining lease with a total area of approximately 8,100 hectares. The Damang mine has access to the national electricity grid and water and road infrastructure. Most supplies are brought in by road from the nearest seaport, Takoradi, which is approximately 135 kilometers away, or from Accra, which is approximately 360 kilometers away by road.

*History*

Mining on the Aboisso concession began with underground mining in the early twentieth century. Surface mining at Damang commenced in August 1997 and Gold Fields assumed control of operations on January 23, 2002. Historically, the underground mine was in operation from 1878 until 1956.

*Geology*

Damang is located on the Damang Anticline, which is marked by Tarkwaian metasediments on the east and west limbs, around a core of Birimian metasediments and volcanics. Gold in the Tarkwaian metasediments and volcanics is predominantly found in the conglomerates of the Banket Formation and is similar to the Witwatersrand in South Africa; however, at Damang, hydrothermal processes have enriched much of this palaeoplacer mineralization. Within the region, the contact between the Birimian and Tarkwaian metasediments and volcanics is commonly marked by zones of intense shearing and is host to a number of significant shear hosted gold deposits, including Prestea, Bogoso, and Obuasi.



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Palaeoplacer mineralization occurs on the west limb of the anticline at Abosso, Chida, and Tomento, and on the east limb of the anticline at the Kwesie, Lima South, and Bonsa North locations. Hydrothermal enrichment of the Tarkwaian palaeoplacer occurs at the Rex, Amoanda, and Nyame areas on the west limb and the Damang and Bonsa areas on the east limb.

### *Mining*

Damang uses the typical open pit mining methods of drilling, blasting, loading and hauling. The primary operational challenges include improved grade and dilution control, blasting optimization and maintaining load and haul efficiencies given that the mine has a number of different ore sources (Huni, Saddle Area, Juno and Lima South), and maintaining adequate and timely supply of appropriate plant feed blend (i.e. where possible a blend of fresh and oxide materials).

Damang experienced a significant improvement in operational performance during fiscal 2014, following extensive restructuring at the mine to ensure its commercial sustainability. In fiscal 2013, Gold Fields undertook a restructuring of Damang and introduced business improvement initiatives across the whole of Damang's operations which started yielding positive results in the fourth quarter of fiscal 2013. This turnaround continued through fiscal 2014. The focus on employee health and safety, operational efficiencies, mining mix, grade management and key activity costs has brought Damang back to commercial levels of production with a realistic time frame now available to bring additional brownfield opportunities to account.

In fiscal 2014, production at Damang increased 16%, mainly due to a focus on high-quality mining, a higher head grade, improved recovery as a result of the installation of an additional CIL tank, the transition from a three-shift mining system to a two-shift mining system with a commensurate reduction in the workforce by around 130 employees and lower capital expenditure. Mining activity at Damang was focused on areas with a lower strip ratio, while production levels were increased by reducing dilution and focusing on the optimum cut-off grades over the lifespan of the mine. Despite these interventions, in fiscal 2014 Damang's mine grade was still below the estimated reserve grade. In addition, production was affected by unplanned mill stoppages in the second and third quarters of fiscal 2014, resulting in the temporary shutdown of all processing at the mine for seven days.

The main focus at Damang remains the identification of additional ore sources along the 27 kilometres of strike between Damang and Tarkwa, where historical open pits were last drilled and mined when the gold price was between US\$300/oz and US\$400/oz. This strategy could contribute to an appreciable addition to mineral reserves over the next three years. A three year phased exploration program has been designed to test prioritized targets that show the potential to deliver cash generative ounces to the LoM plan to replace depletion, increase flexibility and grow the reserve base. Targets are prioritized if they represent extensions to active pits or known ore bodies in reasonable proximity to the plant and are favored if they are hydrothermal in style due to their generally higher gold grades.

In fiscal 2014, near mine exploration continued at Huni, Saddle and Juno South pits. Tomento North drilling and modelling was completed in fiscal 2014 and further infill drilling to refine the geological domains and identify pay shoots is scheduled for fiscal 2015.

Mineral reserves at Damang increased from 1.1 million ounces to 1.2 million ounces, net of depletion, as a result of the inclusion of Amoanda and Huni Cut-back 2. The mine has re-positioned well in fiscal 2014 and remains dedicated to achieving targeted head grades and sustaining plant throughput to deliver increased ounces and stabilize the all-in cost per ounce. Advance grade control, or AGC, drilling programs have continued with the objective of de-risking the operational plan and keeping 9 to 12 months of production within the AGC window on a rolling basis. Mining is designed to prioritize extraction from the pits with the highest economic value and is focused on the Huni, Saddle and Juno pits.

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The mineral reserves declared as at December 31, 2014 were constrained by the existing east tailings storage facility adjacent to the Damang pit. Re-assessment of all options across the entire mining lease will continue in fiscal 2015 to determine the best business case to improve cash flow. This will include potential extensions to the Amoanda and Tomento open pits, testing potential at Nyame and Chida, as well as a review of underground options compared against the existing Cut-back 2 option.

During the period under review, exploration activities at Gold Fields West African operations were dominated by resource conversion projects through infill drilling and extensions to known targets at Damang. No greenfields projects were commenced in fiscal 2014.

Detailed below are the operating and production results at Damang for fiscal 2012, 2013 and 2014.

	Fiscal 2012	Fiscal 2013	Fiscal 2014
<b>Production</b>			
Tonnes milled ( '000)	4,416	3,837	4,044
Recovered grade (g/t)	1.2	1.2	1.4
Gold produced ( '000 oz <sup>1</sup> )	166	153	178
<b>Results of operations (\$ million)</b>			
Revenues	277.8	216.4	224.6
Operating costs (excluding amortization and depreciation) <sup>(2)</sup>	179.1	171.1	177.6
All-in sustaining cost net of by-product revenues per ounce of gold sold (\$) <sup>(2)</sup>	1,707	1,558	1,175
All-in costs net of by-product revenues per ounce of gold sold (\$) <sup>(2)</sup>	1,753	1,558	1,175

Notes:

- (1) In fiscal 2012, 2013 and 2014, 0.149 million ounces, 0.138 million ounces and 0.160 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in Abosso.
- (2) For a reconciliation of Gold Fields operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost . AIC and AISC are calculated per ounce of gold sold, excluding gold equivalent ounces. See Operating and Financial Review and Prospects All-in Sustaining and All-in Cost .

Total tonnes milled increased from 3.8 million in fiscal 2013 to 4.0 million in fiscal 2014 primarily due to higher mill and crusher availability. Gold production increased from 0.153 million ounces in fiscal 2013 to 0.178 million ounces in fiscal 2014 primarily as a result of the higher throughput. As the plant is ageing, preventative maintenance has been increased to provide sustainable processing capacity, particularly given the increase in ore reserves and resources and extended mine life.

Assuming that Gold Fields does not increase or decrease reserves estimates at Damang and that there are no changes to the current mine plan, Damang's December 31, 2014 proven and probable reserves of 1.2 million ounces (approximately 0.12 million of which are attributable to the Ghanaian government, with the remainder attributable to Gold Fields) will be sufficient to maintain production through approximately fiscal 2020. However, as discussed earlier in Risk Factors and Mine Planning and Management , there are many factors that can affect reserve estimates and the mine plan, which could thus materially change the life of mine.

The Damang mine comprises open pit mining, and is thus subject to all of the risks associated with open pit mining discussed in Risk Factors . For more information about workplace injuries at Damang, see Directors, Senior Management and Employees Employees Health and Safety Safety and Directors, Senior Management and Employees Employees TRIFR, Fatalities and Fatal Injury Frequency Rate .

There were no strikes and/or work stoppages at Damang in fiscal 2014 and none to date since December 31, 2014.

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All ore at Damang is processed through a single facility. The following table sets forth the year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factor during fiscal 2014 for the plant.

**Processing Techniques**

<b>Plant</b>	<b>Year commissioned</b>	<b>Comminution phase</b>	<b>Treatment phase</b>	<b>Capacity<sup>(1)</sup> (tonnes/month)</b>	<b>Average milled for fiscal 2014</b>	<b>Approximate recovery factor for fiscal 2014<sup>(2)</sup></b>
Processing Plant	1997 <sup>(3)</sup>	Primary and two-stage secondary crushing with SAG and ball milling	CIL treatment	333,333	337,000	91%

## Notes:

- (1) Nameplate capacity as designed. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.
- (2) Percentages are rounded to the nearest whole percent.
- (3) The secondary crusher was commissioned in 2010.

Preparatory construction works on the new Far East Tailings Storage Facility, or FETSF, commenced in fiscal 2013 but were suspended on September 13, 2013, when Abosso received notice of an application for an injunction to restrain it from proceeding with the FETSF on the basis that it was outside its mining lease area. In fiscal 2014, Gold Fields settled with these claimants and resumed work on the FETSF. A final five meter raise to the East Tailings Storage Capacity is also being considered and a detailed engineering study has been commissioned.

*Capital Expenditure*

On an IFRS basis (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), Gold Fields spent U.S.\$16.0 million on capital expenditures at the Damang operation in fiscal 2014, principally on the FETSF, heavy mining equipment, or HME, capital component replacement and Huni and Juno resource drilling. Gold Fields has budgeted approximately U.S.\$19 million for capital expenditures at Damang for fiscal 2015, principally for the FETSF, HME sustaining capital component, capital waste mining and Huni and Juno resource drilling.

**Talas Copper-Gold Project**

In northwestern Kyrgyzstan, Gold Fields owned a 100% interest in the Talas Copper-Gold Project which was previously with Orsu Metals Corporation, or Orsu. A transaction was completed on July 20, 2012 transferring the outstanding 40% of the project to Gold Fields for consideration of \$10 million and a private placement for 25 million units of Orsu at a price of CAD\$0.40 per unit, or the Subscription. Each unit consisted of one common share of Orsu and one-half of one common share purchase warrant. Each whole common share purchase warrant will be exercisable for a period of three years from the date of issue to acquire one common share of Orsu at a price of CAD\$0.50.

The Talas Copper-Gold Project covered four exploration licenses which are prospective for copper-gold porphyry deposits. Gold Fields completed the sale of the Talas Copper-Gold Project to Robust Resources

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Limited in March 2014. The proceeds included U.S.\$2.0 million in cash and issuance of shares to the value of U.S.\$2 million in Robust Resources Limited (which have subsequently been sold), as well as a two percent net smelter royalty of all future metals recovered from the concession.

### ***Arctic Platinum Project***

APP is located approximately 60 kilometers south of the city of Rovaniemi in northern Finland. APP is assessing a number of potential surface mineable platinum group elements plus copper and nickel deposits located within the Portimo and Narkaus mafic layered intrusions. The principal prospects under consideration occur within the Suhanko Project area, comprising of the Konttijarvi, Ahmavaara, and Suhanko North deposits. APP has been earmarked for disposal due to the focus of the Group's strategy on gold deposits, following the dissolution of the Group's GIP division in fiscal 2013. Pending the sale, Gold Fields has reduced the APP's utilization of cash resources.

### ***Yanfolila Project***

Until June 2014, Gold Fields owned an 85% interest in the Yanfolila gold project in southwestern Mali (assuming a 10% interest will go to the Mali government upon granting of the mining license). Following the dissolution of the Group's GIP division in late fiscal 2013 and the Group's revision of its strategy (see Information on the Company Strategy), the Yanifolila project was earmarked for disposal. In June 2014, Gold Fields sold its 85% interest in the Yanfolila project in Mali to London-listed Hummingbird Resources for U.S.\$21.1 million in the form of Hummingbird shares.

### ***Australasia Operations***

On October 1, 2013, Gold Fields acquired the Yilgarn South Assets in Western Australia from Barrick. Gold Fields acquired the assets for a total net consideration of U.S.\$262 million after adjustments for working capital and employee entitlements. Gold Fields satisfied the purchase price by delivering 28.7 million of its common shares to Barrick and U.S.\$135 million in cash.

The Yilgarn South Assets consist of the Granny Smith, Darlot and Lawlers gold mines. Following the acquisition, Gold Fields undertook a restructuring of its Australian operations which included the integration of Lawlers with Gold Fields' adjacent Agnew mine.

Gold Fields' Australian operations now consist of four gold mines: St. Ives, Agnew/Lawlers, Granny Smith and Darlot. Following the dissolution of the GIP division in fiscal 2013, Gold Fields relocated its exploration projects to its existing regional structures. As part of this restructuring, the Far Southeast Project now reports to the Australasia region.

### ***St. Ives***

#### ***Introduction***

St. Ives is located 80 kilometers south of Kalgoorlie and 20 kilometers south of Kambalda, straddling Lake Lefroy in Western Australia. It holds exploration licenses, prospecting licenses and mining leases covering a total area of approximately 112,800 hectares. St. Ives is both a surface and underground operation, with a number of open pits, three operating underground mines and a metallurgical CIP plant. The St. Ives operation obtains electricity pursuant to a contract with BHP Nickel West that expires in January 2023 and has access to water, rail, air and road infrastructure. Consumables and supplies are trucked in locally from both Perth and Kalgoorlie.

#### ***History***

Gold mining began in the St. Ives area in 1897, with WMC commencing gold mining operations at St. Ives in 1980. Gold Fields acquired the St. Ives gold mining operation from WMC in November 2001.



**Table of Contents***Geology*

The gold deposits of St. Ives are located at the southern end of the Norseman-Wiluna greenstone belt of the West Australian Goldfields Province. In the St. Ives area, the belt consists of Kalgoorlie Group volcanic rocks, Black Flag group felsic volcanic rocks and sediments and a variety of intrusive and overlying post-tectonic sediments. The area is structurally complex, with host rocks metamorphosed to upper greenschist and lower amphibolite facies. Gold mineralization discovered to date is best developed in the mafic-dominated parts of the sequence, hosted in minor structures, including vein arrays, breccia zones and central, quartz-rich and mylonitic parts of shear zones. Deposit styles and ore controls are varied, but deposits are commonly associated with subsidiary structures which splay off the regionally extensive Boulder-Lefroy Fault.

*Mining*

Gold production takes place over an extensive tenement area at St. Ives. St. Ives has the Lefroy processing plant and SAG mill that treats primary ore. St. Ives previously had a heap leach facility which treated low- and marginal-grade ore. This heap leach facility operated in a residual leach mode during fiscal 2013 and 2014. It will continue to do so during fiscal 2015.

In fiscal 2014, St. Ives reported decreased production and decreased operational costs. The lower production was due to higher-than-average rainfall in the first quarter of fiscal 2014 which inhibited open-pit operations at the Neptune operation and the closure of the underground Argo operation in the first quarter of fiscal 2014. The decreased operational costs were due to, among other things, lower volumes of material moved in the open pit and underground operations.

Capital development has commenced on the newly discovered high-grade Invincible deposit with a view to first open pit production during the second quarter of fiscal 2015. Neptune open pit stage 1 mining was completed in fiscal 2014, and evaluation of future stages is currently underway. The Cave Rocks and Athena underground mines are nearing completion and mining of final stopes is scheduled in the middle of fiscal 2015 for Cave Rocks and the end of fiscal 2015 for Athena.

Exploration of early stage targets along the highly prospective Invincible (Speedway) trend have provided positive results. Ongoing evaluation and elimination of marginal mineral reserves has contributed to improved quality but lower volumes, primarily at the Greater Santa Ana and Cave Rocks mines.

Detailed below are the operating and production results at St. Ives for fiscal 2012, 2013 and 2014.

	Fiscal 2012	Fiscal 2013	Fiscal 2014
<b>Production</b>			
Tonnes ( 000)	7,038	4,763	4,553
Recovered grade (g/t)	2.0	2.6	2.4
Gold produced ( 000 oz)	450	403	362
<b>Results of operations (\$ million)</b>			
Revenues	752.2	569.0	458.8
Operating costs (excluding amortization and depreciation) <sup>(1)</sup>	378.0	345.5	292.3
All-in sustaining cost net of by-product revenues per ounce of gold sold (\$) <sup>(1)</sup>	1,659	1,218	1,164
All-in costs net of by-product revenues per ounce of gold sold (\$) <sup>(1)</sup>	1,659	1,218	1,164

Notes:

- (1) For a reconciliation of Gold Fields' operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost. AIC and AISC are calculated per ounce of gold sold, excluding gold equivalent ounces. See Operating and Financial Review and Prospects All-in Sustaining and All-in Cost.

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From fiscal 2013 to fiscal 2014, ore processed at St. Ives decreased from 4.763 million tonnes to 4,553 million tonnes, respectively, due to a failure of the grinding circuit which resulted in a five-day maintenance shut-down in June and reduced throughput in the fourth quarter of fiscal 2014, due to the processing characteristics of the Neptune ore. Gold production decreased by 10.2% to 0.362 million ounces in fiscal 2014 compared to 0.403 million ounces achieved during fiscal 2013 due to the reduced throughput, closure of the Argo underground mine and delayed production from the open pits due to two significant rainfall events in the first quarter of fiscal 2014.

Assuming that Gold Fields does not increase or decrease reserves estimates at St. Ives and that there are no changes to the current mine plan, St. Ives December 31, 2014 proven and probable reserves of 1.80 million ounces will be sufficient to maintain production through approximately fiscal 2020. However, as discussed earlier in Risk Factors and Mine Planning and Management, there are numerous factors which can affect reserve estimates and the mine plan, which could thus materially change the life of mine.

St. Ives is engaged in underground mining and in both open pit and production stockpile surface mining, and is thus subject to all of the underground and surface mining risks discussed in Risk Factors. The primary safety risk at St. Ives is falls of ground at the underground operations, which is addressed through the use of ground support, paste filling of open stopes and sequencing of mine operations to improve overall stability of the ground. For more information about workplace injuries at St. Ives, see Directors, Senior Management and Employees Employees Health and Safety Safety and Directors, Senior Management and Employees Employees TRIFR, Fatalities and Fatal Injury Frequency Rate.

There were no strikes and/or material work stoppages at St. Ives in fiscal 2014 and none to date in fiscal 2015.

### *Processing*

The table below sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factors during fiscal 2014, for the plant at St. Ives.

### **Processing Techniques**

<b>Plant</b>	<b>Year commissioned</b>	<b>Comminution phase</b>	<b>Treatment phase</b>	<b>Capacity<sup>(1)</sup> (tonnes/month)</b>	<b>Average milled for fiscal 2014</b>	<b>Approximate recovery factor for fiscal 2014<sup>(2)</sup></b>
Lefroy Plant	2005	Single-stage crushing and SAG milling	CIP	375,000	379,417	94%

### Notes:

- (1) Nameplate capacity as designed. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.
- (2) Percentages are rounded to the nearest whole percent.

### *Capital Expenditure*

On an IFRS basis (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), Gold Fields spent A\$130.1 million or U.S.\$117.5 million on capital expenditures at St. Ives in fiscal 2014 primarily on underground development, exploration and capital works. Gold Fields has budgeted approximately A\$157 million for capital expenditures at St. Ives in fiscal 2015. These funds are principally earmarked for exploration, underground development, capital waste mining, capital works and pre-strip of the Invincible open pit.

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### *Agnew/Lawlers*

#### *Introduction*

Agnew/Lawlers is located 23 kilometers west of Leinster, approximately 375 kilometers north of Kalgoorlie and 630 kilometers northwest of Perth, Western Australia. Together, Agnew and Lawlers hold exploration licenses, prospecting licenses and mining leases covering a total area of approximately 69,300 hectares. During fiscal 2014, ore was mined from the Waroonga and New Holland underground mines.

Agnew/Lawlers has one metallurgical plant in operation and is serviced by sealed road infrastructure to the mine gate. Supplies are generally trucked in from Perth or Kalgoorlie. Agnew is largely a fly-in fly-out operation with local services, including air transport with a sealed runway and accommodation, provided pursuant to an arrangement with a nearby major mining company. Agnew has access to electricity pursuant to a contract with the same major mining company as St. Ives which expired on March 31, 2014, following which it was extended by interim agreements until June 2014 when a new PPA to supply electricity until May 31, 2019 was agreed. The bulk of the water is supplied from the mining operations and recovered from the in-pit tailings facility and previously mined pits. Gold Fields closed the Lawlers processing plant following the acquisition of the Yilgarn South Assets. As part of the integration of the Agnew and Lawlers mines, the plant remains on care and maintenance.

#### *History*

Gold was discovered at Agnew in 1895 and production was intermittent until WMC acquired the operation in the early 1980s and constructed the current mill in 1986. Since that time, numerous open pits and underground operations have been mined.

Gold was discovered around the same time at Lawlers. In 1984, Forsyth NL purchased the Great Eastern lease and constructed the Lawlers processing plant, or the Lawlers Mill. Modern open pit mining commenced in 1986. Genesis open pit mining commenced in 1991 with Fairyland open pit mining commencing in 1997. New Holland underground mine opened in 1998 and in 2001 Barrick acquired Lawlers as part of its merger with Homestake. In 2013, Gold Fields purchased Lawlers from Barrick, mining was stopped at Fairyland and the Lawlers Mill was placed on care and maintenance.

#### *Geology*

The Agnew and Lawlers deposits are located within the northwest portion of the Norseman-Wiluna greenstone belt of the Western Australian Goldfields. This greenstone belt consists of an older sequence of ultramafic flows, gabbros, basalts, felsic volcanics and related sedimentary rocks. The rocks are folded about the large, moderately north plunging Lawlers Anticline. The Agnew deposits are located on the western limb of this anticline, and major deposits discovered to date lie on sheared contacts between stratigraphic units. The anticline is cut by north-northeast trending faults such as the Waroonga and East Murchison Unit shear zones. The Lawlers deposits occur along the eastern limb of the Lawlers Anticline with the main Genesis-New Holland deposit located within the Scotty Creek Sediments west of Waroonga.

#### *Mining*

The principal production sources at Agnew/Lawlers are the Waroonga and New Holland underground mining complexes. The northern cutback of the Songvang open pit was completed in 2012 and this ore has supplemented underground feed to the Agnew Mill. The mining method at Waroonga involves longhole open stoping with paste filling. Access to the ore body is through a decline tunnel which accommodates workers, materials and equipment.

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At the New Holland underground mine at Lawlers, the selection of the stoping method is dependent upon the geometry of the ore structure. Two primary methods are employed: uphole retreat open stoping and room and pillar longhole. Access to the mine is via two declines.

At both Waroonga and New Holland, ore is trucked to a mine ore pad located at the base of either the Waroonga or New Holland open pits, where it is then hauled to the Agnew processing facility using haul trucks operated by a contractor.

In fiscal 2014, Agnew/Lawlers reported increased production due to the full year impact of the acquisition of the Lawlers mine.

At the Waroonga mine, access development has begun into the new high-grade, underground FBH deposit, or FBH, where first production is expected during the fourth quarter of fiscal 2015. Continued delineation of the high-grade ore shoots beneath Main North FBH reflected improved mineral reserves in fiscal 2014. Exploration drilling to the north of Kim lode has continued to return positive results from the Kath and Waroonga North projects, with initial resource models expected in fiscal 2015. Drilling at Cinderella has confirmed the interpretation and increased the size of two targeted lodes at depths of approximately 80 and 140m. Higher grade shoots have been interpreted within the Main North and Main South lodes during 2014. Capital development to mine FBH commenced in late fiscal 2014 and is progressing on plan.

Detailed below are the operating and production results at Agnew for fiscal 2012, 2013 and 2014. Lawlers amounts are included for the fourth quarter of fiscal 2013 and fiscal 2014.

	Fiscal 2012	Fiscal 2013 <sup>(1)</sup>	Fiscal 2014 <sup>(1)</sup>
<b>Production</b>			
Tonnes ( 000)	943	974	1,246
Recovered grade (g/t)	5.8	6.9	6.8
Gold produced ( 000 oz)	177	216	271
<b>Results of operations (\$ million)</b>			
Revenues	294.4	302.8	342.5
Operating costs (excluding amortization and depreciation) <sup>(2)</sup>	148.1	135.0	173.0
All-in sustaining cost net of by-product revenues per ounce of gold sold (\$) <sup>(2)</sup>	1,253	909	990
All-in costs net of by-product revenues per ounce of gold sold (\$) <sup>(2)</sup>	1,253	909	990

Notes:

- (1) Including Lawlers since acquisition on October 1, 2013.
- (2) For a reconciliation of Gold Fields' operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost. AIC and AISC are calculated per ounce of gold sold, excluding gold equivalent ounces. See Operating and Financial Review and Prospects All-in Sustaining and All-in Cost.

From fiscal 2013 to fiscal 2014, tonnes of ore processed at Agnew increased from 0.974 million tonnes to 1,246 million tonnes. Gold production increased to 0.271 million ounces in fiscal 2014 compared to 0.216 million ounces in fiscal 2013 due to Lawlers being included for the full year in 2014 as opposed to only one quarter in 2013.

Assuming that Gold Fields does not increase or decrease reserves estimates at Agnew/Lawlers and that there are no changes to the current mine plan, the December 31, 2014 proven and probable reserves at 0.87 million ounces will be sufficient to maintain production at Agnew/Lawlers through approximately fiscal 2019. However, as discussed earlier in Risk Factors and Mine Planning and Management, there are numerous factors which can affect reserve estimates and the mine plan, which could thus materially change the life of mine.

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Agnew/Lawlers engaged in underground mining and reclaiming stockpiles arising from the mined out Songvang operation. Agnew/Lawlers is thus subject to all of the underground and surface mining risks discussed in Risk Factors . The primary safety risk at Waroonga is falls of ground at the underground operations, which is addressed through the use of ground support, paste filling of open stopes and sequencing of mine operations to improve overall stability of the ground. The primary safety risk at New Holland is falls of ground at the underground operations, which is addressed through the use of ground support and sequencing of mine operations to improve stability of the ground. For more information about workplace injuries at Agnew/Lawlers, see Directors, Senior Management and Employees Employees Health and Safety Safety and Directors, Senior Management and Employees Employees TRIFR, Fatalities and Fatal Injury Frequency Rate .

There were no strikes or material work stoppages at Agnew/Lawlers in fiscal 2014 and none to date in fiscal 2015.

### *Processing*

All processing at Agnew/Lawlers is provided through by a single processing facility. The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and the metallurgical recovery factor during fiscal 2014 for the plant. The Lawlers Mill was placed on a care and maintenance basis after existing stockpiles were treated shortly after the acquisition was completed.

### **Processing Techniques**

<b>Plant</b>	<b>Year commissioned</b>	<b>Comminution phase</b>	<b>Treatment phase</b>	<b>Capacity<sup>(1)</sup> (tonnes/month)</b>	<b>Average milled for fiscal 2014</b>	<b>Approximate recovery factor for fiscal 2014<sup>(2)</sup></b>
Agnew Mill	1986	Two-stage ball milling	CIP treatment	100,000	103,863	94%

Notes:

- (1) Nameplate capacity as stated by the manufacturer. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.
- (2) Percentages are rounded to the nearest whole percent.

### *Capital Expenditure*

On an IFRS basis (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), Gold Fields spent A\$92.3 million or U.S.\$83.4 million on capital expenditures at Agnew in fiscal 2014, primarily on mine development, exploration and capital works. Gold Fields has budgeted approximately A\$84 million for capital expenditures at Agnew for fiscal 2015, primarily for exploration, mine development and capital works.

### ***Granny Smith***

#### *Introduction*

Granny Smith is located approximately 400 kilometers northeast of the town of Kalgoorlie in the Laverton Region in the Eastern Yilgarn Crater in Western Australia. Granny Smith is situated at an elevation of 400 meters above sea level.

Granny Smith is located 27 kilometers southwest of the town of Laverton and is accessible via the Mt. Weld Road. Laverton is 950 kilometers southeast by sealed road from Perth, and 400 kilometers south by sealed road to Kalgoorlie. Granny Smith holds exploration licenses, prospecting licenses and mining leases covering a total area of approximately 64,300 hectares.

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The operation runs on a fly-in fly-out basis with variable rosters. A well-maintained unsealed airstrip located approximately eight kilometers northeast of the camp provides air access from Perth for the majority of employees. Flights are made on weekdays and the average flight time is approximately two hours.

### *History*

The Granny Smith deposits were discovered in 1987. In 1989, mining at Granny Smith commenced in the Granny Smith pit and continued in subsequent years, with the development of a series of open pits, including Wallaby. In 1990, the first gold from Granny Smith was poured. In 1998 the Wallaby deposit was discovered 11 kilometers southwest of Granny Smith. In November 2001, the first Wallaby ore was delivered to the mill.

The Wallaby Open Pit was mined from October 2001 until December 2006. Underground mining at Wallaby commenced in December 2005 and is ongoing. As noted above, Gold Fields acquired the mine in October 2013.

### *Geology*

The Laverton region, located in the Eastern Yilgarn Craton in Western Australia, is second only to the Kalgoorlie region for gold endowment. At a regional scale, the map patterns of Laverton are dominated by the Mt. Margaret Dome in the northwest and the Kirgella Dome in the southeast. These domes are flanked to the east and west by north-northwest-striking shear zones, and the central zone between the two domes is dominated by north to north-northeast-striking sigmoidal shear zones. These distinctly different strikes to the shear zones developed early in the tectonic evolution and resulted in a favorable architecture for late-stage orogenic gold mineralization.

### *Mining*

The Wallaby underground operation has been in full operation since December 2005. Access to the Wallaby underground mine is via a portal established within the completed Wallaby open pit. The mine operation is trackless, with truck haulage from underground via the ramp to the surface. The Wallaby underground mine is currently designed to exploit its six stacked mineralized lodes to a depth of 1.1 kilometers.

Two primary underground mining methods are used, with minor adjustments to suit localized geometry. Inclined room and pillar is used in areas with a moderate dip and moderate width zones, and transverse longhole stoping is used in zones which are thicker (six to 15 meters) with variable dips. Two other mining methods are used to a lesser extent. Narrow vein longhole stoping may be utilized in some areas with the benefit of reduced planned footwall dilution, and bulk longhole stoping is used in thicker zones under varying dip conditions.

In fiscal 2014, Granny Smith experienced reduced dilution, higher in-situ grades and greater mining recoveries than in the fourth quarter of fiscal 2013. Granny Smith also benefitted from the enhancement of process plant recovery from around 88% to 93% through improved process flow controls and replacement of larger cyclones with smaller cyclone.

Exploration during fiscal 2014 provided further support for the replication of numerous deeper lodes in the Wallaby underground deposit. Going forward, the Group's development strategy at Granny Smith will focus on identifying the potential of the Wallaby system.

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Detailed below are the operating and production results at Granny Smith for the three months ended December 31, 2013 (the period of Gold Fields' ownership of the mine in fiscal 2013) and fiscal 2014.

	Three months ended December 31, 2013	Fiscal 2014
<b>Production</b>		
Tonnes ( '000)	330	1,472
Recovered grade (g/t)	5.9	6.7
Gold produced ( '000 oz <sup>1</sup> )	62	315
<b>Results of operations (\$ million)</b>		
Revenues	82.3	399.8
Operating costs (excluding amortization and depreciation) <sup>(2)</sup>	48.8	182.6
All-in sustaining cost net of by-product revenues per ounce of gold sold (\$) <sup>(2)</sup>	885	809
All-in costs net of by-product revenues per ounce of gold sold (\$) <sup>(2)</sup>	885	809

## Notes:

- (1) In fiscal 2013, production is reported from October 1, 2013, the date on which Gold Fields effectively acquired the mine.
- (2) For a reconciliation of Gold Fields' operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see Operating and Financial Review and Prospects' All-in Sustaining and All-in Cost. AIC and AISC are calculated per ounce of gold sold, excluding gold equivalent ounces. See Operating and Financial Review and Prospects' All-in Sustaining and All-in Cost.

In fiscal 2014, ore processed at Granny Smith amounted to 1,472 million tonnes compared with 0.330 million tonnes in fiscal 2013. Gold production increased by 408.1% from 0.062 million ounces in fiscal 2013 to 0.315 million ounces in fiscal 2014.

Assuming that Gold Fields does not increase or decrease reserves estimates at Granny Smith and that there are no changes to the current mine plan, Granny Smith's December 31, 2014 proven and probable reserves of 0.87 million ounces will be sufficient to maintain production through approximately fiscal 2019. However, as discussed earlier in Risk Factors and Mine Planning and Management, there are numerous factors which can affect reserve estimates and the mine plan, which could thus materially change the life of mine.

Granny Smith is engaged in underground mining and production stockpile surface mining, and is thus subject to all of the underground and surface mining risks discussed in Risk Factors. The primary safety risk at Granny Smith is falls of ground at the underground operations, which is addressed through the use of ground support, backfilling of open voids and sequencing of mine operations to improve overall stability of the ground. For more information about workplace injuries at Granny Smith, see Directors, Senior Management and Employees' Employees' Health and Safety Safety and Directors, Senior Management and Employees' Employees' TRIFR, Fatalities and Fatal Injury Frequency Rate.

There were no strikes and/or material work stoppages at Granny Smith in fiscal 2014 and none to date in fiscal 2015.

*Processing*

The Granny Smith processing plant consists of two parallel crushing circuits, SAG and ball milling, leach and CIP circuits and a gravity tailings retreatment circuit to concentrate and fine-grind sulphide minerals, primarily pyrite, for gold recovery. As the processing plant is capable of treating much higher tonnages than the Wallaby underground mine can supply, not all of the installed equipment is required for the processing of the Wallaby underground ore.

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The table below sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factors during fiscal 2014, for the plant at Granny Smith.

**Processing Techniques**

<b>Plant</b>	<b>Year commissioned</b>	<b>Comminution phase</b>	<b>Treatment phase</b>	<b>Capacity<sup>(1)(2)</sup> (tonnes/month)</b>	<b>Average milled for fiscal 2014</b>	<b>Approximate recovery factor for fiscal 2014<sup>(3)</sup></b>
Granny Smith Processing Facility	1990	Crushing and SAG and Ball milling	Leaching/CIP, gravity circuit and refinery	283,000	122,650	93%

Notes:

- (1) Nameplate capacity as stated by the manufacturer. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.
- (2) The plant has gone through a number of upgrades and re-configurations over the years and has treated ore from different sources. The throughput capacity is in excess of three million tonnes per annum, however it is currently operated on a campaign basis of up to approximately 1.5 million tonnes per annum, and is only used to treat the ore from the Wallaby underground mine.
- (3) Percentages are rounded to the nearest whole percent.

*Capital Expenditure*

On an IFRS basis, (as included in the geographical and segment information included in Note 26 to the consolidated financial statements) Gold Fields spent A\$65.2 million, or U.S.\$58.9 million, on capital expenditures at Granny Smith in fiscal 2014, primarily on processing, mining and development. Gold Fields has budgeted approximately A\$96 million for capital expenditures at Granny Smith in fiscal 2015. These funds are principally earmarked for exploration, processing, mining and development.

*Darlot**Introduction*

Darlot is located in the Eastern Yilgarn Craton, approximately 55 kilometers southeast of Leinster and some 700 kilometers northeast of Perth in Western Australia. It holds exploration licenses, prospecting licenses and mining leases covering a total area of approximately 11,400 hectares. Darlot is currently an underground operation. The Darlot operation obtains electricity pursuant to a contract with an electricity generating contractor that expires in March 2015 and has access to water, rail, air and road infrastructure. Consumables and supplies are trucked in locally from both Perth and Kalgoorlie.

*History*

Gold was first discovered in the Lake Darlot region in an alluvial field in late 1894, which triggered a gold rush that lasted until 1913. Initial mining focused on alluvial deposits and production from these areas is poorly documented.

Modern exploration commenced in the late 1970s and focused on a re-evaluation of historical mining camps, and extensions and repetitions of known mineralized veins.



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During August 1996, while diamond drilling a 320 meter by 320 meter step-out program, a drill hole intersected a 33 meter section at a grade of 8.0g/t Au. This discovery drill hole for the Centenary orebody was approximately 1.2 kilometers east of the Darlot open pit. Underground development to the Centenary orebody from Darlot was initiated during December 1996 and by December 1998 stoping activities commenced. The Centenary orebody thereafter became the primary production source. As noted above, Gold Fields acquired the mine in October 2013.

*Geology*

Darlot is located in the Eastern Yilgarn Craton in Western Australia. The Yilgarn Craton is Archean-aged and comprises north-northwesterly trending greenstone belts and granitic intrusions. The Darlot Centenary deposit is located within the Mount Margaret mineral field which lies to the southern end of the Yandal Greenstone Belt.

The Centenary orebody is located approximately 1.2 kilometers east of the Darlot open pit and has been defined from approximately 150 to 700 meters below surface. Gold mineralization occurs within sub-horizontal to 20 degree westerly dipping stacked quartz veins bounded to the west by the Oval Fault and to the east by the Lords Fault.

*Mining*

The underground mine is accessed via two portals within the Darlot open pit, namely the Centenary and Millennium declines. A third decline named Federation with access to the underground mine is accessed from the Centenary decline. The mine is sub-divided into two mining areas, the Darlot lodes and Centenary orebody. The former is the down-dip extension of lodes, mined in the pit whereas the latter is located approximately 1.2 kilometers from the open pit. The Darlot lodes and Centenary orebody are further sub-divided into various lodes and mining areas. A number of laddered raises connect levels to a fresh air base and declines. Decline and lateral development is by electro-hydraulic twin boom jumbos. Ore is transported to the processing plant by haul trucks operating through the two declines. Gold production takes place at Darlot solely from underground operations.

Near-mine exploration during fiscal 2014 has delineated sufficient ore reserves to secure stable production in fiscal 2015. Exploration in fiscal 2015 will be focused on replacing production depletion and reserve growth to provide critical mass and flexibility. The Group has also confirmed the presence of a Centenary Depth Analogue, which will be the key focus for exploration and resource definition programs in fiscal 2015.

Detailed below are the operating and production results at Darlot for the three-month period from October 1, 2013 to December 31, 2013 (the period of Gold Fields' ownership of the mine in fiscal 2013) and fiscal 2014.

	<b>Three months ended December 31, 2013</b>	<b>Fiscal 2014</b>
<b>Production</b>		
Tonnes ( '000)	158	525
Recovered grade (g/t)	3.9	5.0
Gold produced ( '000 oz <sup>1</sup> )	20	84
<b>Results of operations (\$ million)</b>		
Revenues	26.0	106.2
Operating costs (excluding amortization and depreciation) <sup>(2)</sup>	21.6	81.9
All-in sustaining cost net of by-product revenues per ounce of gold sold (\$) <sup>(2)</sup>	1,132	1,222
All-in costs net of by-product revenues per ounce of gold sold (\$) <sup>(2)</sup>	1,132	1,222

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Notes:

- (1) In fiscal 2013, production is reported from October 1, 2013, the date on which Gold Fields effectively acquired the mine.
- (2) For a reconciliation of Gold Fields' operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see *Operating and Financial Review and Prospects All-in Sustaining and All-in Cost*. AIC and AISC are calculated per ounce of gold sold, excluding gold equivalent ounces. See *Operating and Financial Review and Prospects All-in Sustaining and All-in Cost*.

In fiscal 2014, ore processed at Darlot was 0.525 million tonnes compared to 0.158 million tonnes in 2013. Gold production was 0.02 million ounces in fiscal 2013 and 0.08 million ounces in fiscal 2014.

Assuming that Gold Fields does not increase or decrease reserves estimates at Darlot and that there are no changes to the current mine plan, Darlot's December 31, 2014 proven and probable reserves of 0.10 million ounces will be sufficient to maintain production through approximately fiscal 2016. However, as discussed earlier in *Risk Factors* and *Mine Planning and Management*, there are numerous factors which can affect reserve estimates and the mine plan.

Darlot is engaged in underground mining and is thus subject to all of the underground mining risks discussed in *Risk Factors*. The primary safety risk at Darlot is falls of ground at the underground operations, which is addressed through the use of ground support and sequencing of mine operations to improve overall stability of the ground. For more information about workplace injuries at Darlot, see *Directors, Senior Management and Employees Employees Health and Safety Safety* and *Directors, Senior Management and Employees Employees TRIFR, Fatalities and Fatal Injury Frequency Rate*.

There were no strikes or material work stoppages at Darlot in fiscal 2014 or to date in fiscal 2015.

### *Processing*

Darlot has a mill that treats primary ore. The table below sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factors during fiscal 2014, for the plant at Darlot.

### **Processing Techniques**

<b>Plant</b>	<b>Year commissioned</b>	<b>Comminution phase</b>	<b>Treatment phase</b>	<b>Capacity<sup>(1)</sup> (tonnes/month)</b>	<b>Average milled for fiscal 2014</b>	<b>Approximate recovery factor for fiscal 2014<sup>(2)</sup></b>
Darlot Mill	1988	Three stage crushing and two stage ball mills	CIL	64,000	43,738	96%

Notes:

- (1) Nameplate capacity as stated by the manufacturer. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.
- (2) Percentages are rounded to the nearest whole percent.

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### *Capital Expenditure*

On an IFRS basis (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), Gold Fields spent A\$16.3 million or U.S.\$14.7 million on capital expenditures at Darlot in fiscal 2014, primarily on development. Gold Fields has budgeted approximately A\$26 million for capital expenditures at Darlot in fiscal 2015. These funds are principally earmarked for exploration, development and capital works.

### *Far Southeast Scoping Study*

In September 2010, Gold Fields entered into two option agreements with Lepanto, the 60% owner, and Liberty, the 40% owner of the gold-copper FSE in the Philippines, granting Gold Fields an option to acquire a total 60% interest in FSE for a total consideration of \$340 million, or the Liberty and Lepanto options. After paying option fees of \$10 million and making two down-payments of \$44 million and \$66 million in September 2010 and September 2011 respectively. In March 2012, Gold Fields exercised its 40% option and acquired Liberty's 40% interest in FSE after making a further \$110 million payment. Gold Fields continues to hold its option to acquire an additional 20% stake in FSE from Lepanto for a further \$110 million, which, if exercised, would increase its total interest in FSE to 60%.

The Liberty and Lepanto options were initially granted to Gold Fields for the later of 18 months from signature in September 2010 or the date of receiving a FTAA for the project. A FTAA license allows a foreign corporation to control a majority interest in a Philippine mining project. Notwithstanding this provision, Gold Fields had the discretion to exercise either option prior to the FTAA being granted as it did by exercising its Liberty option to acquire ownership of 40% of FSE.

The FTAA application for the FSE project was filed in November 2011. The application requires FPIC of the Kankana-ey indigenous people for Gold Fields' exploration activities. In July 2013, the Kankana-ey people's elders voted in favor of FPIC for the project. In February 2015, a memorandum of agreement was signed with the communities, and the Kankana-ey people's elders passed a resolution in favour of granting Gold Fields an FTAA. Gold Fields targets completion of the FTAA process in 2016.

### *Americas Operations*

Prior to fiscal 2013, Gold Fields owned a 98.5% economic interest in the Cerro Corona mine through its shareholding in La Cima. Gold Fields increased its economic interest in La Cima to 99.53% through a reduction in capital carried out in December 2013. Following the dissolution of the GIP division in fiscal 2013, Gold Fields relocated its exploration projects to its existing regional structures. As part of this restructuring, the Woodjam Project, Salares Norte and Piedra, and the Chucapaca Feasibility Study (which has since been sold) were relocated to Americas operations.

### *Cerro Corona*

#### *Introduction*

The Cerro Corona mine became operational by the end of the first quarter of 2009. It forms part of a porphyry copper-gold deposit situated within the Hualgayoc Mining District in northern Peru. It is located in the highest part of the Western Cordillera of the Andes, in northern Peru, close to the headwaters of the Atlantic continental basin. Cerro Corona is located approximately 80 kilometers by road north of the City of Cajamarca. La Cima holds mining concessions covering a total area of approximately 4,400 hectares and Cerro Corona is being developed over an area of approximately 1,244 hectares of superficial land (the rights to which are held by Gold Fields). Cerro Corona's electricity is supplied through a long-term contract with a Peruvian power supplier and transported through the national power transmission system and a 34 kilometer transmission line constructed by the project. Cerro Corona's water requirements are provided primarily by retention of rainfall and pit dewatering; water is continuously recycled.

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### *History*

In December 2003, Gold Fields, through a subsidiary, signed a definitive agreement to purchase an 80.7% economic and 92% voting interest in the Cerro Corona mine from a Peruvian family-owned company, Sociedad Minera Corona S.A., or SMC. The agreement called for a reorganization whereby the assets of Cerro Corona were transferred to La Cima, in July 2004. Following the approval of an environmental impact assessment on December 2, 2005, Gold Fields completed the purchase of the 92% voting interest (80.7% economic interest) in La Cima in January 2006, for a total consideration of \$40.5 million. La Cima subsequently obtained all requisite additional permits to construct the mine. Construction commenced in May 2006.

### *Geology*

The Cerro Corona gold-copper deposit is hosted by a 600- to 700-meter diameter sub-vertical cylindrical-shaped quartz diorite porphyry stock emplaced into mid-Cretaceous limestone and marls and siliclastic rocks. Within the porphyry, gold-copper mineralization is primarily hosted by extensive zones of stockwork veining. There are at least two phases of diorite placement, only one of which is mineralized. The non-mineralized diorite is generally regarded as the last phase, and is referred to as barren core. The latest re-modeling suggests that the Cerro Corona porphyry is probably composed of four or five satellite stocks with the last two being barren. The intrusive has been emplaced at the intersection of Andean-parallel and Andean-normal (transandean) structures. Supergene oxidation and leaching processes at Cerro Corona have led to the development of a weak to moderate copper enrichment blanket, allowing for the subdivision of the deposit, from the surface downward, into an oxide zone, a mixed oxide-sulphide zone, a secondary enriched (supergene) sulphide zone and a primary (hypogene) sulphide zone.

### *Mining*

The Cerro Corona deposit is mined by conventional, bulk surface mining methods. The Cerro Corona operation involves a single surface mine. This ore is treated in a conventional milling and sulphide flotation concentrator capable of treating 6.2 million tonnes per annum of ore and producing between 100,000 and 190,000 tonnes per annum of copper and gold containing concentrate, which is treated mainly at smelters in Japan, Korea and Germany.

The single largest contractor employer is San Martin Contratistas Generales S.A., or San Martin. San Martin carries out all mining activities. All mine planning, excavation and head grade and engineering specifications to meet the required design performance through the life of mine are directly managed by La Cima personnel. Other contractors provide camp administration and catering, security, safety and laboratory operations. In addition, approximately 500 temporary contractors are involved in the construction of the tailings facility.

In fiscal 2014, Cerro Corona increased gold equivalent production by 3% and remained the Group's lowest cost producer by all-in cost per ounce, producing high-margin gold and copper.

A 66 kilometer re-logging program was completed in fiscal 2014 as part of a geo-metallurgy project, which is expected to increase the overall definition of the lithological contacts and increase knowledge of the ore body at depth including hypogene alteration, clay, density, rock hardness and silicification. This will improve metallurgical response modeling for the deeper sections of the hypogene ore body.

A pre-feasibility study has also been launched to determine if the prevailing tailings storage facility constraint on Cerro Corona's mineral reserves could be lifted and allow for the placement of additional tailing material over the life of mine. The study builds on previous work by incorporating the latest design updates for the tailings storage facility, including optimization of the mine in the potential expanded case, as well as the assessment of additional new opportunities.

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The option to process both oxide stockpiles and sulphide ore through the current sulphide plant in conjunction with each other is under review. During fiscal 2014, a number of laboratory tests were performed with a mixture of material from the upper part of oxide stockpile number 2 and hypogene mineralization from the pit. Additional studies with respect to treating the oxide stockpiles will be conducted in fiscal 2015, including the completion of the flotation test work.

In fiscal 2014, Gold Fields extended its electricity supply agreement with private utility Kallpa Generacion S.A. to supply power to the mine until 2027, significantly increasing Cerro Corona's long-term energy security.

Detailed below are the operating and production results at Cerro Corona in fiscal 2012, fiscal 2013 and fiscal 2014.

	Fiscal 2012	Fiscal 2013	Fiscal 2014
<b>Production</b>			
Tonnes ( '000)	6,513	6,571	6,797
Gold Head grade (g/t)	1.24	1.13	1.06
Copper Head grade (%)	0.68	0.55	0.58
Combined yield (g/t)	1.6	1.5	1.5
Gold produced ( '000 oz)	170	159	151
Copper produced ( '000 tonnes)	36	30	32 <sup>(1)</sup>
Gold equivalent ounces ( '000 eq oz)	342	317	327
<b>Results of operations (\$ million)</b>			
Revenues	556.6	390.9	375.5
Operating costs (excluding amortization and depreciation) <sup>(2)</sup>	171.4	161.3	158.2
All-in sustaining cost net of by-product revenue per ounce of gold sold (\$) <sup>(2)</sup>	82	206	316
All-in costs net of by-product revenue per ounce of gold sold (\$) <sup>(2)</sup>	82	206	316
All-in sustaining cost gross of by-product revenue per equivalent ounce of gold sold (\$) <sup>(2)</sup>	819	707	702
All-in costs gross of by-product revenue per equivalent ounce of gold sold (\$) <sup>(2)</sup>	819	707	702

Notes:

- (1) Equates to 176,000 ounces on a gold equivalent basis at a price of \$1,262 per ounce of gold and \$6,827 per tonne of copper.
- (2) For a reconciliation of Gold Fields' operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012, see Operating and Financial Review and Prospects All-in Sustaining and All-in Cost. See Operating and Financial Review and Prospects All-in Sustaining and All-in Cost.

Assuming that Gold Fields does not increase or decrease reserve estimates at Cerro Corona and that there are no changes to the current mine plan, Cerro Corona's December 31, 2014 proven and probable reserves of 1.8 million ounces of gold and 623 million pounds of copper (of which, 1.79 million ounces of gold and 620.1 million pounds of copper are attributable to Gold Fields, with the remainder attributable to non-controlling shareholders at La Cima) will be sufficient to maintain production through approximately fiscal 2023. However, as discussed earlier in Risk Factors and Mine Planning and Management, there are numerous factors that can affect reserve estimates and the mine plan, which could thus materially change the life of mine.

The Cerro Corona mine involves open pit mining, and is thus subject to all of the risks associated with open pit mining discussed in Risk Factors. For more information about workplace injuries at Cerro Corona, see Directors, Senior Management and Employees Employees Health and Safety Safety and Directors, Senior Management and Employees Employees TRIFR, Fatalities and Fatal Injury Frequency Rate.

Cerro Corona experienced no work stoppages in fiscal 2014 and has experienced none to date in fiscal 2015.

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The following table sets forth year commissioned, processing techniques and processing capacity per month, for the processing plant at Cerro Corona:

**Processing Techniques**

<b>Plant</b>	<b>Year commissioned</b>	<b>Comminution phase</b>	<b>Treatment phase</b>	<b>Capacity<sup>(1)</sup> (tonnes/month)</b>	<b>Average milled for fiscal 2014</b>	<b>Approximate recovery factor for fiscal 2014<sup>(2)</sup></b>
Main Plant	2008	SAG/ball milling	Conventional sulphide floatation circuit	560,000	566,405	Gold 68% Copper 86%

## Notes:

- (1) Nameplate capacity as designed. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.
- (2) Percentages are rounded to the nearest whole percent.

In July 2014, two new mobile jaw crushers were installed to facilitate the delivery of six-inch material to the SAG mill. This is expected to assist plant throughput with increasing hardness of the ore as mining from the pit goes deeper.

*Capital Expenditure*

On an IFRS basis, (as included in the geographical and segment information included in Note 26 to the consolidated financial statements) Gold Fields spent U.S.\$51.0 million on capital expenditures at Cerro Corona in fiscal 2014, consisting primarily of construction of the tailings dam and completion of improvements of the process plant facilities. Gold Fields has budgeted approximately U.S.\$74 million for capital expenditures at Cerro Corona for fiscal 2015, primarily on the tailings and waste storage facilities.

*Salares Norte and Piedra*

In Chile, Gold Fields exercised an option, as part of an agreement, in February 2012 to acquire 100% of two properties, Salares Norte and Piedra, from SBX Asesorias e Inversiones, a private Chilean company, and the concessions were registered under the name Minera Gold Fields Salares Norte Limitada, a wholly owned subsidiary of Gold Fields. The project was promoted to Advanced Drilling status in July 2012. The Salares Norte advanced drilling project is focused on a gold-silver deposit in the Atacama region of northern Chile. Mineralization is contained within a high-sulphidation epithermal system, offering high-grade oxide mineralization (shallow oxides). The project is located within a core 900ha concession area and Gold Fields has options to purchase two adjoining concessions that would add a further 2,100ha.

In fiscal 2013, Gold Fields reported a maiden inferred mineral resource. Preliminary indications, supported by metallurgical test work, suggest carbon-in-leach processing could deliver recovery rates of around 90%. Furthermore, the project is located in a favorable mining jurisdiction.

Water security is not expected to pose a material challenge to project execution and operation but it is an issue that requires proactive management. In the first quarter of fiscal 2014, Gold Fields filed a water rights claim before the General Water Bureau for a nearby reservoir that could potentially yield 166 litres per second, which would be sufficient for future operations. The remote location of the site means there will likely be minimal community impacts. Indigenous Colla presence has not been identified in the project area. The closest community is located about 100km from the project, along the access road.

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Collectively, these qualities mean Salares Norte offers significant potential in terms of future cash generation. As such, the decision has been made to retain it within Gold Fields' growth portfolio and to explore its potential further. An exploration budget of US\$23 million has been made available for further drilling work in the first half of 2015 with a potential pre-feasibility study to commence in the fourth quarter of fiscal 2015.

### ***Chucapaca***

On August 19, 2014, Gold Fields reached an agreement to sell its 51% stake in Canteras del Hallazgo S.A.C, or CDH, the company that manages the Chucapaca project in southern Peru, to its joint venture partner in the project, Compañía de Minas Buenaventura S.A.A., or Buenaventura, for U.S.\$81 million in cash and a 1.5% net smelter royalty on future sales of gold, copper and silver produced in the current Chucapaca concession. Buenaventura is Peru's largest publicly traded precious metals mining company and previously owned 49% of CDH.

### ***Woodjam Project***

In central British Columbia, Canada, Gold Fields holds a 51% interest in the Woodjam project for copper-gold porphyry deposits. The project comprises two separate joint venture agreements with Consolidated Woodjam Copper Corp. Gold Fields has the right to earn up to a 70% interest in the joint venture. The properties comprise 56,800 hectares covering several known porphyry copper and gold targets. Additional prospective third party concessions totaling 2,150 hectares within the project area were optioned during 2011 and have been incorporated into the joint venture. In July 2011, Gold Fields also signed a joint venture agreement to earn up to a 70% interest of the nearby 8,902 hectare Redgold copper-gold property which is owned by two private individuals. The Redgold agreement was terminated in July 2014.

Gold Fields completed a conceptual mining study for the Woodjam project and the maiden copper-gold resource for the South East zone as first reported in February 2012, which was further updated in 2013 following completion of additional infill and extensional drilling programs during 2012. Following the dissolution of the Group's GIP division in late fiscal 2013, the Woodjam project was earmarked for disposal due to the current market environment. Pending the sale, Gold Fields has reduced the Woodjam project's holding costs.

### **Insurance**

Gold Fields' insurance policies provide coverage for general liability, accidental loss or damage to its property, business interruption in the form of fixed operating costs or standing charges, material damage and other losses. While the bulk of these are insured through a captive insurance company domiciled in Gibraltar, not all potential losses are covered. Gold Fields does not insure all potential losses associated with its operations as some insurance premiums are considered to be too high, some risks are considered too remote to insure and some types of insurance cover are not available. Should an event occur for which there is no or limited insurance cover, this could affect Gold Fields' cash flows and profitability.

Management believes that the scope and amount of insurance coverage is adequate, taking into account the probability and potential severity of each identified risk. Gold Fields' insurance coverage is consistent with customary practice for a gold mining company of its size with multinational operations. See Risk Factors Gold Fields' insurance coverage may not adequately satisfy all potential claims in the future.

### **The Gold Mining Industry**

#### **Background**

Gold is a dense, relatively soft and rare precious metal which occurs in natural form as nuggets or grains in ore, underground veins and alluvial deposits. Gold mining operations include both underground and open pit operations with gold currently able to be commercially extracted from ore grades in amounts as low as

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0.5 grams/metric tonne (open pit). The majority of gold production is used for jewelry production and for investment purposes, in the latter case because some investors view it as a store of value against inflation. In addition, certain physical properties of gold, including its malleability, ductility, electric conductivity, resistance to corrosion and reflectivity, make it the metal of choice in a number of industrial applications.

### **Global Markets**

#### ***Demand***

The two main categories of demand for gold are fabrication (primarily jewelry) and investment (private and governmental). The demand for gold in 2014 was 3,924 tonnes or U.S.\$160 billion in value terms (not reflecting over-the-counter, or OTC, investments and stock flows), comprising jeweler fabrication (55%); investments (23%); technological applications (10%); and net central bank purchases (12%), according to the WGC. Gold demand over the last few years has been mainly driven by China and India, which accounted for 53% of the total global demand in 2014, 2013 and 2012. Prior to 2013, significant private investment demand for gold was generated by gold ETFs and similar products. However, following the fall in gold prices at the beginning of 2013, gold ETFs experienced significant outflows of 880.8 tonnes during 2013. This slowed considerably to 159 tonnes in 2014. Demand for official gold purchases is driven by central banks, government bodies, supranational organizations and other investors. In 2013, net purchases by central banks was 409 tonnes. In 2014, these purchases rose by 17% to 477 tonnes. Gold is typically used as a natural hedge against inflation, a fact that mitigated against gold demand during 2013 as broader macro-economic conditions in the United States improved. Technological applications demand is mainly generated by automotive electronics, industrial electronics and wireless equipment.

#### ***Supply***

Supply of gold consists of new production from mining, the recycling of gold scrap and releases from existing stocks of bullion. Mine production represents the most important source of supply and decreased to 3,050.7 tonnes in 2014. Mine production was down by 2% during 2014 and is expected to plateau in the next couple of years as lower grades, lack of investment during the current period of low gold prices and significantly reduced exploration budgets since 1995 which affected gold production profiles. The annual supply of recycled gold increased to 1,262.0 tonnes. In total, gold supply in 2014 totaled 4,274 tonnes (out of which mine production was 71%), a 0.1% decrease from 2013, according to the WGC.

#### ***Price***

The market for gold is relatively liquid compared to other commodity markets, with London being the world's largest gold trading market. Gold is also actively traded via futures and forward contracts. The price of gold has historically been significantly affected by macroeconomic factors, such as inflation, exchange rates, reserves policy and by global political and economic events, rather than simple supply/demand dynamics. Gold is often purchased as a store of value in periods of price inflation and weakening currency. The price of gold has historically been less volatile than that of most other commodities. However, after almost a decade of steady increases in the gold price due to rising investment demand against a backdrop of relatively flat supply, the price of gold fell sharply in 2013 and continued to trade at lower levels in 2014, amid increased economic volatility in the United States. The closing gold price on December 31, 2014 was U.S.\$1,185 per ounce. In 2014, the spot gold price was as high as U.S.\$1,383 and as low as U.S.\$1,141.

#### ***Top Producers***

Based on fiscal 2014 production, the first, second and third largest gold producers in the world were Barrick Gold, Newmont Mining and AngloGold Ashanti, respectively. According to research, at March 16, 2015, Barrick



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Gold had 16 operations in eight countries, Newmont Mining had eight operations in four countries and AngloGold had 20 operations in 10 countries. In fiscal 2014, Gold Fields was the seventh largest gold producer in the world.

### **Environmental and Regulatory Matters**

#### ***South Africa***

##### *Environmental*

Gold Fields' South African operations are subject to various laws relevant to its activities that relate to the protection of the environment. South Africa's Constitution grants the people of South Africa the right to an environment that is not harmful to human health or well being and to the protection of that environment for the benefit of present and future generations through reasonable legislative and other measures. The South African Constitution and the National Environmental Management Act, No. 107 of 1998, or NEMA, as well as various other related pieces of legislation enacted, grant legal standing to a wide range of interest groups to bring legal proceedings to enforce their environmental rights, which are enforceable against private entities as well as the South African government.

South African environmental legislation commonly requires businesses whose operations may have an impact on the environment to obtain permits, authorizations and other approvals for those operations. The applicable environmental legislation also imposes general compliance requirements and incorporates the "polluter pays" principle. On September 2, 2014 a number of amendments to the environmental laws were published. Such amendments were aimed at, amongst other things, resolving the problem of fragmented regulation of the mining industry, by creating what is known as the "One Environmental System". Although the amendments were published on September 2, 2014, some of them only became effective on 8 December 2014. Prior to these amendments, there was debate as to whether environmental authorization was required for mining operations if a mining entity had an environmental management plan/programme, or EMP, approved by the competent officials of the DMR. This debate was settled by the amendments to the environmental laws, which have made it clear that in terms of the "One Environmental System", as of December 8, 2014, environmental authorizations are required for prospecting/mining operations and related activities, in addition to an EMP. Prescribed officials within the DMR are now competent to grant such authorizations under NEMA. However, the competent officials at the Department of Environmental Affairs, or DEA, remain the appellate authority. Directors may be held liable under provisions of the NEMA for any environmental degradation and/or the remediation thereof.

The Minerals and Petroleum Resources Development Amendment Bill was published on December 27, 2012 for public comment. A second version of this Bill was published in June 2013 and although the Parliamentary process is complete, the Bill has yet to be published as an Amendment Act as the President has referred it back to Parliament because in his view, certain of its provisions are not in accordance with the Constitution of South Africa. See "Mineral Rights". This Bill contains further proposed amendments to allow for a smooth transition to the "One Environmental System". Another proposed amendment to the MPRDA is for the holder of a mining right, previous holder of an old order right, or previous owner of works that has ceased to exist to remain liable for any latent or residual environmental liability, pollution, ecological degradation, the pumping and treatment of extraneous water which may become known in the future, notwithstanding the issuance of a closure certificate in terms of the MPRDA. The NEMA has been amended to provide that every holder, holder of an old order right or owner of works will remain responsible for any environmental liability, pollution or ecological degradation, the pumping and treatment of polluted or extraneous water, the management and sustainable closure thereof, notwithstanding the issuing of a closure certificate.

South African mining companies are required by law to undertake rehabilitation work as part of their ongoing operations in accordance with an approved EMP, which supports a mine closure plan. Gold Fields funds these environmental rehabilitation costs as part of its capital expenditure, and its long-term closure costs are funded by making cash contributions into an environmental trust fund with the difference between the closure provision made to date and the final closure cost estimate funded through insurance guarantees. Gold Fields is

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currently in the process of amending its EMPs and has also submitted a performance assessment report in respect of its rehabilitation work in South Africa.

In line with the achievement of the One Environmental System, the National Water Act was also amended. Due to the past delays surrounding the processing of water use licenses, the NWA now requires the Minister of Water and Sanitation to align and integrate the process for consideration of a water use license with the timeframes and processes appurtenant to applications for prospecting and mining rights under the MPRDA, as well as environmental authorizations of the NEMA. Another amendment to the NWA is the insertion of a provision to the effect that a person aggrieved in regard to a decision made on an application for a water use licence (particularly for prospecting or mining) can appeal directly to the Minister of Water and Sanitation.

Further, under the National Water Act, No. 36 of 1998, or the National Water Act, all water in the hydrological cycle is under the custodianship of the South African government held in trust for the people of South Africa and water users have been required to re-register their water uses under the National Water Act. In addition, the National Water Act governs waste and waste water discharges which may affect a water resource. The South African government uses various policy instruments and mechanisms, such as the water use license regime and the water discharge charge system, to ensure compliance with prescribed standards and water management practices according to the user pays and polluter pays principles, and to shift some of the treatment and clean-up cost back to dischargers. Gold Fields continues to use all reasonable and practical measures to remove underground water to permit the routine safe functioning of South Deep. South Deep was issued with a water use license in November 2011. Certain conditions and other aspects of the approved license were identified as requiring modification and an application to address these was submitted to the DWAS in February 2012. A further amended water use license application was submitted to the DWAS in November 2013, primarily to reflect the results of a re-assessment of expected water use requirements and a changing water balance. No response was received from the DWAS in relation to the 2013 amendment. In November 2014, an agreement was reached with the DWAS to withdraw the 2013 amendment and to submit an updated amendment during the second quarter of fiscal 2015. The new amendment will reflect a variety of water management projects and initiatives that were implemented during fiscal 2014 and that are planned for implementation in fiscal 2015 and 2016. A presentation was provided to the DWAS in March 2015 to appraise them of the proposed structure and content of the new amendment, prior to the planned re-submission in April or May 2015.

Under the National Environmental Management Air Quality Act, No. 39 of 2004, or Air Quality Act, the South African government has established minimum emission standards for certain activities which result in air emissions and for which atmospheric emissions licenses, or AELs, must be held. The Amended Minimum Emissions Standards related to the list of activities resulting in atmospheric emissions, or Listed Activities, were released by the Minister of Water and Environmental Affairs and came into operation on November 22, 2013. Existing plants are required to comply with the Minimum Emissions Standards by April 1, 2015. Newly granted AELs under the Air Quality Act will incorporate the Minimum Emissions Standards as conditions. Non-compliance with the Minimum Emissions Standards is an offense under the Air Quality Act. South Deep mine undertakes activities which result in atmospheric emissions, as provided for by the Air Quality Act, and holds a registration certificate authorizing such activities under previous legislation. South Deep has submitted the necessary application for a new license under the Air Quality Act in respect of some of the emitting activities undertaken at South Deep. South Deep submitted an application for an AEL in March 2013. A meeting was held in March 2014 with the West Rand District Municipality to discuss the AEL application. The outcome of this meeting required South Deep's application to be amended to include Listed Activities. Gold Fields resubmitted an amended AEL application to the West Rand District Municipality, following which a provisional AEL for South Deep was granted pursuant to section 40(1)(a) of the Air Quality Act in respect of South Deep's three listed activities. The provisional AEL is valid for a period of one year of operation from November 13, 2014, after which South Deep may then apply for the final AEL. The application for a final AEL needs to be submitted together with supporting reports demonstrating full compliance with all conditions or requirements of the provisional AEL within six months from the date of issue of the provisional AEL. Gold Fields is drafting a plan to ensure it is in compliance with the applicable requirements of the Air Quality Act, including the new Minimum Emissions Standards.

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The Minister of Finance, in his 2015 budget speech, has indicated that the Treasury is considering introducing draft carbon tax legislation for public consultation during the first half of 2015 with a view to implement the tax by mid-2016. The carbon tax design requires the calculation of liability to be based on the volume of fossil fuel input which results in Scope 1 greenhouse gas emissions, and for such liability to commence at R120 per tonne of CO<sub>2</sub>-e, increasing by 10% per annum. The design also anticipates a tax free threshold of 60% and various allowances that would permit a tax liable entity to further mitigate its liability. Such allowances include an increased tax free threshold for trade exposed sectors and the use of carbon offsets against a carbon tax liability. If South Deep is liable to pay carbon tax, this is expected to be initially calculated (in the first year of carbon tax exposure) on 40% of the mine's Scope 1 emissions which have been estimated to be 6,985.92 tonnes of CO<sub>2</sub>-e in 2015. Based on these emissions, the potential tax liability in 2016 is estimated at approximately \$30,000, before the application of the above-mentioned allowances that might permit a reduction in the exposure. However, and notwithstanding some five years in development of the design, the precise implications of the carbon tax to South Deep are currently still unknown, and it is anticipated that greater certainty will be forthcoming during the course of 2015.

The National Environmental Management Waste Act, No. 59 of 2008, or the Waste Act, commenced on July 1, 2009 with the exception of certain sections relating to contaminated land which came into force on May 2, 2014. Responsible waste management has become a priority for the Department of Environmental Affairs, or the DEA. Gold Fields is currently working with the DEA in order to ensure it is in compliance with the Waste Act. South Deep has one waste disposal facility which is currently dormant. The site consists of different waste streams, including waste that has radiation levels that are slightly above background levels being the naturally occurring levels in geology. There is now a duty to rehabilitate this dormant site. South Deep must ensure that it has the appropriate waste management licenses and environmental authorizations for the closure and rehabilitation of all its waste sites. To this end, South Deep applied for two waste licenses in respect of its waste disposal facilities and salvage yard. On June 2, 2014, amendments to the Waste Act were published, which had the effect that as of December 8, 2014, residue deposits and residue stockpiles would be brought within the Waste Act's scope of operation. Accordingly, as of December 8, 2014, in terms of the One Environmental System, residue stockpiles and residue deposits are now subject to regulation under the Waste Act and waste management licenses will need to be obtained from the relevant officials at the DMR, who become competent authorities under the Waste Act to issue such licenses for mining operations. This is a fundamental shift in regulation as the Waste Act previously excluded residue deposits and residue stockpiles from its ambit. The 2013 Amendment Bill to the MPRDA also proposes the amendment of the definition of residue stockpiles to include historic mines and dumps created before the implementation of the MPRDA.

Gold Fields undertakes activities which are regulated by the National Nuclear Regulator Act, No. 47 of 1999, or the NNR Act. The NNR Act requires Gold Fields to obtain authorization from the National Nuclear Regulator, or NNR, and undertake activities in accordance with the conditions of such authorizations. Prior to the Spin-off, Gold Fields' South African mining operations possessed and maintained Certificates of Registration issued by the NNR. After the Spin-off, South Deep continues to possess and maintain its Certificate of Registration, or CoR, as required under the NNR Act.

Although South Africa has a comprehensive environmental regulatory framework, enforcement of environmental law has traditionally been poor. The DEA and the DWAS have indicated that enforcement will improve and that Environmental Management Inspectors will be provided with greater resources going forward. As of December 8, 2014, under the One Environmental System, separate Environmental Management Inspectors will be appointed under the DMR to regulate environmental compliance of the mining industry.

### *Health and Safety*

The principal objective of the South African Mine Health and Safety Act No. 29 of 1996, or the Mine Health and Safety Act, is to protect the health and safety of persons at mines. The Mine Health and Safety Act requires that employers and others ensure their operating and non-operating mines provide a safe and healthy

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working environment, determines penalties and a system of administrative fines for non-compliance and gives the Minister of Mineral Resources the right to restrict or stop work at any mine and require an employer to take steps to minimize health and safety risks at any mine. The Mine Health and Safety Act further provides for employee participation through the establishment of health and safety committees and by requiring the appointment of health and safety representatives. It also gives employees the right to refuse dangerous work. Finally, it describes the powers and functions of the Mine Health and Safety Inspectorate, or MHSI (which inspectorate is part of the DMR and the process of enforcement). Under the Mine Health and Safety Act, an employer is obliged, among other things, to ensure, as far as reasonably practicable, that its mines are designed, constructed and equipped to provide conditions for safe operation and a healthy working environment and the mines are commissioned, operated, maintained and decommissioned in such a way that employees can perform their work without endangering their health and safety or that of any other person. Every employer must ensure, as far as reasonably practicable, that persons who are not employees, but who may be directly affected by the activities at a mine, are not exposed to any hazards to their health and safety.

A failure to comply with the Mine Health and Safety Act is a criminal offense for which an employer, or any responsible person, may be charged and, if successfully prosecuted, be fined or imprisoned, or both. In addition, inspectors from the MHSI have the right to halt any part, or all, of the operations of a mine in the event of any circumstances which are unsafe in the opinion of that inspector. The MHSI also has the power to impose administrative fines upon an employer in the event of a breach of the Mine Health and Safety Act. The maximum administrative fine that may be imposed is R1 million per offense.

The principal health risks associated with Gold Fields' mining operations in South Africa arise from occupational exposure and community environmental exposure to silica dust, noise, heat and certain hazardous substances, including toxic gases, water, soil or air contamination and radioactive particulates. The most significant occupational diseases affecting Gold Fields' workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and COAD) as well as NIHL. The Occupational Diseases in Mines and Works Act, No. 78 of 1973 (South Africa), or the ODMWA, governs the payment of compensation and medical costs related to certain illnesses, such as silicosis, contracted by persons employed in mines or at sites where activities ancillary to mining are conducted. See Risk Factors Gold Fields' operations are subject to environmental and health and safety regulations, which could impose additional costs and compliance requirements and Gold Fields may face claims and liability for breaches, or alleged breaches, of such regulations and other applicable laws. This increased cost, should it transpire, is currently indeterminate.

Until recently, the mining industry believed, as previous cases had indicated, that a provision in the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993, or the COIDA, precluded an employee from recovering any damages from the employer for an occupational injury or disease resulting in his disablement or death. The ODMWA governs the payment of compensation and medical costs for certain illnesses, such as silicosis, contracted by those employed in mines or at sites where activities ancillary to mining are conducted. Recently, the South African Constitutional Court ruled that a claim for compensation under ODMWA does not prevent the employee from seeking to recover damages from the employer concerned in a civil action under common law. While issues, such as negligence and causation, need to be proved on a case by case basis, it is nevertheless possible that such a ruling could expose Gold Fields to claims related to occupational hazards and diseases (including silicosis or other ailments alleged to arise due to exposure to hazardous materials and substances), which may be in the form of a class action or similar group claim. Although risks associated with alleged occupational exposure are likely to be greater, such actions may also arise in connection with the alleged incidence of such diseases in communities proximate to Gold Fields' mines. A consolidated application has been brought against several South African mining companies, including Gold Fields, for certifications of a class action on behalf of current and former mineworkers (and their dependants) who have allegedly contracted silicosis while working for one or more of the above mining companies. See Legal Proceedings and Investigations.

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If a significant number of such claims were suitably established against it, the payment of compensation for the claims could have a material adverse effect on Gold Fields' business, reputation, results of operations and financial condition. In addition, Gold Fields may incur significant additional costs arising out of these issues, including costs relating to the payment of fees, increased levies or other contributions in respect of compensatory or other funds established (if any) and expenditures arising out of its efforts to remediate these matters or to resolve any outstanding claims or other potential action.

### *Mineral Rights*

#### *The MPRDA*

The MPRDA came into effect on May 1, 2004. It can be said that the MPRDA consists of two parts, the first being mineral prospecting and mining and the second being petroleum exploration and production. Attached to the Act itself are the Transitional Provisions contained in Schedule II of the Act. In terms of the MPRDA, the mineral and petroleum resources of South Africa belong to the nation and the state (as custodian of the nation's resources), which is entitled to grant prospecting and mining rights. The objective of the MPRDA is, among other things, to promote equitable access to the nation's mineral resources by South Africans, expand opportunities for historically disadvantaged persons who wish to participate in the South African mining industry, advance social and economic development, and create an internationally competitive and efficient administrative and regulatory regime, based on the universally accepted principle, and consistent with common international practice, that mineral resources are part of a nation's patrimony. Mining companies are required to apply for the right to mine and/or prospect.

Under the MPRDA, prospecting rights may be granted for an initial maximum period of five years and can be renewed once upon application for a further period not exceeding three years. Mining rights are valid for a maximum period of 30 years, and can be renewed upon application for further periods, each of which may not exceed 30 years. A wide range of factors and principles, including proposals relating to black economic empowerment and social responsibility, will be considered by the Minister of Mineral Resources when exercising his discretion whether to grant these applications. A prospecting or mining right can be suspended or canceled if the holder conducts mining operations in breach of the MPRDA, a term or condition of the right or an environmental management plan, or if the holder of the right submits false, incorrect or misleading information to the DMR. The MPRDA sets out a process which must be followed before the Minister of Mineral Resources is entitled to suspend or cancel the prospecting or mining right. In May 2010, the DMR approved the conversion of the South Deep old order mining right into a new-order mining right. Included in this approval was an additional portion of ground known as Uncle Harry's, which is contiguous to South Deep. The durations of the South Deep mining right and the Uncle Harry's mining right are both 30 years.

The MPRDA empowered the Minister of Mineral Resources to develop the Mining Charter, which is a set of guidelines that lays out the framework, targets and timetable for effecting entry of HDSAs into the mining industry and to allow such South Africans to benefit from the exploitation of South Africa's mineral resources.

Among other things, the Mining Charter envisages the transfer of 26% of the ownership of South African mining industry assets to HDSAs within 10 years (i.e. by the end of 2014). Ownership can comprise active involvement, through HDSA-controlled companies (where HDSAs own at least 50% plus one share of the company and have management control), strategic joint ventures or partnerships (where HDSAs own at least 25% plus one vote of the joint venture or partnership interest and there is joint management and control) or collective investment vehicles, the majority ownership of which is HDSA based, or passive involvement, particularly through broad-based vehicles such as employee stock option plans. The Mining Charter also required mining companies to submit annual, audited reports on progress toward their commitments, as part of an ongoing review process. In addition to this process, the South African government has also announced that it intends to conduct a review of the Mining Charter in fiscal 2015.

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Following a review of the mining industry's compliance with the 2009 targets set in the original Mining Charter, or the 2009 Review, the DMR released the Amended Mining Charter on September 13, 2010. Amendments to the original Mining Charter in the Amended Mining Charter include, among other things, guidelines that require mining companies to: (i) facilitate local beneficiation of mineral commodities; (ii) procure a minimum of 40% of capital goods, 70% of services and 50% of consumable goods from HDSA suppliers (i.e. suppliers in which a minimum of 25% plus one vote of their share capital must be owned by HDSAs) by 2014 (exclusive of non-discretionary procurement expenditure); (iii) ensure that multinational suppliers of capital goods contribute a minimum of 0.5% of their annual income generated from South African mining companies into a social development fund from 2010 towards the socio-economic development of South African communities; (iv) achieve a minimum of 40% HDSA demographic representation by 2014 at top management (board) level, senior management (executive committee) level, middle management level, junior management level and core and critical skills; (v) invest up to 5% of annual payroll in essential skills development activities; and (vi) implement measures to improve the standards of housing and living conditions for mineworkers by converting or upgrading mineworkers' hostels into family units, attaining an occupancy rate of one person per room and facilitating home ownership options for all mineworkers in consultation with organized labor, all of which must be achieved by 2014. In addition, mining companies are required to monitor and evaluate their compliance to the Amended Mining Charter and must submit annual compliance reports to the DMR. The Scorecard for the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry attached to the Amended Mining Charter, or the Scorecard, makes provision for a phased-in approach for compliance with the above targets over the five year period ending in 2014. For measurement purposes, the Scorecard allocates various weightings to the different elements of the Amended Mining Charter. According to the text of the Amended Mining Charter, failure to comply with its provisions will amount to a breach of the MPRDA and may result in the cancellation or suspension of a mining company's existing mining rights. This is in conflict with the provisions of the MPRDA.

In accordance with the MPRDA, on April 29, 2009 the DMR published the Code relating to the socio-economic transformation of the mining industry, or the Mining Code. The current industry position is that the DMR does not apply the Codes and mining companies are subject only to the provisions of the MPRDA.

In the same vein as the 2009 Review, during the course of fiscal 2014, the DMR appointed a private entity to conduct Amended Mining Charter compliance audits on its behalf, in respect of a number of mining companies. Mining companies were required to complete questionnaires and templates as a means of reporting on their compliance with fiscal 2014 targets as set in the Amended Mining Charter. However, it is generally understood that the DMR disregarded or abandoned this audit process. It is therefore unclear what the status of the process is and what the outcomes were. It is also unclear whether or not the information provided during this audit process will be considered or used by the DMR for any purpose in the future. It appears that the information gathering mechanism has been substituted by the DMR's own formal request for information and data on Amended Mining Charter compliance in terms of section 29 of the MPRDA. The DMR directed mining companies to populate an electronic reporting template, but this template has raised a number of concerns due to its inflexible approach towards the assessment of compliance with the Amended Mining Charter. The template applies a mechanical process in that it asks specific questions and requires the completion of certain information, without making provision for the detailing of complex facts or historical transactions entered into in pursuance of meeting the Mining Charter HDSA ownership element.

With the 2014 HDSA ownership target date contemplated in the Amended Mining Charter having passed, the DMR's application of the Amended Mining Charter and its assessment of compliance therewith in respect of the ownership element is concerning. There are concerns in the mining industry that the approach followed by the DMR poses a risk of government action against many mining entities, which will threaten security of tenure, in that government may order the suspension or cancellation of mining rights in instances of deemed non-compliance with the requirements of the Amended Mining Charter. The mining industry, represented by the Chamber of Mines, is considering what preparatory steps (including appropriate legal relief) are to be taken to mitigate that risk.

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Specifically, on March 31, 2015, the Chamber of Mines reported that the DMR believes that empowerment transactions by mining companies concluded after 2004 where the HDSA ownership level has fallen due to HDSA disposal of assets or for other reasons, should not be included in the calculation of HDSA ownership for the purposes of, among other things, the 26% HDSA ownership guideline under the Mining Charter. The position of Gold Fields is consistent with that of the Chamber of Mines, and is that such empowerment transactions should be included in the calculation of HDSA ownership. The DMR and the Chamber have jointly agreed to approach the South African courts to seek a declaratory order which will provide a ruling on the relevant legislation and the status of the Mining Charter.

If the DMR were to prevail in court, mining companies, including Gold Fields, may be required to undertake further transactions in order to increase their HDSA ownership which would result in the dilution of existing shareholders. In such a case, mining companies may be required to maintain a minimum HDSA ownership level indefinitely. If the Chamber of Mines were to prevail in court, the DMR may enact new regulations to, among other things, increase HDSA ownership requirements for mining companies which would result in the dilution of existing shareholders. The position taken by the DMR also poses a risk that government may order the suspension or cancellation of mining rights for mining companies deemed not to be in compliance with the guidelines of the Amended Mining Charter. It is doubtful that they may lawfully do so in view of the Mining Charter's questionable legal status and enforceability, among other things.

The Mineral and Petroleum Resources Development Amendment Act, 2008, or the MPRDAA, was assented to by the President on April 19, 2009 and was to come into effect on a date to be proclaimed by the President. From April 19, 2009 to May 31, 2013, the fate of the MPRDAA was unclear and it was thought that the government would not proceed with the MPRDAA. On May 31, 2013, it was published in the government gazette that the MPRDAA would come into effect on June 7, 2013. This proclamation was amended such that only certain sections of the MPRDAA took effect as of June 7, 2013. Because Gold Fields is already the holder of the South Deep mining right, the amendments introduced by the MPRDAA have limited impact on the current regulation of the South Deep mine.

In December 2012, the Mineral and Petroleum Resources Development Amendment Bill, or the MPRDB, was published for comment. While the stated purpose of the MPRDB is, among other things, to remove ambiguities and enhance sanctions, the MPRDB has been criticized by stakeholders in the mining industry. Comments on the MPRDB were submitted and the Mineral and Petroleum Resources Development Amendment Bill B15-2013, or MPRDB 2013, was published on May 31, 2013. A further revised version of the MPRDB 2013, the Mineral and Petroleum Resources Development Amendment Bill B15B-2013, or the Revised MPRDB 2013, was approved by the National Assembly of Parliament on March 12, 2014 and by the National Council of Provinces on March 27, 2014. The President has not assented to the Revised MPRDB 2013 as he has found that in its current form, it not in accord with the Constitution of South Africa. In January 2015, the President therefore referred the Revised MPRDB 2013 back to Parliament for reconsideration. The first issue highlighted by the Presidency pertains to the elevation of the Mining Code and the Amended Mining Charter to the status of national legislation. The second issue highlighted by the Presidency is the fact that certain provisions of the Revised MPRDB 2013 leave South Africa vulnerable to attack in international fora. The President is of the view that these provisions seem to be inconsistent with South Africa's obligations under the General Agreement on Trade and Tariffs, or GATT, and the Trade, Development and Cooperation Agreement, or TDCA, to the extent that they appear to impose quantitative restrictions on exports in contravention of GATT and TDCA. The third and fourth issues highlighted by the President are the fact that there was insufficient public participation conducted and that the relevant traditional authorities were not consulted in regard to the possible impacts on customary law or the customs of traditional communities.

Once the President assents to the Revised MPRDB 2013, it will become an Act of Parliament and will come into effect on a date to be proclaimed by the President.

There is a large degree of uncertainty regarding the changes that will be brought about should the Revised MPRDB 2013 be made an Act of Parliament. The Revised MPRDB 2013 sought to introduce a requirement that the consent of the Minister of Mineral Resources would be required for the transfer of any interest in an unlisted company (previously required only for the transfer of a controlling interest) or any controlling interest in a listed

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company (previously not required), in respect of which companies hold a prospecting right or mining right. There has been much concern in this regard, as this amendment does not take into account the practicalities involved in the trading of shares of listed entities or that the proposed amendments may impede general corporate actions. There are also uncertainties in respect of the proposed introduction of provisions pertaining to the compulsory beneficiation of minerals within South Africa. The concern in this respect is that the Minister of Mineral Resources will have broad discretionary powers to prescribe the levels required for beneficiation in promoting the beneficiation of minerals. Further uncertainty also exists in respect of the introduction of provisions authorizing the Minister of Mineral Resources to declare certain minerals as strategic minerals, having regard to the national interest, the strategic nature of the mineral in question and the need to promote the sustainable development of the nation's mineral resources. Concern in this regard goes to the fact that the declaration of specific minerals as strategic minerals will result in restrictions on the export thereof and that the proposed discretionary powers of the Minister of Mineral Resources in this regard are broad and unchecked. The manner and extent to which all of these issues will be dealt with following a further revision of the Revised MPRDB 2013 remains to be seen.

The Chamber of Mines has emphasized the need for certainty with regard to the proposed amendments to the MPRDA to enable mining companies to plan and raise finance. The Chamber of Mines also believes that previous agreements reached with regard to certain sections of the Revised MPRDB must remain unchanged. There can, however, be no guarantee that such previously agreed sections will remain unchanged.

*The BBBEE Act and the BBBEE Amendment Act*

The BBBEE Act established a national policy on broad-based black economic empowerment with the objective of increasing the participation of HDSAs in the economy. The BBBEE Act provides for various measures to promote black economic empowerment, including empowering the Minister of Trade and Industry to issue the BBBEE Codes with which organs of state and public entities and parties interacting with them or obtaining rights and licenses from them would be required to comply. There has been some debate as to whether or to what extent the mining industry was subject to the BBBEE Act and the policies and codes provided for thereunder. On October 24, 2014, the BBBEE Amendment Act No. 46 of 2013 was brought into operation. The BBBEE Amendment Act inserts a new provision in the BBBEE Act, whereby the BBBEE Act would trump the provisions of any other law in South Africa which conflicts with the provisions of the BBBEE Act, provided such conflicting law was in force immediately prior to the effective date of the BBBEE Amendment Act. The BBBEE Amendment Act also stipulates that this provision would only be effective one year after the BBBEE Amendment Act is brought into effect. This raises the question of whether the BBBEE Act and the BEE Codes may overrule the Mining Charter in the future. There is no clarity on this point at this stage. The revised Broad-Based Black Economic Empowerment Codes of Good Practice, or the Revised BEE Codes, became available for voluntary use on October 11, 2013, but are still under consideration and are not yet in force. Entities may elect to be measured under the Revised BEE Codes immediately. Both the BBBEE Amendment Act and the Revised BEE Codes expressly stipulate that, where an economic sector in South Africa has a Sector Code in place for BEE purposes, companies in that sector must comply with the Sector Code. For purposes of the BBBEE Act, the Mining Charter is not a Sector Code. It is not clear at this stage how the Mining Charter and Code relate to each other. The government may designate the Mining Charter as a Sector Code, in which case it will be under the auspices of the BBBEE Act. On the other hand, the Mining Charter may remain a stand-alone document under the auspices of the MPRDA and may be subject to the trumping provision discussed above. This uncertainty may be resolved through either government clarification or judicial attention.

*The Royalty Act*

The Mineral and Petroleum Resources Royalty Act, No. 28 of 2008, or the Royalty Act, imposes a royalty on refined and unrefined minerals payable to the South African government.

The royalty in respect of refined minerals (which include gold and platinum) is calculated by dividing earnings before interest and taxes, or EBIT, by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions such as no



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deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. A maximum royalty of 5% of revenue has been introduced for refined minerals. Gold Fields currently pays a royalty based on the refined minerals royalty calculation as applied to its gross revenue.

The President has appointed the Davis Tax Review Committee to look into and review the current mining tax regime.

### *Exchange Controls*

South African law provides for Exchange Control Regulations which, among other things, restrict the outward flow of capital from the CMA. The Exchange Control Regulations, which are administered by the Financial Surveillance Department of the SARB, are applied throughout the CMA and regulate international transactions involving South African residents, including companies. The South African government has committed itself to gradually relaxing exchange controls and various relaxations have occurred in recent years.

SARB approval is required for Gold Fields and its South African subsidiaries to receive and/or repay loans to non-residents of the CMA.

Funds raised outside of the CMA by Gold Fields non-South African resident subsidiaries (whether through debt or equity) can be used for overseas expansion, subject to any conditions imposed by the SARB. Gold Fields and its South African subsidiaries would, however, require SARB approval in order to provide guarantees for the obligations of any of Gold Fields subsidiaries with regard to funds obtained from non-residents of the CMA. Debt raised outside the CMA by Gold Fields non-South African subsidiaries must be repaid or serviced by those foreign subsidiaries. Absent SARB approval, income earned in South Africa by Gold Fields and its South African subsidiaries cannot be used to repay or service such foreign debts. Unless specific SARB approval has been obtained, income earned by one of Gold Fields foreign subsidiaries cannot be used to finance the operations of another foreign subsidiary.

Transfers of funds from South Africa for the purchase of shares in offshore entities or for the creation or expansion of business ventures offshore require exchange control approval. However, if the investment is a new outward foreign direct investment where the total cost does not exceed R1 billion per company per calendar year, the investment application may, without specific SARB approval, be processed by an authorized dealer, subject to all existing criteria and reporting obligations.

Gold Fields must obtain approval from the SARB regarding any capital raising involving a currency other than the Rand. In connection with its approval, it is possible that the SARB may impose conditions on Gold Fields use of the proceeds of any such capital raising, such as limits on Gold Fields ability to retain the proceeds of the capital raising outside South Africa or requirements that Gold Fields seeks further SARB approval prior to applying any such funds to a specific use.

### *Ghana*

#### *Environmental*

The laws and regulations relating to the environment in Ghana have their roots in the 1992 Constitution which charges both the state and individuals with a duty to take appropriate measures to protect and safeguard the natural environment. Mining companies are required, under the Minerals and Mining Act, Environmental Assessment Regulations 1999 (LI 1652) and Water Use Regulations 2001 (LI 1692), to obtain all necessary approvals from the Environmental Protection Agency, or Ghanaian EPA, a body set up under the Environmental Protection Agency Act 1994 (Act 490), and, where applicable, the Water Resources Commission before undertaking mining operations. The Minerals and Mining Act also requires that mining operations in Ghana comply with all laws for the protection of the environment.

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Under the relevant environmental laws and regulations, mining operations are required to undergo an environmental impact assessment process and obtain approval for an environmental permit prior to commencing operations. Environmental management plans, or EMPs, are submitted to the Ghanaian EPA every three years and include details of the likely impacts of the operation on the environment and local communities, as well as a comprehensive plan and timetable for actions to lessen and remediate adverse impacts.

The laws also require mining operations to rehabilitate land disturbed as a result of mining operations pursuant to an environmental reclamation plan agreed with the Ghanaian regulatory authorities. The reclamation plan includes two cost estimates, namely the cost of rehabilitating the mining area for the life of the mine as well as the cost of rehabilitating the mine as at the date of the reclamation plan. These estimates are reviewed annually and updated every two years. The Environmental Assessment Regulations, 1999 (LI 1652) requires each mining company to post a reclamation bond. The terms of each reclamation bond is determined by a Reclamation Security Agreement between that company and the Ghanaian EPA. Mining companies are typically required to secure a percentage (typically between 50% and 100%) of the current estimated rehabilitation costs by posting reclamation bonds underwritten by banks and restricted cash. Gold Fields Ghana and Abooso maintain reclamation bonds underwritten by banks and restricted cash in order to secure a percentage of their total mine closure liability.

The Tarkwa and Damang mines have existing approvals to operate tailings storage facilities at Tarkwa and Damang, respectively. Gold Fields Ghana and Abooso periodically apply to the Ghanaian EPA for approval to raise the walls at their existing tailings storage facilities, and also submit Environmental Plans to the Ghanaian EPA for the issuance of their environmental certificates. As long as the necessary filings have been made, mining companies are usually permitted to continue operations while their applications are being considered. Gold Fields Ghana has applied for a permit for a new tailings storage facility at Tarkwa, and the review and approval process by the EPA is currently ongoing.

### *Health and Safety*

A mining company is statutorily obligated to, among other things, take steps to ensure that the mine is managed in accordance with applicable legislation, including the Minerals and Mining (Health, Safety and Technical) Regulations, 2012 (L.I 2173), to ensure the safety and wellbeing of its employees. Additionally, both the Tarkwa and Damang mines are required, under the terms of their respective mining leases, to comply with the reasonable instructions of the Chief Inspector of Mines regarding health and safety at the mines. A violation of the provisions of the health and safety regulations or failure to comply with the reasonable instructions of the Chief Inspector of Mines could lead to, among other things, a shutdown of all or a portion of the mine or the imposition of more stringent compliance procedures. The Tarkwa and Damang mines have potential liability arising from injuries to, or deaths of, workers, including, in some cases, workers employed by their contractors. Although Ghanaian law provides statutory workers' compensation for injuries or fatalities to workers, it is not the exclusive means by which workers or their personal representatives may claim compensation. Both companies' allotted insurance for health and safety claims and the relevant workers' compensation may not fully cover them in respect of all liability arising from any future health and safety claims, since employees may still resort to other claims through the Ghanaian courts and/or legal system.

### *Mineral Rights*

Gold Fields Ghana has two major mining leases in respect of its mining operations, namely the Tarkwa property lease and the Teberebie property lease. There are three mining leases under the Tarkwa property lease, all of which were granted in 1997 and will expire in 2027, and two mining leases under the Teberebie property lease, which were granted between 1988 and 1992, and expire in 2018. Under the provisions of the Minerals and Mining Law, 1986 (PNDCL 153), or the Minerals and Mining Law, and the terms of the mining leases, all of the mining leases under the Tarkwa and Teberebie properties are renewable by agreement between Gold Fields Ghana and the Government of Ghana. The Minerals Commission has approved Gold Fields Ghana's application for an extension of the Teberebie leases to 2036 and has made recommendations to the Minister responsible for Natural Resources to grant the extension. Gold Fields Ghana has fully paid for the fees associated with the extension.

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Abosso holds the mining lease in respect of the Damang mine which was granted in 1995 and expires in 2025, as well as the mining lease in respect of the Lima South mine that was granted in 2006 and expires in 2017. As with the Tarkwa and Teberebie mining leases, these leases are renewable under their terms and the provisions of the Minerals and Mining Law by agreement between Abosso and the government of Ghana. Gold Fields expects to submit an application for renewal of Lima South in the last quarter of 2016.

The Minerals and Mining Act came into force on March 31, 2006. Although the Minerals and Mining Act repealed the Minerals and Mining Law, and the amendments to it, the Minerals and Mining Act provides that leases, permits and licenses granted or issued under the repealed laws will continue under those laws unless the Minister responsible for minerals provides otherwise by regulation. It also provides that the Minister responsible for minerals shall grant the extension of the term of a lease on conditions specified in writing as long as the holder of mineral rights has materially complied with its obligations under the Act. Management believes that all of Gold Fields' operations in Ghana are materially compliant with the relevant legislative requirements. Therefore, unless and until any new regulations are passed in respect of Gold Fields' mineral rights, the Minerals and Mining Law will continue to apply to Gold Fields' current operations in Ghana.

The major provisions of the Minerals and Mining Act include:

the government of Ghana's right to a free carried interest in mineral operations of 10% and the right to a special share (discussed below); and

mining companies which have invested or intend to invest at least U.S.\$500 million (as Gold Fields has) may benefit from stability and development agreements, relating to both existing and new operations, which will serve to protect holders of current and future mining leases for a period not exceeding 15 years against changes in laws and regulations generally and, in particular, relating to customs and other duties, levels of payment of taxes, royalties and exchange control provisions, transfer of capital and dividend remittances. A development agreement may contain further provisions relating to the mineral operations and environmental issues. Each stability and development agreement is subject to the ratification of parliament.

In 2010, the Minerals and Mining Act was amended to provide for a fixed royalty rate of 5% of the total revenue earned from minerals obtained, with effect from March 17, 2010. Although payment of the royalty rate became effective in March 2010, Gold Fields did not begin submitting the required payment until April 1, 2011 due to a moratorium on the tax burden for mining leases in place prior to commencement of the Act, which ended on March 31, 2011.

The Ghanaian parliament passed an Act that, effective March 9, 2012, increased taxes on mining companies. These changes included introducing a separate tax category for companies engaged in mining, which raised the applicable corporate tax rate from 25% to 35% and reduced the capital allowance regime from 80% for the first year with reductions to a uniform regime of 20% over five years. Further, a draft bill was presented to the Ghanaian parliament which sought to impose a windfall profit tax of 10% of the cash balance of a company engaged in mining activities. The bill also sought to allow the Commissioner-General, in determining the cash balance of a company, to disregard or re-characterize a transaction or any other transaction if the Commissioner-General believed that the transaction was carried out for the purpose of reducing the cash balance with respect to calculation of the windfall profit tax. The bill could not be laid before parliament for consideration in the most recent session. In his budget speech on November 19, 2013, the Minister of Finance announced that a mining review committee was reviewing the windfall profit tax and the government would re-introduce the bill to the new parliament after consultation with all stakeholders. In January 2014, the Minister of Finance announced that the planned windfall profit tax had been put on hold indefinitely.

### *Land Claims*

An action was instituted during fiscal 2013 by a local chief against Abosso for an injunction to restrain Abosso from continuing with the construction of its Far East Tailings Storage Facility. The parties have reached a settlement and executed an agreement to that effect.

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### *Government Option to Acquire Shares of Mining Companies*

Under Ghanaian law, the government is entitled to a 10% interest in any Ghanaian company which holds a mining lease in Ghana, without the payment of consideration for the shares therein. The government of Ghana has already received this 10% interest in each of Gold Fields Ghana and Abosso. The government also has the option, under the Minerals and Mining Law, of acquiring an additional 20% interest in the share capital of mining companies whose rights were granted under the Minerals and Mining Law at a price agreed upon by the parties, at the fair market value at the time the option is exercised, or as may be determined by international arbitration. The government of Ghana exercised this option in respect of Gold Fields Ghana and subsequently transferred the interest. The government of Ghana retains this option to purchase an additional 20% of the share capital of Abosso. As far as management is aware, the government of Ghana has not exercised this option for any other gold mining company in the past, other than Gold Fields Ghana.

Under the Minerals and Mining Law, which continues to apply to Gold Fields Ghana's operations, and under the Minerals and Mining Act, the government has a further option to acquire a special share in a mining company for no consideration or in exchange for such consideration as the government and that company shall agree. This interest, when acquired, constitutes a special share which gives the government the right to attend and speak at any general meeting of shareholders, but does not entitle the government to any voting rights. The special share does not entitle the government to distributions of profits of the company which issues it to the government. The written consent of the government is required to make any amendment to a company's regulations relating to the government's option to acquire a special share. Although the government of Ghana has agreed not to exercise this option in respect of Gold Fields Ghana, it has retained this option for Abosso.

### *Exchange Controls*

Under Ghana's mining laws, the Bank of Ghana or the Minister for Finance may permit the holder of a mining lease to retain a percentage of its foreign exchange earnings for certain expenses in bank accounts in Ghana. Under a foreign exchange retention account agreement with the government of Ghana, Gold Fields Ghana is required to repatriate 20% of its revenues derived from the Tarkwa mine to Ghana and use the repatriated revenues in Ghana or maintain them in a Ghanaian bank account. Management believes that Gold Fields Ghana is entitled to rely on the provisions of the foreign exchange retention account agreement for the duration of the Tarkwa mining leases. Abosso is currently obligated to repatriate 25% of its revenue to Ghana, although the level of repatriation under the deed of warranty between Abosso and the government of Ghana is subject to renegotiation every two years. The most recent negotiations were concluded in February 2003. Since then, there have been no requests for negotiations by either side; until Abosso's repatriation level is renegotiated, it will remain the same. While management has no reason to believe that the repatriation level will increase as a result of the next set of negotiations, there is no agreed ceiling on the repatriation level, and it could be increased.

The Bank of Ghana issued notices on February 4, 2014 and June 13, 2014 that imposed further restrictions on the operation of Foreign Exchange Accounts and Foreign Currency Accounts. However, on August 8, 2014, it reversed virtually all the restrictions that it had imposed through these notices.

### *Australia*

#### *Environmental*

Gold Fields' gold operations in Australia are primarily subject to the environmental laws and regulations of the State of Western Australia which require, among other things, that Gold Fields obtains necessary environmental approvals, environmental licenses, works approvals and mining approvals to implement and carry out its mining operations. However, under the *Environment Protection and Biodiversity Act 1999* (Cth), it may be necessary to obtain separate approval from the federal government if any new project (including some expansions of existing facilities) is deemed to be a controlled action having, or likely to have, any significant impact on matters of national environmental significance under that Act.

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At the state level, Gold Fields is subject to the *Environmental Protection Act 1986* (WA), or EP Act, under which it is obliged to prevent and abate pollution and environmental harm. The EP Act also prescribes sanctions and penalties for a range of environmental offenses, including orders which may effectively suspend certain operations or activities.

Under Part IV of the EP Act, a proposal that is likely to have a significant effect on the environment must be referred to the Western Australian Environmental Protection Authority, or the Western Australian EPA, which undertakes the environmental impact assessment, or EIA, of the proposal. An EIA is a systematic and orderly evaluation of a new proposal (including an expansion of an existing development) and its impact on the environment. The assessment includes considering ways in which the proposal, if implemented, could avoid or reduce any impact on the environment. There are two levels of assessment – Public Environmental Review and Assessment on Proponent Information. The Western Australian Minister for the Environment must decide whether or not to approve the proposal and, if approved, what conditions are appropriate to regulate the implementation of the proposal.

In addition to this approval, under Part V of the EP Act, a works approval and environmental license must be obtained from the Department of Environment Regulation, or DER, for the construction and operation of facilities with significant potential to cause pollution, such as the ore processing facility, tailings storage facility, landfill and waste water treatment plant.

Gold Fields is also required to obtain a water license from the Western Australian Department of Water to abstract water for its mining activities.

Prior to the commencement or expansion of any mining operations, Gold Fields is also required to prepare a mining proposal in accordance with published guidance material and submit the mining proposal to the Western Australian Department of Mines and Petroleum, or DMP, for approval under the Mining Act 1978 (WA), or Mining Act. Once approved by the DMP, the requirement to comply with the mining proposal becomes a condition of the mining tenement.

Gold Fields is required to prepare and submit an Annual Environmental Report to the DER and DMP under the conditions attached to its environmental approvals, licenses and mining tenements.

During the operational life of its mines, Gold Fields is required by law to make provisions for the ongoing rehabilitation of its mines and to provide for the cost of post-closure rehabilitation and monitoring once mining operations cease. Under the Mining Act, Gold Fields has previously been required to guarantee its environmental obligations by providing the Western Australian government with unconditional bank-guaranteed performance bonds. From July 1, 2014, Gold Fields has been required to pay an annual levy into a mining rehabilitation fund administered by the DMP instead of providing performance bonds. The annual levy payable by Gold Fields is 1% of an estimate of the cost per hectare to rehabilitate the disturbed land.

The Clean Energy Act and associated legislation established a national carbon pricing scheme, or Scheme, which was in effect from July 1, 2012 until June 30, 2014 when it was repealed.

Under the Scheme, entities that had operational control over facilities (i.e. activities) that emitted more than 25,000 tonnes of CO<sub>2</sub>-e per annum in greenhouse gas emissions covered by the Scheme were directly regulated, and were required to acquire and surrender carbon units to cover those emissions. Darlot was required to register its carbon emissions as a result of the amount of gas used for self-generation, and registered the required account on September 10, 2014. The transaction for the required 25,199 carbon units was initiated on December 17, 2014, and the funds for the carbon units were transferred to the Clean Energy Regulator on January 19, 2015, ahead of the February 2, 2015 deadline. Gold Fields was also impacted by the Scheme through a reduction in the diesel rebate at some of its operations. The reduction in the diesel rebate was universal and therefore applied to all mines. The rebate was calculated to be directly proportional to the price per ton of carbon.

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The Scheme ceased to apply to Gold Fields' operations in Australia from July 1, 2014. However, Gold Fields remains liable for the acquisition and surrender of carbon units for the period prior to July 1, 2014, and for the ongoing reporting of its greenhouse gas emissions.

The Australian government is replacing the Scheme with its direct action plan on climate change, or the Direct Action Plan. Legislation has been passed to implement a voluntary emissions reduction fund which will provide financial incentives for polluters to reduce emissions. The full legislative package required to implement the Direct Action Plan is yet to be put in place. Gold Fields does not expect the Direct Action Plan to result in any liability for its operations in Australia in fiscal 2014 or 2015.

### *Health and Safety*

*The Mines Safety and Inspection Act 1994* (WA), or the Safety and Inspection Act, and the *Mines Safety and Inspection Regulations 1995* (WA) together regulate the duties of employers and employees in the mining industry with regard to occupational health and safety and outline offenses and penalties for breach. Resources Safety, a division of the DMP, administers this legislation. Under the approach utilized by Resources Safety, it is the responsibility of each employer to manage safety (i.e. a general duty of care exists in mines located in Western Australia). A violation of the safety laws or failure to comply with the instructions of the relevant health and safety authorities is a criminal offense that could lead to, among other things, a temporary shutdown of all or a portion of the mine, a loss of the right to mine, or the imposition of costly compliance procedures and/or financial penalties.

The *Work Health and Safety Bill 2014* (WA), or the WHS Bill (which is based on the federal *Model Work Health and Safety Act*), has been drafted in respect of general industry and was open for public consultation until January 2015. It is anticipated that the WHS Bill will be considered by the Western Australian Parliament in fiscal 2015. The Western Australian State Government is currently of the view that mining activities will not be covered by the WHS Bill, but will be covered by proposed new legislation based on the WHS Bill which incorporates specific arrangements for work, health and safety in mining activities, and which would replace the Safety and Inspection Act. At this time, it is not known when the new mining-specific legislation will be introduced.

### *Mineral Rights*

In Australia, the ownership of land is separate from the ownership of most minerals, which are the property of the states and are thus regulated by the state governments. The Mining Act is the principal piece of legislation governing exploration and mining on land in Western Australia. Licenses and leases for, among other things, prospecting, exploration and mining must be obtained pursuant to the requirements of the Mining Act before the relevant activity can begin.

Prospecting licenses, exploration licenses and mining leases are subject to prescribed minimum annual expenditure commitments. Royalties are payable to the state based on the amount of ore produced or obtained from a mining tenement. A quarterly production report must be filed and royalties are calculated ad valorem at a fixed rate of 2.5% of royalty value in respect of gold, and at other rates in respect of ore produced or obtained from a mining tenement. Following reports suggesting that gold royalty rates might be increased, the government of Western Australia clarified on March 25, 2015 that no changes to the royalty rate would be made at this time. The royalty value of gold is the amount of gold produced during each month in a relevant quarter multiplied by the average gold spot price for that month. Despite the discussion above, no royalty is payable in respect of the first 2,500 ounces of gold metal produced during a financial year from gold-bearing material produced or obtained from the same gold royalty project.

### *Land Claims*

In 1992, the High Court of Australia recognized a form of native title which protects the rights of indigenous people in relation to land and water in certain circumstances. As a result of this decision, the *Native Title Act 1993* (Cth), or Native Title Act, was enacted to recognize and protect existing native title by providing a

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mechanism for the determination of native title claims and a statutory right for Aboriginal groups or persons to negotiate, object, and/or be consulted when, among other things, there is an expansion of, or change to, the rights and interests in the land which affect native title and which constitute a future act under the Native Title Act. The existence of these claims does not necessarily prevent continued mining under existing tenements. Tenements granted prior to January 1, 1994 are not future acts and do not need to comply with the aforementioned consultation or negotiation procedures.

As a general rule, tenements granted (or in some cases re-granted) after January 1, 1994 need to comply with this process. However, in Western Australia, some tenements were granted without complying with this consultation or negotiation process on the basis of then prevailing Western Australian legislation. This legislation was subsequently found to be invalid as it conflicted with the Native Title Act which is Commonwealth legislation. Subsequent legislation was passed (*Titles Validation Amendment Act 1999 (WA)*) validating the grant of tenements between January 1, 1994 and December 23, 1996, provided certain conditions were met under the Native Title Act.

Certain of Gold Fields' tenements are currently subject to native title claims and a determination of native title. However, most of Gold Fields' tenements were granted prior to January 1, 1994. Where tenements were granted between January 1, 1994 and December 23, 1996, Gold Fields believes it has complied with the conditions set out by the Native Title Act for those tenements to be validly granted. On those tenements granted after December 23, 1996, Gold Fields has either entered into agreements with the claimant parties which provide the Company with security of tenure, or utilized a valid exemption from the consultation and negotiation process under the Native Title Act. Therefore, any existing or future grant of native title over any of these tenements will not have a material effect on Gold Fields' tenure during the operation of these agreements. See *Legal Proceedings and Investigations*.

### ***Peru***

#### ***Regulatory***

The regulatory framework governing the development of mining activities in Peru mainly consists of the General Mining Act (*Ley General de Minería*), or the LGM, and regulations relating to mining procedures, health and safety, environmental protection, and mining investment and guarantees. Mining activities as defined by the LGM include surveying, prospecting, exploration, exploitation, general workings, beneficiation, trading and transportation of ore. In addition to general taxation, mining companies are also subject to a special tax regime established in 2011 through the amendment of the Mining Royalty Law and enactment of the Special Mining Tax Law and the Special Mining Charge Law.

#### ***Regulatory and Supervisory Entities***

In general terms, the principal regulator of mining activities in Peru is the Ministry of Energy and Mines, or MEM, through its General Bureau of Mining (*Dirección General de Minería*), or DGM, and its General Bureau of Mining and Environmental Affairs (*Dirección General de Asuntos Ambientales Mineros*).

Additionally, on December 20, 2012, the National Environmental Certification Service for Sustainable Investment, or SENACE, was created. SENACE is a specialized technical organization that will take over the responsibility of reviewing and approving the Environmental Impact Assessment studies of projects that have a national and multi-regional significance, and that could generate significant environmental impacts. The transfer of this responsibility to SENACE will begin in the second quarter of fiscal 2015.

Other relevant regulatory institutions include the INGEMMET, the OSINERGMIN, the OEFA, the Water Regulator, the Ministry of Culture and the National Superintendence of Labor Inspection, or SUNAFIL.

#### ***Concessions***

In accordance with the LGM, mining activities (except surveying, prospecting and trading) must be performed exclusively under the concession system. A concession confers upon its holder the exclusive right to develop a specific mining activity within a defined area. The LGM establishes four types of concessions:

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### *Mining Concessions*

A mining concession is a real property interest independent and separate from surface land located within the coordinates of the concession. Holders of mining concessions or of any pending claims for mining concessions must comply with payment of an annual mining good standing fee, or Mining Good Standing Fee, of U.S.\$3.00 per year per hectare in order to maintain the concessions in good standing. The payment starts from the year in which the claim was filed and must be paid for as long as the concessions are held. Holders of mining concessions are also required to meet minimum annual production targets prescribed by law, which will have to be demonstrated in the Annual Consolidated Statement filed with the MEM. Titleholders are entitled to group multiple concessions into Administrative Economic Units to comply with the minimum production requirement, provided certain conditions are met. In the case of mining concessions obtained prior to October 2008, the minimum annual production target for concessions to mine metals is equivalent to U.S.\$100.00 per hectare per year.

In the case of mining concessions obtained starting in October 2008, the minimum annual production target for metallic concessions is equivalent to one Fiscal Payment Unit, or UIT, per hectare per year. The UIT is fixed on a yearly basis and is set to equal S/.3,850, or approximately U.S.\$1,283.00, in 2015. Gold Fields La Cima owns mining concessions acquired before and after October 2008 and therefore is subject to both production target requirements. Gold Fields La Cima is currently in compliance with both requirements.

### *Beneficiation Concessions*

Beneficiation or process concessions confer the right to extract or concentrate the valuable substances of an aggregate of minerals and/or to smelt, purify or refine metals through a set of physical, chemical and/or physicochemical processes. As with mining concessions, holders of beneficiation concessions are required to pay the Mining Good Standing Fee, which is calculated on the basis of the production capacity of the processing plant. Gold Fields La Cima has a processing plant with an installed capacity of 18,600 tonnes per day. In fiscal 2014, Gold Fields La Cima paid a S/. 32,034.00, or approximately U.S.\$11,046.21, Mining Good Standing Fee in connection with its beneficiation concessions.

### *General Working Concessions*

General workings concessions confer the right to render ancillary services to two or more mining concession holders. The following are considered ancillary services: ventilation, drainage, hoisting or extraction in favor of two or more concessions of different concessionaires.

### *Ore Transportation Concessions*

Ore transportation concessions confer the right to install and operate a system for the continuous massive transportation of mineral products between one or more mining centers and a port or beneficiation plant, or a refinery, or along one or more stretches of these routes. The ore transportation system must be non-conventional, such as conveyor belts, pipelines or cable cars, among others. Conventional transportation systems are authorized by the Ministry of Transport and Communications.

### *Mining Royalty and Other Special Mining Taxes and Charges*

In addition to general taxation, mining companies are subject to a special tax regime established, in its current form, in September 2011. With respect to the general taxation regime, relevant changes have been introduced with effect from January 1, 2015 to corporate and dividends income tax rates. For fiscal 2015 and 2016, the corporate tax rate has been reduced from 30% to 28%. In turn, the dividends tax rate applicable to non-resident shareholders of Peruvian companies has increased from 4.1% to 6.8% for such years. These reductions are not applicable to Gold Fields La Cima and Gold Fields Corona (BVI) as they have executed Legal Stability Agreements with PROINVERSION which have stabilized the income tax rates in force on the date of their execution. Gold Fields La Cima and Gold Fields Corona (BVI) may decide to waive the stability provided by the Legal Stability Agreements and submit to the general taxation regime if deemed convenient.



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For 2017 and 2018, the corporate tax rate will be 27% and the dividends tax rate will be increased to 8%. These new rates will apply to Gold Fields La Cima and Gold Fields Corona (BVI) since their Stability Agreements expire on FY 2017. From 2019 onwards, the applicable corporate tax rate will be 26% and the dividends tax rate will be 9.3%.

The special tax regime is structured around the Mining Royalty Law, the Special Mining Tax Law and the Special Mining Charge Law. The Mining Royalty Law established payment of a mining royalty by owners of mining concessions for the exploitation of metallic and non-metallic resources. This mining royalty was originally calculated on the basis of revenues obtained from the sales of minerals. However, in September 2011, an amendment to the Mining Royalty Law was approved establishing that, as of October 2011, the mining royalty will be determined by applying a sliding scale rate (ranging from 1% to 12%, previously 1% to 3% of sales) based on the quarterly operating profits of mining companies. Mining royalties are deductible for income tax purposes.

Also, in September 2011, the Special Mining Tax Law and the Special Mining Charge Law were enacted. The Special Mining Tax is payable by mining companies that have not executed a Mining Tax Stability Agreement with the Ministry of Energy and Mines, or MEM. The Special Mining Tax is calculated by applying a sliding scale of rates (ranging from 2% to 8.4%) based on the quarterly operating profits of the mining company and is deductible for income tax purposes. This Special Mining Tax applies to Gold Fields La Cima as the company has not executed a Mining Tax Stability Agreement with the MEM. While the Company has not executed a Mining Tax Stability Agreement, it does maintain a Legal Stability Agreement executed with PROINVERSION.

The Special Mining Charge is similar to the Special Mining Tax but applies to mining companies that have executed a Mining Tax Stability Agreement with the MEM and the sliding scale of rates range from 4% to 13.12% based on the quarterly operating profits of mining companies. The Special Mining Charge does not apply to Gold Fields La Cima.

In addition to the above, beginning with their annual income in calendar 2012, mining companies must contribute an amount equivalent to 0.5% of their annual income before taxes to fund the Complementary Retirement Fund for Mining, Metal and Iron and Steel. Gold Fields La Cima disputes the applicability of this provision. Accordingly, it initiated an arbitration against the Peruvian Government in fiscal 2014, under the arbitration clause of its Legal Stability Agreement. The arbitration panel has been formed and the proceedings are still in their initial phase.

Also, since July 2012, mining companies are required to pay an annual supervisory contribution to the OSINERGMIN and OEFA which is set by Supreme Decree. The sum of both contributions may not exceed an amount equivalent to 1% of the total value of annual invoicing for concentrate sales, after deducting VAT. For 2015, contributions to the OSINERGMIN and OEFA are equivalent to 0.19% and 0.15% of annual invoicing respectively. In fiscal 2014, Gold Fields La Cima paid a total of U.S.\$ 1.307 million in such contributions. Gold Fields La Cima has paid these contributions under protest and has filed constitutional actions disputing these contributions as unconstitutional and illegal. These actions are still in progress.

### *Environmental*

As of November 2014, the environmental impact of mining activities in Peru is regulated by the Regulations on Environmental Protection and Management for Mining Exploitation, Beneficiation, General Labor, Transportation and Storage Activities, which was approved by Supreme Decree 040-2014-EM.

According to these regulations, which will become effective once the reference terms are approved, the following environmental instruments are required to be produced in order to perform mining activities:

**Environmental Impact Declaration, or DIA, and Semi-Detailed Environmental Impact Assessment, or SD-EIA:** DIAs and SD-EIAs are required for mining exploration projects, according to

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the magnitude and impact that the activities intended to be carried out may have on the environment. DIAs and SD-EIAs contain detailed environmental and social information on the area where exploration activities will be carried out, on the project and works to be performed, and on the measures that will be taken to control and mitigate any environmental impacts caused. Recent legislation has been enacted establishing that the initiation of exploration activities needs to have been previously authorized by the DGM. A SD-EIA or DIA is required for such authorization to be obtained.

**Environmental Impact Assessment, or EIA:** EIAs are required for new projects, expansions of existing operations and projects moving from the exploration stage to development. EIAs must evaluate the physical, biological, socio-economic and cultural impacts on the environment resulting from the operation of mining projects.

A law regulating mine closures requires mining companies to ensure the availability of the resources necessary for the execution of an adequate mine closure plan, including a mine closure estimate, in order to prevent, minimize and control the risks to and negative effects on health, personal safety and environment that may be generated or may continue after the cessation of mining operations. Furthermore, the law obligates holders of mining concessions to furnish guarantees in favor of the MEM to ensure that they will carry out their mine closure plans in accordance with the environmental protection regulations and to ensure that the MEM has the necessary funds to execute the mine closure plan in the event of non-compliance by the holder of the mining concession. Mine concession holders may satisfy these requirements by providing to the MEM stand-by letters of credit (bank guarantees) to cover the amount of any mine closure plan. Gold Fields La Cima's mine closure plan for Cerro Corona was approved in 2008 and subsequently amended in 2010, 2011, 2013 and 2014. This mine closure plan is guaranteed by a bond letter of approximately U.S.\$25.6 million, issued by Credit Bank Peru.

### *Water Quality Standards*

The government of Peru has issued new water quality standards for the discharge of mine water to receiving bodies, or the ECA, which are to be introduced in December 2015. The ECA has set conservative sulfate and calcium limits of 300 ppm and 200 ppm, respectively. Gold Fields La Cima is currently evaluating a water treatment system for the tailings storage facility for Cerro Corona. This process has involved consideration of new technologies available for water treatment, including a reverse osmosis plant, ettringite (a form of hydrous calcium aluminium sulfate mineral), high density sludge, evaporators and ionic interchange. As part of the evaluation of technologies, Gold Fields La Cima conducted a pilot program, involving a reverse osmosis system that included ultrafiltration and brine treatment. The results of the pilot program were favorable in terms of sulfate removal but not for brine treatment. Gold Fields La Cima invested U.S. \$0.6 million in the pilot program during fiscal 2013, with a further expenditure of around U.S. \$1 million in fiscal 2014.

The Peruvian government is currently evaluating a modification of the new ECA for water, which would include a higher threshold of sulfate and would not include calcium. Among other modifications being considered is an extension of the deadline for new ECA applications. Currently, it is not known when this modification of the ECA regulation will be approved and come into force.

Gold Fields La Cima is also in the process of seeking authorization to relocate the water source of the Tomas Spring, which is located inside the final footprint of the tailings storage facility for Cerro Corona, to a higher elevation above the final footprint, in order to continue with the planned expansion of the facility. On May 23rd, 2014, Gold Fields La Cima received formal authorization from the Manuel Vasquez Association, or MVA, to move the spring and to start the permit application process with the Water Regulator to move Tomas spring. As part of this process, Gold Fields La Cima has had meetings with the Water Regulator. Following these meetings, the Water Regulator has decided that the permit application will first require Manuel Vasquez Association to obtain a license for water use, after which the Water Regulator will grant approval for the management of the remaining water flow at the original location of the Tomas Spring.

Gold Fields La Cima provided support to the MVA with respect to preparation of the technical application to obtain a license for water use from the Water Regulator. However, there are still some pending documents to

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be sent by the MVA in order to complete the application. Technical documentation for the permit related to the management of the remaining water flow of the Tomas Spring has already been submitted to the Water Regulator. In the meantime, Gold Fields La Cima has temporarily covered the Tomas Spring pending formal authorization from the Water Authority.

Other matters subject to regulation include, but are not limited to, transportation of ore or hazardous substances, water use and discharges, power use and generation, use and storage of explosives, housing and other facilities for workers, reclamation, labor standards and mine safety and occupational health.

### *Soil Quality Standards*

In April 2013, the government of Peru approved soil quality standards for all industries, including extractive industries. These standards establish that all companies that generate soil impact as a consequence of their activities must submit a report identifying areas of soil pollution to the MEM by April 2015 and, if applicable, a remediation plan within two years from the date of approval of such report.

Gold Fields La Cima is currently in the process of preparing a report identifying contaminated areas in its operations, to be submitted to the MEM by April 2015, aspects of its operations which generate soil pollution.

### *Environmental Sanctioning Regime*

In fiscal 2014, Law 30230 was enacted to promote investment. Among the measures introduced by Law 30230 included the establishment of a three-year moratorium on the imposition of environmental fines by OEFA. During this moratorium, OEFA will prioritize the imposition of corrective measures and will only be entitled to impose environmental sanctions in the following exceptional cases: (i) very serious offenses that generate a real and severe damage to human life and health; (ii) activities carried out without a proper environmental instrument, or without the required licenses, or in prohibited areas; (iii) commission of the same infringement within a period of six months.

### *Social Matters*

According to the Environmental Act, every individual is entitled to take part in a responsible manner in decision-making processes related to, and in the establishment and application of, environmental policies and measures, including those related to environmental components, adopted at each government level.

*Citizen Participation:* The mining industry in Peru is governed by citizen participation regulations that provide for the responsible participation of individuals in the definition and application of measures, actions and decisions by competent authorities which relate to the sustainable operation of mining activities in the country. Mining operators must establish citizen participation mechanisms throughout the life of their projects, from initial exploration to mine closure. The legislation contemplates different types of mechanisms for citizen participation. These include public hearings, informational workshops, opinion surveys, suggestion boxes, technical panels, roundtables, participatory monitoring and permanent office information services, among others.

*Right to Prior Consultation:* On August 31, 2011, the Peruvian government approved the Law of Prior Consultation to Indigenous or Tribal Populations recognized in Convention 169 of the International Labor Organization. This law establishes that the Peruvian government must consult in advance with indigenous or tribal populations on legislative or administrative measures (including pending claims for mining concessions) that may directly affect the collective rights related to their physical existence, cultural identity, quality of life or development. This duty of consultation is owed by the Peruvian government, not Gold Fields or investors.

While the final decision to move forward with legislative or administrative measures on which consultation is sought rests with the Peruvian government, even in the absence of agreement, the Peruvian government has an obligation to take all necessary measures to ensure that the collective rights of indigenous or tribal populations are protected.

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### **Sustainable Development**

#### ***Overview***

The potential environmental risks associated with industrial mining are obvious, both for the environment and for local stakeholders. Furthermore, environmental incidents can materially impact Gold Fields' reputation, as well as its ability to comply with its contractual and regulatory obligations. As such, Gold Fields remains committed to the continual improvement of its environmental performance. Key areas of focus include water stewardship, acid mine drainage management, a proactive approach to mine closure, tailings facility management, materials and waste management; the reduction of carbon emissions and energy consumption, energy security and climate change.

Gold Fields' approach to environmental management is defined by relevant local legislation and regulations; its sustainable development framework, as well as the ISO 14001 international environmental management standards; the ten principles of the International Council on Mining and Metals, or ICMM; and the United Nations Global Compact, or UNGC (in particular the UNGC 10 Principles). Following the successful certification of Granny Smith and the inclusion of Lawlers in the Agnew certification process in fiscal 2014, all of the Group's operations are now ISO 14001 certified. During fiscal 2014, the Group spent U.S.\$27 million on environmental management, compared to U.S.\$32 million in fiscal 2013. The Group's total gross closure liabilities in fiscal 2014 were estimated at U.S.\$391 million, compared to U.S.\$355 million in fiscal 2013.

The funding methods used by each region to make provision for the required portion of the mine closure cost liabilities are as follows:

Reclamation bonds underwritten by banks and restricted cash in Ghana;

Contributions into environmental trust funds and guarantees in South Africa;

Payment by companies of a levy to the state based on the total mine closure liability, following legislative changes in Western Australia that took effect in July 2014. This levy is 1% of the total liability per mine, and is paid annually. The levy goes into a state administered fund known as the Mine Rehabilitation Fund and will be used to rehabilitate legacy sites or sites that have prematurely closed or been abandoned; and

Bank guarantees in Peru.

Amendments to South Africa's National Environmental Management Act in fiscal 2014 further broadened the scope of Gold Fields' potential liability exposure, by stipulating that directors could potentially be personally liable for the negative environmental impacts of their companies' operations.

In fiscal 2014, Gold Fields implemented several new Group guidelines to ensure the effective and coherent management of key environmental issues across the Group, whilst allowing for a degree of local flexibility. These issues include water management, mine closure management, energy and carbon management and community relations and stakeholder engagement.

#### ***Water management***

Water management is a critical long-term issue for the mining industry as a whole. In part, this is because:

Water is an important vector for the potential spread of pollution (whether as a result of an immediate incident or the gradual build-up and movement of contaminants over time), making it a key compliance issue;

Mining can require large volumes of water, and often takes place in locations that are already water-stressed; and

Poor water management can have significant social and political consequences, where local communities are affected by, among other issues, water scarcity, high levels of agricultural activity and a lack of effective water infrastructure.

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In this context, Gold Fields remains committed to responsible water stewardship, both for the benefit of host communities and for its own operations. In practice, this means:

Measuring and reporting on water management performance;

Integrating water management into mine planning; and

Leaving an enduring, positive legacy.

Reflecting these commitments, each operation implements an environmental management system through which it assesses, manages, monitors and reports on water use and the quality of its discharges (where these occur).

In fiscal 2014, water withdrawal across the Group fell marginally to 30.2 million liters (2013: 30.3 million liters). Despite the integration of the Yilgarn South Assets, this decrease was largely due to a significant decrease at St. Ives in pit dewatering during fiscal 2014; the sending by Tarkwa of rainfall on the heap leaches directly to reverse osmosis plants for discharge, rather than allowing the water to enter the mine circuit; and the installation of reverse osmosis plants at South Deep to reduce Rand Water Board consumption.

Effective water management requires a full understanding of the inflow into and outflow from each operational area. This involves quantifying water inflows, including rainfall; operational water requirements; onsite water storage capacity; and water use and discharges.

Whether mines are water-positive, water-balanced or water-negative depends on a number of dynamic variables. These include climatic variables such as seasonal rainfall and evaporation rates, the volume of water entering underground workings or open-pits (e.g. via aquifers and surface run-off respectively) and the type of processing employed (e.g. heap leach or carbon-in-leach processing).

Gold Fields applies the following measures to manage the water balance at its mines and to promote water stewardship:

Regional application of the new Corporate Water Management Guideline, including the development and implementation of Water Management Actions Plans;

Implementation of physical measures to manage storm water run-off, and separation of clean water and mine water;

Maintenance of water containment capacity (including the containment of inflow surges);

Water treatment, including reverse osmosis;

Water reuse and recycling; and

Dynamic and predictive water modelling to support the management of short-, medium- and long-term water-related risks and opportunities.

### ***Acid mine drainage***

Gold Fields implements a range of measures to prevent or contain AMD at its operations, and takes effective remedial action where incidents are identified. There were no material cases of AMD reported in fiscal 2014.

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Nonetheless, South Deep has, in the context of broader historical legacy issues in the Gauteng area, taken a proactive approach to long-term AMD management through its comprehensive water management plan. This involves ongoing water monitoring, containment of any AMD generation on the old tailings facilities and water-treatment solutions that purify surplus fissure and process water to a potable standard. In fiscal 2015, additional technical studies have been planned to develop a solution for managing AMD generation in the underground workings at mine closure. Underground AMD generation is well managed during the operational phase by ongoing pumping to surface of the underground water.

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Cerro Corona's tailings and waste rock facilities were designed to avoid and mitigate the risks of AMD. In addition, the mines closure plan contains various strategies, which are updated at least every two years as new technical information becomes available.

Although Gold Fields has commissioned various technical studies to identify the steps required to prevent or mitigate the potentially material AMD impacts at its Cerro Corona and South Deep operations, none of these studies has allowed Gold Fields to generate a reliable estimate of the total potential impact on the Company.

Immaterial levels of AMD have been indentified at the Tarkwa, Damang and St. Ives mines.

### ***Materials and waste management***

The most significant output materials used by Gold Fields operations are tailings, waste rock, chemical waste and hydrocarbon waste, all of which are managed. Gold mining requires large volumes of blasting agents, including hydrochloric acid, lime, cyanide, cement and caustic soda (sodium hydroxide), all of which are used on an ongoing basis. Of these, cyanide represents the most potentially hazardous substance. All of Gold Fields' operations are certified as compliant with the requirements of the International Cyanide Management Code. International Cyanide Management Code certification also extends to Gold Fields' transport providers.

All of Gold Fields' operations have life-of-mine tailings management plans. All tailings storage facilities and associated pipeline and pumping infrastructure are subject to ISO 14001 certification, external tailings audits, as well as regular inspection and formal annual reporting. Tailings storage facilities are also subject to inspection for technical integrity by independent experts at least once every three years, or more frequently where required by local circumstances or regulations.

A Group-wide tailings facility audit, which included all 15 operational and 10 dormant tailings storage facilities, was undertaken during the second half of fiscal 2014. Ordinarily, these audits are conducted on a three-yearly basis. However, mining companies globally increased their commitment to ensuring the safety of their tailings facilities following a major breach of Imperial Metals' copper and gold tailings pond at Mount Polley in British Columbia in August 2014. Gold Fields, therefore, initiated its Group-wide audit earlier than usual. The audit, which was conducted by Golder Associates, reviewed all key aspects of tailings facility management, with a focus on stability, compliance and environmental management. All tailings storage facilities were found to be well-managed and are either already aligned with global leading practice, or have concrete plans in place for alignment. In general the Gold Fields tailings storage facilities are within the top quartile of industry leading practice in terms of design, operation, and management.

Specific measures to minimize the risks posed by tailings storage facilities to the environment include:

Pollution containment facilities to capture run-off water from tailings storage facility surfaces, together with solution trenches to capture shallow groundwater seepage;

Recycling systems to allow the reuse of tailings water in metallurgical processes;

Monitoring of groundwater plume quality and migration (where applicable) and implementing measures to contain the plume where pollution is detected; and

Planting vegetation, installing netting and applying chemical suppressants on exposed surfaces to control dust and erosion.

A proportion of tailings is also recycled as paste fill (in combination with cement) for use as backfill in underground operations. A group wide tailings facility audit, which included all 15 operational as well as 10 dormant TSF's in the group was undertaken during the third quarter of fiscal 2014 and completed in the fourth quarter of fiscal 2014. The audit reviewed all key aspects of tailings facility management, with a focus on tailings storage facility stability, compliance and environmental management. The group tailings storage facility audit is usually undertaken every three years. However, the latest audit was initiated earlier than planned due to the major breach of Imperial Metals' copper and gold tailings pond at Mount Polley in British Columbia in August 2014.





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The event led to an increased commitment by mining companies to ensuring the integrity of their tailings facilities. The Group audit was conducted by Golder Associates. When measured against the primary benchmarks of the review, namely stability, freeboard and water management, all of the Group's tailings storage facilities were found to be well managed and are either aligned with global leading practice, or have plans in place for such alignment. In general, the Gold Fields tailings facilities were found to be within the top quartile of industry leading practices in terms of design, operation and management.

More broadly, Gold Fields is taking proactive steps to anticipate constraints relating to the development of future tailings storage facilities and the replacement of existing ones. Production activities are dependent on a mine having sufficient tailings storage facility capacity. Securing new tailings storage facility capacity can involve lengthy permitting processes with local environmental agencies, and can also require negotiations with local communities.

### ***Energy and carbon management***

Total Group energy cost increased to U.S.\$361 million in fiscal 2014 from U.S.\$305 million in fiscal 2013, comprising 21% of Group operating costs in fiscal 2014 compared to 18% in fiscal 2013. This proportion is likely to rise in a global context of increasing energy demand and constraints on supply. As such, energy management remains a top priority, both in terms of controlling both costs and carbon emissions as well as in terms of ensuring security of supply.

### ***Integrated Energy and Carbon Management Strategy***

Gold Fields integrates energy and carbon management into all aspects of its business through its Integrated Energy and Carbon Management Strategy. This strategy seeks to ensure energy security; decrease carbon emissions; explore immediate and long-term energy efficiency opportunities; and investigate viable sources of alternative energy.

Gold Fields remains committed to renewable energy solutions at both its operations as well as at its new mine developments. In respect of the latter, the Group has set a target of an average of 20% renewable energy generation for all new mine developments.

Energy and carbon performance were integrated into the balanced scorecards of senior and line management in fiscal 2014, while energy security, including the evaluation of renewable energy, is included in the Group's scorecard for fiscal 2015.

During fiscal 2014, each of Gold Fields' regional operations was required to establish energy and carbon baselines; set targets for reducing energy consumption and carbon emissions until 2016 and develop strategies to achieve those targets; and integrate their key performance indicators based on energy and carbon performance into the balanced scorecards of management. In line with these requirements, new energy and carbon emission baselines were, as well as associated energy and carbon reduction targets (with defined strategies to achieve them), were finalized in fiscal 2014.

### ***Regional energy security***

Given the relatively energy-intensive nature of mining and processing, it is essential that each of Gold Fields' mines benefits from a stable and affordable supply of power. This is explicitly recognized in Gold Fields' Integrated Energy and Carbon Management Strategy. Energy security is a particular challenge in more remote locations, where operations compete with other commercial and domestic users for finite supplies or where the Group's operations face increasing power costs. For example, it has been reported that Eskom intends to request permission to raise the power tariff in South Africa by 25%, instead of 12.69%, in order to make up a cashflow shortfall. NERSA has given permission for Eskom to raise rates further but it is unclear what the actual rate increase will be. See Risk Factors Power cost increases may adversely affect Gold Fields business, operating results and financial condition.

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Each of the Group's regional operations has been tasked with submitting a five-year energy security plan during fiscal 2015. The potential for renewable energy generation at each operation will again be reviewed as part of these plans, as renewable energy is becoming more cost-effective and an increasingly competitive alternative to conventional power sources. The use of renewable energy is also considered to be a key aspect of reducing the Group's carbon emissions.

### *Carbon emissions and climate change*

Carbon emissions and climate change represent a material issue for Gold Fields. This is due to:

The long-term risks posed by climate change both to its own operations and to wider society;

Growing efforts to regulate carbon emissions in a range of jurisdictions; and

The taxes increasingly attached by governments to non-renewable energy consumption.

Historically, the Group's South African operations accounted for the bulk of its carbon emissions. This was due to the Group's previous ownership of the power-intensive, deep-level underground Beatrix and KDC mines, as well as Eskom's reliance on carbon-intensive coal generation.

Following the Spin-off, as well as the acquisition of the Yilgarn South Assets, the Group has a lower, more balanced carbon profile. Gold Fields is undertaking a number of carbon and climate change management and reporting initiatives, in addition to its broader efforts to reduce its overall energy consumption and carbon emissions.

### *Carbon disclosure and renewable energy*

Gold Fields responds on an annual basis to the international Carbon Disclosure Project's, or CDP's, climate change and water questionnaires. This information, along with that of other organizations, is aggregated to produce the Carbon Disclosure Leadership Index (CDLI)<sup>10</sup> and Carbon Performance Leadership Index, or CPLI.

In fiscal 2014, Gold Fields achieved a disclosure score of 96% in the CDLI, placing it in the top rank of international carbon and climate change reporters. In addition, the company obtained a B rating in the CPLI. The rating represents a decline from previous years, including an A- rating in fiscal 2013. This performance appears to be due to:

The fiscal 2014 rebasing of energy and carbon management targets due to Group restructuring in fiscal 2013, as well as temporary delays to associated energy efficiency projects;

The loss of the Beatrix methane project and the biomass-to-energy project at KDC due to the Spin-off in fiscal 2013; and

The discontinuation of a planned 30MW biomass power plant project at Tarkwa for economic reasons. Gold Fields is continuing to examine potential renewable energy opportunities, in light of:

Challenges posed by remote, off-grid growth projects, such as Salares Norte in Chile;

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Improving renewable energy economics, which are being driven by technological advances, as well as growing economies of scale within the sector;

The ability of a diversified energy mix to enhance operational energy security;

The potential for offsetting future carbon taxes and/or generating carbon credits; and

The ability of renewable energy projects to offer positive legacies to local communities and create shared value.

### *Carbon taxes*

Governments around the world are considering the benefits of increased carbon regulation and taxation, as demonstrated in Australia and South Africa. See [Risk Factors](#) Regulation of greenhouse gas emissions and

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climate change issues may materially adversely affect Gold Fields' operations and Information on the Company Environmental and Regulatory Matters for more information.

**Community and stakeholder engagement**

Community and stakeholder engagement are among Gold Fields' main strategic initiatives for fiscal 2014. For more information on these initiatives, see Information on the Company Strategy Collaborative value creation at the national and community level, Information on the Company Strategy An integrated approach to growth Earning and maintaining a social license to operate and Information on the Company Strategy Community Relations.

**Property**

Gold Fields' operations as of December 31, 2014 comprised the following:

**Gold Fields' operative mining areas as of December 31, 2014**

<b>Operation</b>	<b>Size (hectares)</b>
<b>South Africa</b>	
South Deep	4,268
<b>Ghana</b>	
Tarkwa	20,825
Damang	8,111
<b>Australia</b>	
St. Ives	112,810
Agnew/Lawlers	69,269
Granny Smith	64,267
Darlot	11,358
<b>Peru</b>	
Cerro Corona	4,379

Gold Fields leases its corporate headquarters in Sandton. The MPRDA vests the right to prospect and mine in the Republic of South Africa with administration by the government of South Africa. During May 2010, the DMR approved the conversion of the South Deep old order mining rights into a new order mining right. Included in this approval was an additional portion of ground known as Uncle Harry's, which is contiguous to South Deep. Gold Fields also owns most of the surface rights with respect to its South African mining properties. Where Gold Fields conducts surface operations on land the surface rights of which it does not own, it does so in accordance with applicable mining and property laws. In addition, Gold Fields owns prospecting and surface rights contiguous to its operations in South Africa. As required under the MPRDA, Gold Fields has registered its surface rights utilized for mining purposes. Gold Fields has received prospecting rights on properties which it has identified as being able to contribute, now or in the future, to its business and will apply to convert those prospecting rights to mining rights under the MPRDA, when appropriate. These rights, historically known as the Fochville East, Kalbasfontein, WA4 and Wildebeestkuil prospecting rights, are in the process of being consolidated and known as the South Deep Contiguous Areas. See Environmental and Regulatory Matters South Africa Mineral Rights.

Gold Fields' West Africa operations comprise two legally registered entities, namely Gold Fields Ghana and Abosso. Gold Fields Ghana obtained the mining rights for the Tarkwa property from the government of Ghana in 1993. In August 2000, with the consent of the government of Ghana, Gold Fields Ghana was assigned the mining rights for the northern portion of the Teberebie property. The Tarkwa rights expire in 2027, while the Teberebie rights expire in 2018. The Minerals Commission has approved Gold Fields Ghana's application for an extension

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of the Teberebie rights to 2036, and has recommended that the Minister responsible for Natural Resources should grant the extension. Gold Fields Ghana has fully paid for the fees associated with the extension. Abosso holds the right to mine at the Damang property under a mining lease from the government of Ghana which expires in 2025. Gold Fields may exploit all surface and underground gold at all three sites until the rights expire, provided that Gold Fields pays the government of Ghana a quarterly royalty.

In Western Australia, land that is the subject of mining rights is leased from the state. West Australian mining leases have an initial term of 21 years with one automatic 21-year renewal period and thereafter an indefinite number of 21-year renewals with government approval. In relation to gold produced from the mining leases at St. Ives, Agnew, Granny Smith and Darlot, Gold Fields pays an annual royalty to the state of 2.5% of revenue.

In Peru, exploration and extraction activities can only be performed in duly authorized areas. Authorization is granted by the Peruvian government when a mining concession is issued. Mining concessions expire if the titleholder does not exploit the concessions for a period of 15 years, unless the titleholder demonstrates to the authorities that this was through no fault of its own, in which case the authorities may allow the titleholder to begin to exploit the concession within the next 5 years that follow. The titleholder must comply with specific obligations, such as paying annual fees of U.S.\$3.00 per hectare, meeting minimum investment requirements, paying a monthly royalty according to the value of the produced concentrates and other requirements. The mining concessions owned by Cerro Corona cover an area of 4,379.3 hectares, while the surface rights cover 1,244 hectares. See Environmental and Regulatory Matters Peru Mining Concessions .

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The maps presented below show the location of Gold Fields' operations.

**South Africa Operation**

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**West Africa Operations**

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**Australia Operations**

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**Americas Operation**

**Legal Proceedings and Investigations**

***Randgold and Exploration Summons***

On August 21, 2008, GFO, formerly known as Western Areas Limited, or WAL, a subsidiary of Gold Fields, received a summons from Randgold and Exploration Company Limited, or R&E, and African Strategic Investment Holdings Limited. The summons claims that during the period that WAL was under the control of Brett Kebble, Roger Kebble and others, WAL assisted in the unlawful disposal of shares owned by R&E in Randgold Resources Limited, or Resources, and Afrikander Lease Limited, now known as Uranium One. The claims have been computed in various ways. The highest claims have been computed on the basis of the highest

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prices of Resources and Uranium One shares between the dates of the alleged thefts and March 2008 (between R11 billion and R12 billion, or approximately U.S.\$1 billion). The quantifiable alternative claims have been computed on the basis of the actual amounts allegedly received by WAL to fund its operations (approximately R521 million, or U.S.\$45 million).

The claims lie only against GFO, whose only interest is a 50% stake in the South Deep mine. This alleged liability is historic and relates to a period of time prior to the purchase of the company by the Group. GFO's assessment remains that it has sustainable defenses to these claims and accordingly, GFO's attorneys have been instructed to vigorously defend the claims. Accordingly, no adjustment for any effects on the Company that may result from the outcome of the summons, if any, has been made in the condensed consolidated financial statements.

### ***Silicosis***

During 2012 and 2013, two court applications were served on Gold Fields and its subsidiaries (as well as other mining companies) by various applicants purporting to represent classes of mine workers (and where deceased, their dependants) who were previously employed by or who are employees of, amongst others, Gold Fields or any of its subsidiaries and who allegedly contracted silicosis and/or tuberculosis.

These are applications in terms of which the court is asked to certify a class action to be instituted by the applicants on behalf of the classes of affected people. According to the applicants, these are the first and preliminary steps in a process, where if the court were to certify the class action, the applicants may, in a second stage, bring an action wherein they will attempt to hold Gold Fields and other mining companies liable for silicosis and/or tuberculosis and the resultant consequences. The applicants contemplate dealing in the second stage with what the applicants describe as common legal and factual issues regarding the claims arising for the whole of the classes. If the applicants are successful in the second stage, they envisage that individual members of the classes could later submit individual claims for damages against Gold Fields and the other mining companies. These applications do not identify the number of claims that could be instituted against Gold Fields and the other mining companies or the quantum of damages the applicants may seek.

Gold Fields has delivered notices of intention to oppose the applications and has instructed its attorneys to defend the claims.

The two class applications were consolidated into one application on October 17, 2013 and the parties agreed a court-sanctioned process for the delivery of answering and replying affidavits and for the consolidated application to be heard during the weeks of October 12 and 19, 2015. The consolidated application will be preceded by various legal technical applications and court processes.

In addition to the consolidated action, an individual action has been instituted against Gold Fields and one other mining group in terms of which the plaintiff claims R25.0 million (US\$2.2 million) in damages (and interest on that amount at 15.5% from May 2013 to the date of payment and costs) arising from his alleged contraction of silicosis which he claims was caused by the defendants. Gold Fields has defended the action and has pleaded to the claim.

The ultimate outcome of these matters cannot presently be determined and, accordingly, no adjustment for any effects on the Company that may result from these actions, if any, has been made in the consolidated financial statements.

### ***Occupational lung disease***

Gold Fields, Anglo American South Africa, AngloGold Ashanti, Harmony Gold and Sibanye Gold announced in November 2014 that they had formed an industry working group to address issues relating to compensation and medical care for occupational lung disease in the gold mining industry. The companies have begun to engage all stakeholders on these matters, including government, organized labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies. These legal proceedings are being defended.

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Essentially, the companies are seeking a comprehensive solution which deals both with legacy compensation issues and future legal frameworks which are fair to employees, while also ensuring the future sustainability of companies in the industry.

### ***Regulatory Investigations***

Gold Fields was informed in September 2013 that it is the subject of a regulatory investigation in the United States by the SEC relating to the BEE transaction associated with the granting of the mining license for its South Deep operation. In South Africa, the Directorate for Priority Crime Investigation, or the Hawks, has informed the Company that it has started a preliminary investigation into the BEE transaction to determine whether or not to proceed to a formal investigation, following a complaint by the Democratic Alliance, a political party in South Africa. At this stage, it is not possible to determine what effect the ultimate outcome of these investigations, any regulatory findings and any related developments may have on the Company. Accordingly, no adjustment for any effects on the Company that may result from the outcome of this investigation, if any, has been made in the consolidated financial statements.

### ***Ngadju Native Title Claim***

Gold Fields subsidiary, St Ives Gold Mining Company Pty Ltd, or St. Ives Global, which owns the St Ives Gold Mine in Western Australia, had been joined as a respondent, alongside the State of Western Australia, or the State, and another mining company, in proceedings commenced in the Federal Court of Australia by the Ngadju People, seeking determination of its claim for native title over a parcel of land in the Goldfields region of Western Australia.

Native title refers to the rights and interests held by Aboriginal people in Australia under traditional laws and customs, in relation to land and water to which those Aboriginal people have a connection, that are recognised under the common law of Australia.

In the course of these proceedings, the Ngadju People alleged that a number of mining tenements held by St. Ives (being tenements that were originally granted to WMC Resources by the State under the terms of a State Agreement, and subsequently acquired in 2001 by St. Ives) are invalid to the extent that they affect the Ngadju People's native title rights. The process for obtaining the re-grant of those tenements (in 2014) under the provisions of the Mining Act 1978 (WA) was carefully considered and followed by Gold Fields at the time, acting in conjunction with the State.

In a decision handed down by a single judge of the Federal Court of Australia on July 3, 2014, the court accepted the submissions of the Ngadju People that the re-grant of these tenements by the State was not compliant with the correct processes in the Native Title Act 1993 (Cth), and as such, the re-granted tenements are invalid to the extent that they affect native title. This means that to the extent that there is inconsistency between the rights of St. Ives as tenement holder and the Ngadju People's native title rights (such as the right to conduct ceremonies or to hunt), the rights of the Ngadju People will prevail. This decision was confirmed by a Determination of native title made by the Federal Court in November 2014.

The practical effect of such a finding has never been tested under Australian law. However, it may mean the Ngadju People could seek to prevent the further exercise of rights by St. Ives on the tenements in a manner that is inconsistent with the free exercise of their native title rights and/or seek damages for historical interference with their native title rights. The fact that the Ngadju People have only non-exclusive native title rights (and not the higher category of exclusive possession rights) may reduce the extent to which the two sets of rights are found to be inconsistent.

Importantly, the decision does not affect the grant of mining tenure to St. Ives under the Mining Act 1978 (WA). St. Ives still validly holds all of the tenements which underpin its mining operations at St. Ives, and as these proceedings are not an action against St. Ives for failure to take certain steps, the court has no ability to impose any sort of penalty against St. Ives.

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Gold Fields remains strongly of the view that it has at all times complied with its obligations under the Native Title Act 1993 (Cth) in respect of its dealings with these tenements. Gold Fields, together with another major resources company, filed an appeal in respect of aspects of the Federal Court's decision. The appeal (before the Full Court of the Federal Court of Australia (three Judges)) has been listed to take place in May 2015. Gold Fields retains the ability to seek leave to further appeal to the High Court of Australia, if necessary. Gold Fields will also take all steps necessary to ensure that the St. Ives operations are unaffected whilst this matter is resolved through the relevant court processes.

Accordingly, no adjustment for any effects on the Company that may result from the proceedings, if any, has been made in the consolidated financial statements.

### ***South Deep tax dispute***

During the fiscal quarter ended September 2014, the South African Revenue Service, or SARS, issued a Finalization of Audit Letter, or the Audit Letter, stating that SARS had restated a capital allowance balance attributable to GFIJVH in respect of its joint ownership and operation of the South Deep mine, as reflected on its tax return for the year ended December 31, 2011, from U.S.\$1,108.8 million to nil, which represents an additional capital allowance claimed by GFIJVH pursuant to section 36(11)(c) of the South African Income Tax Act. This allowance only applies to unredeemed capital expenditure, and provides an incentive for new mining development by allowing a 12% capital allowance over and above actual capital expenditure incurred on developing a deep level gold mine, as well as a further annual 12% allowance on the mine's unredeemed capital expenditure balance brought forward, until the year that the mine starts earning mining taxable income (i.e., when all tax losses and unredeemed capital expenditure have been fully utilized).

In order to qualify for the additional capital allowance, South Deep must qualify as a post-1990 gold mine, which is defined in the South African Income Tax Act as a gold mine which, in the opinion of the Director-General: Mineral and Energy Affairs, is an independent workable proposition and in respect of which a mining authorization for gold mining was issued for the first time after 14 March 1990. During 1999, the Director General: Minerals and Energy Affairs, or DME, and SARS confirmed, in writing, that GFIJVH is a post-1990 gold mine as defined, and therefore qualified for the additional capital allowance. GFIJVH subsequently filed its tax returns on this basis, as confirmed by the DME and SARS. However, in the Audit Letter, SARS stated that both the DME and SARS had erred in issuing their previous confirmations, and that GFIJVH does not qualify as a post-1990 gold mine and therefore does not qualify for the additional capital allowance.

The Group has taken legal advice on the matter and believes that SARS should not be allowed to disallow the additional capital allowance. GFIJVH has in the meantime not only formally lodged an objection to the SARS disallowance, but also filed an application in the High Court and will vigorously defend its position.

Other than the proceedings and investigations described above, Gold Fields is not a party to any material legal or arbitration proceedings, nor is any of its property the subject of pending material legal proceedings.

### **Glossary of Mining Terms**

The following explanations are not intended as technical definitions, but rather are intended to assist the reader in understanding some of the terms used in this annual report.

**All-in costs** means all-in sustaining costs plus additional costs relating to growth, including non-sustaining capital expenditure and exploration, evaluation and feasibility costs not associated with current operations.

**All-in sustaining costs** means operating costs excluding amortization and depreciation, plus all costs not included therein relating to sustaining current production including sustaining capital expenditure.

**Backfill** means material, generally sourced from tailings or waste rock, used to refill mined-out areas to increase the long-term stability of mines and mitigate the effects of seismicity.

**Carbon in leach**, or **CIL** means a process similar to CIP (described below) except that the ore slurries are not leached with cyanide prior to carbon loading. Instead, the leaching and carbon loading occur simultaneously.

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**Carbon in pulp** , or **CIP** means a common process used to extract gold from cyanide leach slurries. The process consists of carbon granules suspended in the slurry and flowing counter-current to the process slurry in multiple-staged agitated tanks. The process slurry, which has been leached with cyanide prior to the CIP process, contains soluble gold. The soluble gold is absorbed onto the carbon granules which are subsequently separated from the slurry by screening. The gold is then recovered from the carbon by electrowinning onto steel wool cathodes or by a similar process.

**Cleaning** means the process of removing broken rock from a mine.

**Comminution** means the breaking, crushing or grinding of ore by mechanical means.

**Cut-off grade** means the grade which distinguishes the material within the ore body that is to be extracted and treated from the remainder.

**Decline** or **incline** means a sloping underground opening for machine access from the surface to an underground mine or from level to level in a mine. Declines and inclines are often driven in a spiral to access different elevations in the mine.

**Depletion** means the decrease in quantity of ore in a deposit or property resulting from extraction or production.

**Development** means activities (including shaft sinking and on-reef and off-reef tunneling) required to prepare for mining activities and maintain a planned production level and those costs incurred to enable the conversion of mineralization to reserves.

**Dilution** means the mixing of waste rock with ore, resulting in a decrease in the overall grade.

**Dissolution** means the process whereby a metal is dissolved and becomes amenable to separation from the gangue material.

**EBITDA** means operating profit before interest, royalties, taxes, depreciation and amortization.

**Electrowinning** means the process of removing gold from solution by the action of electric currents.

**Elution** means removal of the gold from the activated carbon.

**Exploration** means activities associated with ascertaining the existence, location, extent or quality of mineralization, including economic and technical evaluations of mineralization.

**Flotation** means the process whereby certain chemicals are added to the material fed to the leach circuit in order to float the desired minerals to produce a concentrate of the mineral to be processed. This process can be carried out in column flotation cells.

**Free cash flow margin, or FCF Margin** means revenue less cash outflow divided by revenue expressed as a percentage. It is calculated as follows:

Revenue (gold only = revenue as per the income statement less by-product revenue as per AIC)*	xxx
Less: Cash outflow	(xxx)
- AIC	(xxx)
Adjusted for	
Share-based payments (as non-cash)	xx
Exploration, feasibility and evaluation costs	xx
Capital expenditure on exploration, feasibility and evaluation	x
- Tax paid	(xx)
Free cash flow	xx
<b>Free cash flow margin</b>	<b>x%</b>
Gold sold only - ounces	xxx



\* Revenue from income statement less revenue from by- products in AIC.

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**Gangue** means commercially valueless material remaining after ore extraction from rock.

**Gold reserves** means the gold contained within proven and probable reserves on the basis of recoverable material (reported as mill delivered tonnes and head grade).

**Grade** means the quantity of metal per unit mass of ore expressed as a percentage or, for gold, as grams of gold per tonne of ore.

**Greenfield** means a potential mining site of unknown quality.

**Grinding** means reducing rock to the consistency of fine sand by crushing and abrading in a rotating steel grinding mill.

**Head grade** means the grade of the ore as delivered to the metallurgical plant.

**Heap leaching** means a relatively low-cost technique for extracting metals from ore by percolating leaching solutions through heaps of ore placed on impervious pads. Generally used on low-grade ores.

**Hypogene** means ore or mineral deposits formed by ascending fluids within the earth.

**In situ** means within unbroken rock or still in the ground.

**Kriging** means an estimation technique used in the evaluation of ore reserves.

**Leaching** means dissolution of gold from the crushed and milled material, including reclaimed slime, for absorption and concentration onto the activated carbon.

**Level** means the workings or tunnels of an underground mine which are on the same horizontal plane.

**Life of mine** , or **LoM** means the expected remaining years of production, based on production rates and ore reserves.

**London afternoon fixing price** means the afternoon session open fixing of the gold price which takes place daily in London and is set by a board comprising five financial institutions.

**Mark-to-market** means the current fair value of a derivative based on current market prices, or to calculate the current fair value of a derivative based on current market prices, as the case may be.

**Measures** means conversion factors from metric units to U.S. units are provided below.

<b>Metric unit</b>		<b>U.S. equivalent</b>
1 tonne	= 1 t	= 1.10231 short tons
1 gram	= 1 g	= 0.03215 ounces
1 gram per tonne	= 1 g/t	= 0.02917 ounces per short ton
1 kilogram per tonne	= 1 kg/t	= 29.16642 ounces per short ton
1 kilometer	= 1 km	= 0.62137 miles
1 meter	= 1 m	= 3.28084 feet
1 centimeter	= 1 cm	= 0.39370 inches
1 millimeter	= 1 mm	= 0.03937 inches
1 hectare	= 1 ha	= 2.47104 acres

**Metallurgical plant** means a processing plant used to treat ore and extract the contained gold.

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**Metallurgical recovery factor** means the proportion of metal in the ore delivered to the mill, that is recovered by the metallurgical process or processes.

**Metallurgy** means, in the context of this document, the science of extracting metals from ores and preparing them for sale.

**Mill delivered tonnes** means a quantity, expressed in tonnes, of ore delivered to the metallurgical plant.

**Milling**, or **mill** means the comminution of the ore, although the term has come to cover the broad range of machinery inside the treatment plant where the gold is separated from the ore.

**Mine call factor** means the ratio, expressed as a percentage, of the specific product recovered at the mill (plus residue) to the specific product contained in an ore body calculated based on an operation's measuring and valuation methods.

**Mineralization** means the presence of a target mineral in a mass of host rock.

**MPa** means a unit measurement of stress or pressure within the earth's crust used to profile tectonic stress, which can impact ground stability and ground support requirements in underground mining.

**mSV** means a unit measurement of ionizing radiation dose, used to measure the health effect of low levels of ionizing radiation on the human body.

**Net debt** means total borrowing less cash and cash equivalents, both as calculated in accordance with IFRS.

**Net smelter return**, or **NSR** means the volume of refined gold sold during the relevant period multiplied by the average spot gold price and the average exchange rate for the period, less refining, transport and insurance costs.

**Normalized earnings**" means net earnings, excluding foreign exchange gains and losses, financial instruments gains and losses and non-recurring items, net of tax, all as calculated in accordance with IFRS.

**Open pit** means mining in which the ore is extracted from a pit. The geometry of the pit may vary with the characteristics of the ore body.

**Operating costs excluding amortization and depreciation** means Gold Fields' operating costs excluding amortization and depreciation, as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements).

**Ore** means a mixture of material containing minerals from which at least one of the minerals can be mined and processed at an economic profit.

**Ore body** means a well defined mass of material of sufficient mineral content to make extraction economically viable.

**Ore grade** means the average amount of gold contained in a tonne of gold-bearing ore expressed in grams per tonne.

**Ore reserves**, or **reserves** means that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.

**Ounce** means one troy ounce, which equals 31.1035 grams.

**Overburden** means the soil and rock that must be removed in order to expose an ore deposit.

**Paste filling** means a technique whereby cemented paste fill is placed in mined out voids to improve and maintain ground stability, minimize waste dilution and maximize extraction of the ore.

**Porphyry** means an igneous rock of any composition that contains larger, well-formed mineral grains in a finer-grained groundmass.



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**Probable reserves** means reserves for which quantity and grade and/or quality are computed from information similar to that used for proven reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.

**Production stockpile** means the selective accumulation of low grade material which is actively managed as part of the current mining operations.

**Prospect** means to investigate a site with insufficient data available on mineralization to determine if minerals are economically recoverable.

**Prospecting right** means permission to explore an area for minerals.

**Proven reserves** means reserves for which: (1) quantity is computed from dimensions revealed in outcrops, trenches, workings or boreholes; (2) grade and/or quality are computed from the results of detailed sampling; and (3) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.

**Reef** means a gold-bearing sedimentary horizon, normally a conglomerate band, that may contain economic levels of gold.

**Refining** means the final stage of metal production in which final impurities are removed from the molten metal by introducing air and fluxes. The impurities are removed as gases or slag.

**Rehabilitation** means the process of restoring mined land to a condition approximating its original state.

**Rock dump** means the historical accumulation of low grade material derived in the course of mining which is processed in order to take advantage of spare processing capacity.

**Run of Mine** , or **RoM** means a loose term to describe ore of average grade.

**Sampling** means taking small pieces of rock at intervals along exposed mineralization for assay (to determine the mineral content).

**Seismicity** means a sudden movement within a given volume of rock that radiates detectable seismic waves. The amplitude and frequency of seismic waves radiated from such a source depend, in general, on the strength and state of stress of the rock, the size of the source of seismic radiation, and the magnitude and the rate at which the rock moves during the fracturing process.

**Semi-autogenous grinding** , or **SAG mill** , means a piece of machinery used to crush and grind ore which uses a mixture of steel balls and the ore itself to achieve comminution. The mill is shaped like a cylinder causing the grinding media and the ore itself to impact upon the ore.

**Shaft** means a shaft providing principal access to the underground workings for transporting personnel, equipment, supplies, ore and waste. A shaft is also used for ventilation and as an auxiliary exit. It may be equipped with a surface hoist system that lowers and raises conveyances for men, materials and ore in the shaft. A shaft generally has more than one conveyancing compartment.

**Slimes** means the finer fraction of tailings discharged from a processing plant after the valuable minerals have been recovered.

**Slurry** means a fluid comprising fine solids suspended in a solution (generally water containing additives).

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**Smelting** means thermal processing whereby molten metal is liberated from beneficiated ore or concentrate with impurities separating as lighter slag.

**Spot price** means the current price of a metal for immediate delivery.

**Stockpile** means a store of unprocessed ore.

**Stope** means the underground excavation within the ore body where the main gold production takes place.

**Stratigraphic** means the study of rock layers (strata) and layering (stratification) and is primarily used in the study of sedimentary and layered volcanic rocks. Stratigraphic modeling is often important in profiling the regional and local geology that has played a controlling role in gold mineralization and ore body generation.

**Stripping** means the process of removing overburden to mine ore.

**Sulfide** means a mineral characterized by the linkages of sulfur with a metal or semi-metal, such as pyrite (iron sulfide). Also a zone in which sulfide minerals occur.

**Supergene** means ores or ore minerals formed where descending surface water oxidizes mineralized rock and redistributes the ore minerals, often concentrating them in zones.

**Tailings** means finely ground rock from which valuable minerals have been extracted by milling.

**Tailings dam** means dams or dumps created from tailings or slimes.

**Tonne** means one tonne is equal to 1,000 kilograms (also known as a metric tonne).

**Tonnage** means quantities where the tonne is an appropriate unit of measure. Typically used to measure reserves of gold-bearing material in situ or quantities of ore and waste material mined, transported or milled.

**Waste** means rock mined with an insufficient gold content to justify processing.

**Yield** means the actual grade of ore realized after the mining and treatment process.

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**ITEM 4A: UNRESOLVED STAFF COMMENTS**

Not applicable.

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**Table of Contents****ITEM 5: OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

*You should read the following discussion and analysis together with Gold Fields' consolidated financial statements, including the notes, appearing elsewhere in this annual report. Certain information contained in the discussion and analysis set forth below and elsewhere in this annual report includes forward-looking statements that involve risks and uncertainties. See Forward-looking Statements and Risk Factors for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in this annual report.*

**Overview**

Gold Fields is a significant producer of gold and a major holder of gold reserves in South Africa, Ghana, Australia and Peru. In Peru, Gold Fields also produces copper. Gold Fields is primarily involved in underground and surface gold and surface copper mining and related activities, including exploration, extraction, processing and smelting. Gold Fields also has an interest in a platinum group metal (and associated by-product metals) exploration project in Finland.

On the Spin-off date, Gold Fields completed the Spin-off. See The Spin-off below.

Prior to the Spin-off, approximately half of Gold Fields' operations, based on gold production, were located in South Africa. Following the Spin-off, in fiscal 2014, the South African, West African, Australasian and American operations produced 9%, 32%, 45% and 14% of its total gold production, respectively.

Gold Fields' remaining South African operation is South Deep. Gold Fields also owns the St. Ives, Agnew/Lawlers, Granny Smith and Darlot gold mining operations in Australia and has a 90.0% interest in each of the Tarkwa gold mine and the Damang gold mine in Ghana. Gold Fields also owns a 99.5% interest in the Cerro Corona mine in Peru. On October 1, 2013, Gold Fields acquired the Yilgarn South Assets from Barrick Gold Corporation, or Barrick. See Information on the Company Gold Fields' Mining Operations Australasia Operations. In addition, Gold Fields has gold and other precious metal exploration activities and interests in Africa, Eurasia, Australasia and the Americas.

As of December 31, 2014, Gold Fields reported attributable proven and probable gold and copper reserves of approximately 48.1 million ounces of gold and 620 million pounds of copper, as compared to the 48.6 million ounces of gold and 708 million pounds of copper, reported as of December 31, 2013.

Total gold production was 2.294 million ounces of gold equivalents in fiscal 2014, 2.219 million ounces of which were attributable to Gold Fields with the remainder attributable to non-controlling shareholders in Gold Fields Ghana, Abosso and La Cima, relating to the Tarkwa, Damang and Cerro Corona mining operations, respectively. Total gold production was 2.104 million ounces in fiscal 2013, 2.022 million ounces of which were attributable to Gold Fields with the remainder attributable to non-controlling shareholders in Gold Fields Ghana, Abosso and La Cima.

In fiscal 2014, production from the South African operation decreased 34% mainly due to Section 54 work stoppage orders related to three fatalities which occurred in May and July 2014, as well as self-imposed safety stoppages to remediate ground support in the main mining areas across the mine.

Production at the international operations increased by 16%. In the West African region, Tarkwa's production decreased by 12% due to cessation of crushing operations at the heap leach facilities. Damang's production was 16% higher due to higher head grade mined and higher mill throughput. In Australasia, St. Ives' production decreased by 10% mainly due to the closure of Argo and lower underground head grade. At Agnew/Lawlers, production was 26% higher due to the inclusion of Lawlers for the full year in 2014 as opposed to only one quarter in 2013. At Granny Smith, production increased by 425% in 2014 and, at Darlot, production



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increased by 300% in 2014, both, Granny Smith and Darlot, due to being included for the full year in 2014 as opposed to only one quarter in 2013. In Peru, Cerro Corona's production increased 3% mainly due to an increase in ore processed and higher copper grades.

***Disposal of Chucapaca***

On August 19, 2014, Gold Fields sold its 51% stake in Canteras del Hallazgo S.A.C (CDH), the company that manages the Chucapaca exploration project in southern Peru, to Compañía de Minas Buenaventura S.A.A. (Buenaventura). Buenaventura is Peru's largest publicly traded, precious metals mining company and previously owned 49% in CDH. The consideration received was US\$81.0 million in cash and a 1.5% net smelter royalty on future sales of gold, copper and silver produced in the current Chucapaca concession. No value was attributed to the 1.5% net smelter royalty in calculating the sales price due to the uncertainty associated with realizing any future royalties given that the Chucapaca project is still in the exploration phase. This sale resulted in a profit of US\$72.8 million being recognized in profit on disposal of investments and subsidiaries on the consolidated statement of operations.

***Disposal of Yanfolila***

On July 2, 2014, Gold Fields sold its 85% interest in the Yanfolila exploration project in Mali to London-listed Hummingbird for US\$21.1 million in the form of 21,258,503 Hummingbird shares (representing a 25.1% holding), resulting in Hummingbird being accounted for as an equity accounted investee. This sale resulted in a profit of US\$5.1 million being recognized in profit on disposal of investments and subsidiaries on the consolidated statement of operations.

***Yilgarn South assets acquisition***

On October 1, 2013, Gold Fields completed the acquisition of the Yilgarn South assets from Barrick. Gold Fields acquired the assets for a total net consideration of U.S.\$262.0 million after adjustments for working capital and employee entitlements. In accordance with the sale and purchase agreement, Gold Fields elected to satisfy the consideration by delivering 28.7 million of its common shares (which was based on the five-day volume weighted average price, or VWAP, for the ADR's trading on the NYSE prior to closing). The balance of U.S.\$135.0 million was paid from cash resources held by Gold Fields in Australia.

***The Spin-off***

On the Spin-off date, being February 18, 2013, Gold Fields completed the Spin-off. The Spin-off was achieved by way of Gold Fields making a distribution on a pro rata basis of one Sibanye Gold ordinary share for every one Gold Fields share (whether held in the form of shares, ADRs or international depositary receipts) to Gold Fields shareholders, registered as such in Gold Fields' register at close of business on February 15, 2013 in terms of section 46 of the South African Companies Act and section 46 of the South African Income Tax Act. The Board of Gold Fields passed the resolution necessary to implement the Spin-off on December 12, 2012. Sibanye Gold shares listed on the JSE and on the NYSE on February 11, 2013.

Prior to the Spin-off, Gold Fields provided purchasing, corporate communications, human resources and benefits management, treasury and finance, investor relations, internal audit, legal and tax advice, compliance regarding internal controls and information technology functions to Sibanye Gold.

Following the Spin-off, Gold Fields continued to provide some of these services to Sibanye Gold and Sibanye Gold continued to provide some services to Gold Fields on a transitional basis for a period of up to one year, which ended in February 2014, pursuant to the Transitional Services Agreement.

The financial results of Sibanye Gold, which include the KDC and Beatrix mines, were presented as discontinued operations in the consolidated financial statements for fiscal years 2013 and 2012. The discussion of financial results of Gold Fields in this Operating and Financial Review and Prospects relates to continuing operations only unless otherwise stated.

**Table of Contents****Revenues**

Substantially all of Gold Fields' revenues are derived from the sale of gold and copper. As a result, Gold Fields' revenues are directly related to the prices of gold and copper. Historically, the prices of gold and copper have fluctuated widely. The gold and copper prices are affected by numerous factors over which Gold Fields does not have control. See Risk Factors Changes in the market price for gold, and to a lesser extent copper, which in the past have fluctuated widely, affect the profitability of Gold Fields' operations and the cash flows generated by those operations. The volatility of gold and copper prices is illustrated in the following tables, which show the annual high, low and average of the London afternoon fixing price of gold and the London Metal Exchange cash settlement price for copper in U.S. dollars for the past 12 calendar years and to date in calendar year 2015:

Gold	Price per ounce <sup>(1)</sup>		
	High	Low (\$/oz)	Average
2003	416	320	363
2004	454	375	409
2005	537	411	445
2006	725	525	604
2007	834	607	687
2008	1,011	713	872
2009	1,213	810	972
2010	1,421	1,058	1,224
2011	1,895	1,319	1,571
2012	1,792	1,540	1,669
2013	1,694	1,192	1,409
2014	1,385	1,142	1,266
2015 (through April 7, 2015)	1,296	1,147	1,218

Source: I-Net

Note:

(1) Rounded to the nearest U.S. dollar.

On April 7, 2015, the London afternoon fixing price of gold was U.S.\$1,211 per ounce.

Copper	Price per tonne <sup>(1)</sup>		
	High	Low (\$/t)	Average
2003	2,321	1,545	1,780
2004	3,287	2,337	2,867
2005	4,650	3,072	3,687
2006	8,788	4,537	6,728
2007	8,301	5,226	7,128
2008	8,985	2,770	6,952
2009	7,346	3,051	5,164
2010	9,740	6,091	7,539
2011	9,986	7,062	8,836
2012	8,658	7,252	7,951
2013	8,243	6,638	7,324
2014	7,440	6,306	6,861
2015 (through April 7, 2015)	6,309	5,391	5,827

*Source: I-Net*

Note:

(1) Rounded to the nearest U.S. dollar.

On April 7, 2015, the LME cash settlement price for copper was U.S.\$6,041 per tonne.

As a general rule, Gold Fields sells the gold it produces at market prices to obtain the maximum benefit from prevailing gold prices and does not enter into hedging arrangements such as forward sales or derivatives

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which establish a price in advance for the sale of its future gold production. Hedges can be undertaken in one or more of the following circumstances: to protect cash flows at times of significant capital expenditures; for specific debt servicing requirements; and to safeguard the viability of higher cost operations. At December 31, 2014, Gold Fields had no outstanding hedges. See [Quantitative and Qualitative Disclosures About Market Risk Commodity Price Sensitivity](#). Significant changes in the prices of gold and copper over a sustained period of time may lead Gold Fields to increase or decrease its production in the near-term, which could have a material impact on Gold Fields' revenues.

Sales of copper concentrate are provisionally priced—that is, the selling price is subject to final adjustment at the end of a period normally ranging from 30 to 90 days after delivery to the customer, based on market prices at the relevant quotation points stipulated in the contract.

Revenue on provisionally priced copper concentrate sales is recorded on the date of shipment, net of refining and treatment charges, using the forward London Metal Exchange price to the estimated final pricing date, adjusted for the specific terms of the agreements. Variations between the price used to recognize revenue and the actual final price received can be caused by changes in prevailing copper and gold prices and result in an embedded derivative. The host contract is the receivable from the sale of copper concentrate at the forward London Metal Exchange price at the time of sale. The embedded derivative, which does not qualify for hedge accounting, is marked-to-market each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included as a component of revenue while the contract itself is recorded in accounts receivable.

**Gold Fields' Realized Gold and Copper Prices**

The following table sets out the average, the high and the low London afternoon fixing price per ounce of gold and Gold Fields' average U.S. dollar realized gold price during the past three fiscal years. Gold Fields' average realized gold price per equivalent ounce is calculated using the actual price per ounce of gold received on gold sold and the actual amount of revenue received on sales of copper, expressed in terms of the price per gold equivalent ounce. For a description of how gold equivalent ounces are determined, see [Defined Terms and Conventions](#).

Realized Gold Price <sup>(1)</sup>	Fiscal		
	2012	2013	2014
Average	1,669	1,409	1,266
High	1,792	1,694	1,385
Low	1,540	1,192	1,142
Gold Fields' average realized gold price <sup>(2)</sup>	1,656 <sup>(3)</sup>	1,386	1,249

Notes:

- (1) Prices stated per ounce.
- (2) Gold Fields' average realized gold price may differ from the average gold price due to the timing of its sales of gold within each year.
- (3) Restated following the Spin-off.

The following table sets out the average, the high and the low London Metal Exchange cash settlement price per tonne for copper and Gold Fields' average U.S. dollar realized copper price for fiscal 2012, 2013 and 2014.

Realized Copper Price <sup>(1)</sup>	Fiscal		
	2012	2013	2014
Average	7,951	7,324	6,861
High	8,658	8,243	7,440
Low	7,252	6,638	6,306
Gold Fields' average realized copper price <sup>(2)</sup>	7,322	6,575	6,827

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Notes:

- (1) Prices stated per ounce.
- (2) Gold Fields' average realized copper price may differ from the average copper price due to the timing of its sales of copper within each year and is net of treatment and refining charges.

**Production**

Gold Fields' revenues are primarily driven by its production levels and the price it realizes on the sale of gold. Production levels are affected by a number of factors. Total production at Gold Fields' continuing operations increased from 2.10 million ounces in fiscal 2013 to 2.29 million ounces in fiscal 2014, having decreased from 2.12 million ounces in fiscal 2012 to 2.10 million ounces in fiscal 2013. The increase in production between fiscal 2013 and fiscal 2014 was mainly due to the inclusion of a full year's production from the Yilgarn South Assets in 2014 compared with only one quarter in 2013.

***Labor Impact***

In recent years, Gold Fields has experienced greater union activity in some of the countries in which it operates, including the entry of rival unions, which has resulted in more frequent industrial disputes, including violent protests, intra-union violence and clashes with police authorities, and has impacted labor relations. In particular, in South Africa during the second half of fiscal 2012, a number of unions in the mining industry threatened to or went on strike for various reasons, including the renegotiation of wage agreements. These strikes impacted each of Gold Fields' South African operations and caused work stoppages and significant production losses. In the third quarter of fiscal 2013, South Deep was affected by a three day wage related industrial action. The risk of widespread industrial action at South Deep is significantly diminished when compared with KDC and Beatrix (both spun-off as part of the Spin-off). South Deep has a relatively well educated labor force, which is highly skilled and receives remuneration packages that are competitive and highly incentivized. There is also no evidence to date that the Association of Mineworkers and Construction Union, which has been responsible for extensive strike action at South Africa's gold and platinum mines, has established a material presence at the South Deep mine. The NUM is the dominant union, providing relatively stable relations.

Further, on April 3, 2013, employees at Gold Fields' Ghanaian operations engaged in a work stoppage that led to a halt in production, which resulted in a loss of approximately 21,700 ounces. On April 8, 2013, the strike ended and production resumed after management and the GMWU reached a settlement regarding the process for resolving certain issues raised by union petitions. There were no work stoppages as a result of strikes during fiscal 2014. See Risk Factors Gold Fields' operations and profits have been and may be adversely affected by union activity and new and existing labor laws .

***Health and Safety Impact***

Gold Fields' operations are also subject to various health and safety laws and regulations that impose various duties on Gold Fields' mines while granting the authorities broad powers to, among other things, close or suspend operations at unsafe mines and order corrective action relating to health and safety matters. Additionally, it is Gold Fields' policy to halt production at its operations when serious accidents occur in order to rectify dangerous situations and, if necessary, retrain workers. During fiscal 2014, Gold Fields operations suffered two safety related stoppages, one related to the fatalities in May and the second one related to a safety-related ground support remediation. During fiscal 2013, Gold Fields operations suffered two safety stoppages. In South Africa, Gold Fields has actively engaged with the DMR on the protocols applied to safety-related mine closures. Gold Fields conducted a tri-partite Health and Safety Summit in February 2012 along with government and labor organizations to promote health and safety in South Africa as part of a comprehensive effort to improve mine safety. See Risk Factors Gold Fields' operations are subject to environmental and health and safety regulations, which could impose additional costs and compliance requirements and Gold Fields may face claims and liability for breaches, or alleged breaches, of such regulations and other applicable laws .

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Gold Fields expects that each of these factors will continue to impact production levels in the future.

### **Costs**

Over the last three fiscal years, Gold Fields' production costs consisted primarily of labor and contractor costs, power, water and consumable stores, which include explosives, timber, diesel fuel, other petroleum products and other consumables. Gold Fields expects that its total costs, particularly the input costs noted above, are likely to continue to increase in the near future driven by general economic trends, market dynamics and other regulatory changes.

In order to counter the effect of increasing costs in the mining industry, the Group rationalized and prioritized capital expenditure without undermining the sustainability of its operations and continued prioritization of cash generation over production volumes. The Group also undertook further reductions in labor costs. One of Gold Fields' strategic priorities relates to the proactive management of costs with a view of achieving a 15% free cash flow margin at a U.S.\$1,300 per ounce gold price.

In addition, in order to enable Gold Fields to increase its focus on providing shareholders with increased returns against the gold price, a portfolio review was concluded in fiscal 2013. It focused on cash flow growth (not just growth in ounces), and rigorous prioritization of capital expenditure and exploration spend based on expected risk-adjusted return on investment. The portfolio review resulted in, among other things, a reduction in unprofitable production at a number of mines including St. Ives, Damang and Tarkwa, as well as the planned or actual disposal of a number of the Group's growth projects. See [Information on the Company Planned Disposals](#).

The discussions below concern itself with continuing operations only.

The Gold Fields' South African operation is labor intensive due to the use of deep level underground mining methods. As a result, over the last three fiscal years labor has represented on average approximately 41% of total production costs at the South African operation.

Negotiations with the South African mining unions in the year ended December 31, 2011 resulted in above-inflation wage increases of between 8.0% and 10.0%, depending upon the category of employee. Such negotiations historically have occurred every two years. However, the labor unrest in 2012 resulted in South African mining industry participants undergoing negotiations with workers and labor unions outside this period. These ad-hoc negotiations resulted in a settlement proposal made by a number of gold mining companies in South Africa, including Gold Fields. Through the Chamber of Mines, Gold Fields agreed with the trade unions to an earlier implementation of a number of provisions of the wage agreement reached in 2011 that were agreed to by all parties, culminating in an adjustment to wages in the relevant bargaining units of around 2.5% per annum, relating to changes to job grades and entry-level wages. In addition, gold mining companies, trade unions and government set up a working group for a wide-ranging review of working practices, productivity improvements and socio-economic conditions in the gold mining industry, which fed into the 2013 round of wage negotiations. See [Directors, Senior Management and Employees' Labor Relations' Wage Agreements 2011-2013 Agreement](#). Despite the fact that returning employees will receive the benefit of this settlement, Gold Fields' employees may continue to take industrial action to protest and seek redress in connection with a variety of issues, including pay and working conditions.

At the wage talks with organized labor which commenced on March 19, 2015, Gold Fields offered an all-inclusive package which included a scarce skills allowance and a housing allowance. On April 10, 2015, the Group signed a three-year wage and other conditions of employment agreement with the NUM and UASA, the registered trade unions at South Deep. The agreement will result in average annual wage increases of 10% over the three-year period of the deal. The first increase took effect on April 1, 2015. See [Directors, Senior Management and Employees' Labor Relations' South Africa Wage Agreements](#).

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At the South African operation, power and water made up on average approximately 10% of production costs over the last three fiscal years. In fiscal 2014, power and water costs made up 12% of the costs of production at the South African operation. Eskom applied to NERSA for a 16% average tariff increase on each of April 1, 2013, 2014, 2015, 2016 and 2017, and NERSA granted Eskom an average increase of 8% for each of the years. The actual legislated increase applicable to the South African mining industry effective April 1, 2014 was 8%. However, the increase on April 1, 2015 will be 12.69%, being 8% plus 4.69% due to the clawing back by Eskom of prudent costs from the Regulatory Clearing Account in respect of the three-year period from April 2010 to March 2013. It has also been reported that Eskom intends to request permission to raise the power tariff by 25%, instead of 12.69%, in order to make up a cash shortfall. NERSA has given permission for Eskom to raise rates further but it is unclear what the actual rate increase will be.

Both Gold Fields Ghana and Abooso concluded tariff negotiations for 2014 and 2015 with their respective power suppliers (the state electricity supplier, the VRA, supplies power to Gold Fields Ghana and the ECG provides power to Abooso). The ECG's rate for the period January 1, 2012 to December 31, 2013 was US\$0.1809/kWh. ECG's tariffs from January 1, 2014 to December 31, 2014 were \$0.216/kWh and from January 1, 2015 to December 31, 2015 is US\$0.23/kWh. Gold Fields Ghana has agreed tariffs with VRA with a base tariff of US\$0.1674/kWh with effect from January 1, 2015 using a tariff model which inputs actual variables (including the generation mix and input prices) of the previous quarter to determine the tariff for the current quarter. The average VRA tariff for 2014 was US\$0.1560/kWh.

Although Gold Fields Ghana has concluded tariff negotiations with the VRA, there has been a delay in finalizing the draft PSPA with the VRA, mainly because of a delay in the implementation of the Energy Commission's proposed WEM, which would impact provisions of the PSPA. The implementation of the WEM is presently on hold due to load shedding exercises being carried out in Ghana.

The VRA is now proposing an interim PSPA, subject to regulatory changes made by the Energy Commission when the WEM is fully rolled out. Gold Fields Ghana intends to discuss the interim PSPA with the VRA in April 2015.

In order to reduce their reliance on power supplied by VRA and ECG, Gold Fields Ghana and Abooso have entered into a ten year PPA with independent power producer Genser. Genser has agreed to commission a clean coal power generation facility at Tarkwa. The delivery of power up to 7MW is expected to begin in April 2015 from an alternative Genser plant while the new facility is being completed. This power supply is expected to eventually replace all or a significant proportion of Tarkwa and Damang's current supply from the VRA and ECG. Over the ten-year contract, the PPA could potentially save around 47% on the cost of power currently supplied by the VRA and ECG. The PPA will, however, increase the company's carbon emissions, by replacing electricity currently generated mainly through hydropower with coal-generated electricity. See Risk Factors Power cost increases may adversely affect Gold Fields' business, operating results and financial condition.

Contractor costs represented on average 10% of production costs at Tarkwa over the last three fiscal years, and 9% of production costs during fiscal 2014. Over the last three fiscal years, contractor costs represented on average 14% of production costs at Damang with 16% in fiscal 2014. Direct labor costs represent on average a further 13% of production costs at Tarkwa over the last three fiscal years and 17% in fiscal 2014. Over the last three fiscal years, direct labor costs represented on average 14% at Damang and 20% in fiscal 2014.

At Cerro Corona, contractor cost represented on average 41% of production costs over the last three fiscal years and 37% of production costs during fiscal 2014. Direct labor costs represent on average a further 27% of production costs over the last three fiscal years and 26% in fiscal 2014.

At the Australasian operations, mining operations were conducted by outside contractors. However, at Agnew, owner mining at the underground operations commenced in May 2010, while development is still conducted by outside contractors. At St. Ives, owner mining commenced in July 2011 at the underground

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operations and in July 2012 at the surface operations, but development is still conducted by contractors. Over the last three fiscal years, total contractor costs represented on average 34% at St. Ives and 36% at Agnew of production costs and direct labor costs represented on average a further 21% at St. Ives and 22% at Agnew of production costs. In fiscal 2014, contractors and direct labor cost represented 32% and 23% at St. Ives and 41% and 22% at Agnew/Lawlers, respectively. At the Yilgarn South Assets, mining operations and development are conducted through owner mining. Over the last two fiscal years, contractors and direct labor cost represented, on average, 25% and 34% at Granny Smith and 18% and 42% at Darlot. In fiscal 2014, contractors and direct labor cost represented 24% and 34% at Granny Smith and 18% and 42% at Darlot, respectively.

Gold Fields operations in Ghana consume large quantities of diesel fuel for the running of their mining fleet. The cost of diesel fuel is directly related to the oil price and any movement in the oil price will have an impact on the cost of diesel fuel and therefore the cost of running the mining fleet. Over the last three fiscal years, fuel costs have represented approximately 15% of production costs at the Ghana operations. Fuel use is proportionately higher at the Ghana operations than at other operations because open pit mining in general requires more fuel usage than underground mining and because of the configuration of the Ghana operations, including the scale of certain of the pits and the distances between the pits and the plants.

The remainder of Gold Fields total costs consists primarily of amortization and depreciation, exploration costs and selling, administration and general and corporate charges.

***All-in Sustaining and All-in Cost***

The World Gold Council has worked closely with its member companies to develop definitions for all-in sustaining costs and all-in costs. The World Gold Council is not a regulatory industry organization and does not have the authority to develop accounting standards or disclosure requirements. Gold Fields ceased being a member of the World Gold Council in fiscal 2014. All-in sustaining costs and All-in costs are non-GAAP measures. These non-GAAP measures are intended to provide further transparency into the costs associated with producing and selling an ounce of gold. The new standard was released by the World Gold Council on June 27, 2013. It is expected that these new metrics will be helpful to investors, governments, local communities and other stakeholders in understanding the economics of gold mining. The all-in sustaining costs incorporates costs related to sustaining current production. The all-in costs include additional costs which relate to the growth of the Group. All-in sustaining costs, as defined by the World Gold Council, are operating costs excluding amortization and depreciation as calculated in accordance with IFRS (as included in the geographical and segment information included in Note 26 to the consolidated financial statements), plus all costs not included therein relating to sustaining current production including sustaining capital expenditure. The value of by-product revenues such as silver and copper is deducted from operating costs excluding amortization and depreciation costs as it effectively reduces the cost of gold production. All-in costs starts with all-in sustaining costs and adds additional costs which relate to the growth of the Group, including non-sustaining capital expenditure and exploration, evaluation and feasibility costs not associated with current operations.

Gold Fields voluntarily adopted and implemented these metrics as from the second quarter of fiscal 2013. All-in sustaining costs (AISC) and all-in cost (AIC) are reported on a per ounce of gold basis, net of by-product revenues (as per the World Gold Council definition) as well as on a per ounce of gold equivalent basis, gross of by-product revenues.

As from fiscal 2014, Gold Fields exclusively reports its costs in accordance with the new World Gold Council definition for AISC and AIC and no longer reports total cash cost and notional cash expenditure.

An investor should not consider AISC and AIC or operating costs excluding amortization and depreciation in isolation or as alternatives to production costs, cash flows from operating activities or any other measure of financial performance presented in accordance with U.S. GAAP. AISC and AIC as presented in this annual report may not be comparable to other similarly titled measures of performance of other companies.



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The Company prepares its financial records in accordance with IFRS and such IFRS information for the Group and by segment is what the Company's chief operating decision maker reviews in allocating resources and making investment decisions. Therefore, the calculation of AISC and AIC that follows uses IFRS information (operating costs excluding amortization and depreciation) as a starting point which agrees to the geographical and segment information included in Note 26 to the consolidated financial statements.

The following tables set out a reconciliation of Gold Fields' operating costs excluding amortization and depreciation, as calculated in accordance with IFRS, to its AISC and AIC net of by-product revenues per ounce of gold sold for fiscal 2014, 2013 and 2012. The following tables also set out AISC and AIC gross of by-product revenue on a gold equivalent ounce basis for fiscal 2014, 2013 and 2012.

	AISC and AIC, net of by-product revenue per ounce of gold For the year ended December 31, 2014								
	South Deep	Tarkwa	Damang	St. Ives	Agnew/ Lawlers	Darlot	Granny Smith	Cerro Corona	Corporate Group <sup>(1)</sup>
	<i>(in \$ million except as otherwise stated)</i>								
<b>Operating costs (excluding amortization and depreciation)</b>	245.5	373.9	177.6	292.3	173.0	81.9	182.6	158.2	1,684.9
Add:									
Gold inventory change		(2.3)	2.1	(9.9)	(0.3)	1.7		1.5	(7.2)
Royalties	1.3	35.3	11.2	11.6	8.3	2.7	10.0	5.8	86.1
Realized gains and losses on commodity cost hedges				0.1	(0.1)		0.3		0.3
Community/social responsibility costs	3.9	1.2	0.2					7.0	12.3
Non-cash remuneration (share-based payments)	2.8	4.2	0.6	2.7	1.3	0.5	1.0	2.6	10.2
Cash remuneration (long-term employee benefits)	0.6	1.5	0.2	1.2	0.7	0.4	0.7	1.2	2.1
Other									10.6
By-product revenue <sup>(2)</sup>	(0.5)	(0.5)	(0.1)	(0.5)	(0.3)	(0.3)	(0.1)	(182.1)	(184.5)
Rehabilitation amortization and interest	1.8	9.0	1.1	6.1	2.0	0.5	1.7	3.3	25.5
Sustaining capital expenditure <sup>(3)</sup>	54.9	174.1	16.0	117.5	83.4	14.7	58.9	51.0	570.4
<b>All-in sustaining costs<sup>(1)</sup></b>	310.3	596.5	208.9	421.0	267.9	102.2	255.1	48.5	2,232.9
Exploration, feasibility and evaluation costs <sup>(4)</sup>									34.6
Non-sustaining capital expenditure <sup>(3)</sup>	37.0								1.5
<b>All-in costs<sup>(1)</sup></b>	347.2	596.5	208.9	421.0	267.9	102.2	255.1	48.5	59.0
Gold only ounces sold ( '000oz)	200.5	558.3	177.8	361.7	270.7	83.6	315.2	153.6	2,121.4
All-in sustaining cost	310.3	596.5	208.9	421.0	267.9	102.2	255.1	48.5	22.9
<b>All-in sustaining cost net of by-product revenue per ounce of gold sold (\$/oz)</b>	1,548	1,068	1,175	1,164	990	1,222	809	316	1,053
All-in costs	347.2	596.5	208.9	421.0	267.9	102.2	255.1	48.5	59.0
<b>All-in costs net of by-product revenue per ounce of gold sold (\$)</b>	1,732	1,068	1,175	1,164	990	1,222	809	316	1,087

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	AISC and AIC, gross of by-product revenue per ounce of gold For the year ended December 31, 2014 (in \$ million except as otherwise stated)									
	South Deep	Tarkwa	Damang	St. Ives	Agnew/ Lawlers	Darlot	Granny Smith	Cerro Corona	Corporate	Group <sup>(1)</sup>
All-in sustaining costs (per table above)	310.3	596.5	208.9	421.0	267.9	102.2	255.1	48.5	22.9	2,232.9
add back by-product revenue <sup>(2)</sup>	0.5	0.5	0.1	0.5	0.3	0.3	0.1	182.1		184.5
<b>All-in sustaining costs gross of by-product revenue</b>	<b>310.8</b>	<b>597.0</b>	<b>209.0</b>	<b>421.5</b>	<b>268.3</b>	<b>102.5</b>	<b>255.2</b>	<b>230.6</b>	<b>22.9</b>	<b>2,417.4</b>
All-in costs (per table above)	347.2	596.5	208.9	421.0	267.9	102.2	255.1	48.5	59.0	2,306.0
add back by-product revenue <sup>(2)</sup>	0.5	0.5	0.1	0.5	0.3	0.3	0.1	182.1		184.5
<b>All-in costs gross of by-product revenue</b>	<b>347.7</b>	<b>597.0</b>	<b>209.0</b>	<b>421.5</b>	<b>268.3</b>	<b>102.5</b>	<b>255.2</b>	<b>230.6</b>	<b>59.0</b>	<b>2,490.5</b>
Gold equivalent ounces sold	200.5	558.3	177.8	361.7	270.7	83.6	315.2	328.6		2,296.2
<b>All-in sustaining costs gross of by-product revenue (\$/equivalent oz)</b>	<b>1,550</b>	<b>1,069</b>	<b>1,175</b>	<b>1,165</b>	<b>991</b>	<b>1,225</b>	<b>810</b>	<b>702</b>		<b>1,053</b>
<b>All-in costs gross of by-product revenue (\$/equivalent oz)</b>	<b>1,734</b>	<b>1,069</b>	<b>1,175</b>	<b>1,165</b>	<b>991</b>	<b>1,225</b>	<b>810</b>	<b>702</b>		<b>1,086</b>

## Notes:

- (1) This total may not reflect the sum of the line items due to rounding.
- (2) By-product revenue at Cerro Corona relates to copper. For all the other operations, by-product revenue relates to silver.
- (3) Sustaining capital expenditure represents the majority of capital expenditures at existing operations, including underground mine development costs, ongoing replacement of mine equipment and other capital facilities and other capital expenditures at existing operations and is calculated as total capital expenditure for IFRS as per Note 26 to the consolidated financial statements, less non-sustaining capital expenditures. Non-sustaining capital expenditures represent capital expenditures for major growth projects as well as enhancement capital for significant infrastructure improvements at existing operations.
- (4) Includes exploration, feasibility and evaluation and share of equity accounted losses of FSE per IFRS.

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	AISC and AIC, net of by-product revenue per ounce of gold For the year ended December 31, 2013 (in \$ million except as otherwise stated)									
	South Deep	Tarkwa	Damang	St. Ives	Agnew/ Lawlers	Darlot	Granny Smith	Cerro Corona	Corporate	Group <sup>(1)</sup>
<b>Operating costs(excluding amortization and depreciation)</b>	321.8	473.7	171.1	345.5	135.0	21.6	48.8	161.3		1,678.7
Add:										
Gold inventory change		30.8	(11.1)	(8.8)	1.2	(1.3)	(3.7)	(18.8)		(11.8)
Inventory write-off		42.8	16.1							58.9
Royalties	2.1	44.7	10.8	13.9	7.6	0.6	2.1	8.9		90.5
Realized gains and losses on commodity cost hedges				(0.2)						(0.2)
Community/social responsibility costs	2.2	9.1	0.2					7.6		19.1
Non-cash remuneration (share-based payments)	4.4	5.4	1.3	3.8	1.6		0.1	3.7	20.1	40.5
By-product revenue <sup>(2)</sup>	(0.8)	(0.7)	(0.1)	(0.8)	(0.5)			(188.2)		(191.1)
Rehabilitation amortization and interest	0.4	3.4	0.2	4.6	0.8		0.2	1.7		11.3
Sustaining capital expenditure <sup>(3)</sup>	135.4	207.0	50.1	132.3	52.3	1.5	7.8	56.3		642.6
<b>All-in sustaining costs<sup>(1)</sup></b>	465.6	816.1	238.6	490.3	198.0	22.3	55.2	32.4	20.1	2,338.6
Exploration, feasibility and evaluation costs <sup>(4)</sup>									122.4	122.4
Non sustaining capital expenditure <sup>(3)</sup>	67.0								22.7	89.7
<b>All-in costs<sup>(1)</sup></b>	532.6	816.1	238.6	490.3	198.0	22.3	55.2	32.4	165.2	2,550.8
Gold only ounces sold ( 000oz)	302.1	632.2	153.1	402.7	215.6	19.7	62.2	157.3		1,944.9
All-in sustaining cost	465.6	816.1	238.6	490.3	198.0	22.3	55.2	32.4	20.1	2,338.6
<b>All-in sustaining cost net of by-product revenue per ounce of gold sold (\$/oz)</b>	1,541	1,291	1,558	1,218	919	1,132	888	206		1,202
All-in costs	532.6	816.1	238.6	490.3	198.0	22.3	55.2	32.4	165.2	2,550.8
<b>All-in costs net of by-product revenue per ounce of gold sold (\$)</b>	1,763	1,291	1,558	1,218	919	1,132	888	206		1,312

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	AISC and AIC, gross of by-product revenue per ounce of gold For the year ended December 31, 2013 (in \$ million except as otherwise stated)									
	South Deep	Tarkwa	Damang	St. Ives	Agnew/ Lawlers	Darlot	Granny Smith	Cerro Corona	Corporate	Group <sup>(1)</sup>
All in sustaining costs (per table above)	465.6	816.1	238.6	490.3	198.0	22.3	55.2	32.4	20.1	2,338.6
add back by-product revenue <sup>(2)</sup>	0.8	0.7	0.1	0.8	0.5			188.2		191.1
<b>All-in sustaining costs gross of by-product revenue</b>	<b>466.4</b>	<b>816.8</b>	<b>238.7</b>	<b>491.1</b>	<b>198.5</b>	<b>22.3</b>	<b>55.2</b>	<b>220.6</b>	<b>20.1</b>	<b>2,529.7</b>
All-in costs (per table above)	532.6	816.1	238.6	490.3	198.0	22.3	55.2	32.4	165.2	2,550.8
add back by-product revenue <sup>(2)</sup>	0.8	0.7	0.1	0.8	0.5			188.2		191.1
<b>All-in costs gross of by-product revenue</b>	<b>533.4</b>	<b>816.8</b>	<b>238.7</b>	<b>491.1</b>	<b>198.5</b>	<b>22.3</b>	<b>55.2</b>	<b>220.6</b>	<b>165.2</b>	<b>2,741.9</b>
Gold equivalent ounces sold	302.1	632.2	153.1	402.7	215.6	19.7	62.2	309.4		2,097.1
<b>All-in sustaining costs gross of by-product revenue (\$/equivalent oz)</b>	<b>1,544</b>	<b>1,292</b>	<b>1,559</b>	<b>1,220</b>	<b>921</b>	<b>1,132</b>	<b>888</b>	<b>713</b>		<b>1,206</b>
<b>All-in costs gross of by-product revenue (\$/equivalent oz)</b>	<b>1,766</b>	<b>1,292</b>	<b>1,559</b>	<b>1,220</b>	<b>921</b>	<b>1,132</b>	<b>888</b>	<b>713</b>		<b>1,307</b>

## Notes:

- (1) This total may not reflect the sum of the line items due to rounding.
- (2) By-product revenue at Cerro Corona relates to copper. For all the other operations, by-product revenue relates to silver.
- (3) Sustaining capital expenditure represents the majority of capital expenditures at existing operations, including underground mine development costs, ongoing replacement of mine equipment and other capital facilities and other capital expenditures at existing operations and is calculated as total capital expenditure for IFRS as per Note 26 to the consolidated financial statements, less non-sustaining capital expenditures. Non-sustaining capital expenditures represent capital expenditures for major growth projects as well as enhancement capital for significant infrastructure improvements at existing operations
- (4) Includes exploration, feasibility and evaluation, share of equity accounted losses of FSE and only 51% of capital expenditure in Chucapaca, being the Group's share of the project per IFRS.

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	AISC and AIC, net of by-product revenue per ounce of gold							
	For the year ended December 31, 2012							
	South Deep	Tarkwa	Damang	St. Ives	Agnew	Cerro Corona	Corporate	Group <sup>(1)</sup>
	<i>(in \$ million except as otherwise stated)</i>							
<b>Operating costs(excluding amortization and depreciation)</b>	302.9	494.4	179.1	378.0	148.1	171.4		1,673.9
Add:								
Gold inventory change		(24.8)	(3.6)	14.7	2.7	(11.0)		(22.0)
Inventory write-off				19.2				19.2
Royalties	2.3	59.9	13.9	18.7	7.3	14.7		116.8
Realized gains and losses on commodity cost hedges				(0.4)				(0.4)
Community/social responsibility costs	0.9	4.4	0.8			9.4		15.5
Non-cash remuneration (share-based payments)	4.4	5.5	1.8	3.4	1.6	5.2	23.5	45.5
By-product revenue <sup>(2)</sup>	(1.0)		(0.1)	(1.4)	(1.0)	(272.7)		(276.3)
Rehabilitation amortization and interest	0.4	3.7	0.1	6.3	0.5	1.8		12.8
Sustaining capital expenditure <sup>(3)</sup>	158.7	259.9	92.1	308.4	62.3	95.4		976.7
<b>All-in sustaining costs<sup>(1)</sup></b>	<b>468.5</b>	<b>803.0</b>	<b>284.1</b>	<b>746.9</b>	<b>221.5</b>	<b>14.2</b>	<b>23.5</b>	<b>2,561.6</b>
Exploration, feasibility and evaluation costs <sup>(4)</sup>							204.0	204.0
Non sustaining capital expenditure <sup>(3)</sup>	155.8		7.6				76.0	239.4
<b>All-in costs<sup>(1)</sup></b>	<b>624.2</b>	<b>803.0</b>	<b>291.7</b>	<b>746.9</b>	<b>221.5</b>	<b>14.2</b>	<b>303.5</b>	<b>3,005.2</b>
Gold only ounces sold ( 000oz)	270.4	718.8	166.4	449.8	176.6	173.4		1,955.5
All-in sustaining cost	468.5	803.0	284.1	746.9	221.5	14.2	23.5	2,561.6
<b>All-in sustaining cost net of by-product revenue per ounce of gold sold (\$/oz)</b>	<b>1,732</b>	<b>1,117</b>	<b>1,707</b>	<b>1,659</b>	<b>1,253</b>	<b>82</b>		<b>1,310</b>
All-in costs	624.2	803.0	291.7	746.9	221.5	14.2	303.5	3,005.2
<b>All-in costs net of by-product revenue per ounce of gold sold (\$)</b>	<b>2,308</b>	<b>1,117</b>	<b>1,753</b>	<b>1,659</b>	<b>1,253</b>	<b>82</b>		<b>1,537</b>

	AISC and AIC, gross of by-product revenue per equivalent ounce of gold							
	For the year ended December 31, 2012							
	South Deep	Tarkwa	Damang	St. Ives	Agnew	Cerro Corona	Corporate	Group <sup>(1)</sup>
	<i>(in \$ million except as otherwise stated)</i>							
All in sustaining costs (per table above)	468.5	803.0	284.1	746.9	221.5	14.2	23.5	2,561.6
add back by-product revenue <sup>(2)</sup>	1.0		0.1	1.4	1.0	272.7		276.3
<b>All-in sustaining costs gross of by-product revenue</b>	<b>469.5</b>	<b>803.0</b>	<b>284.2</b>	<b>748.3</b>	<b>222.5</b>	<b>286.9</b>	<b>23.5</b>	<b>2,837.9</b>
All-in costs (per table above)	624.2	803.0	291.7	746.9	221.5	14.2	303.5	3,005.2
add back by-product revenue <sup>(2)</sup>	1.0		0.1	1.4	1.0	272.7		276.3
<b>All-in costs gross of by-product revenue</b>	<b>625.2</b>	<b>803.0</b>	<b>291.8</b>	<b>748.3</b>	<b>222.5</b>	<b>286.9</b>	<b>303.5</b>	<b>3,281.5</b>
Gold equivalent ounces sold	270.4	718.8	166.4	449.8	176.6	350.4		2,132.5
<b>All-in sustaining costs gross of by-product revenue (\$/equivalent oz)</b>	<b>1,736</b>	<b>1,117</b>	<b>1,707</b>	<b>1,664</b>	<b>1,260</b>	<b>819</b>		<b>1,331</b>

All-in costs gross of by-product revenue (\$/equivalent oz)	2,312	1,117	1,753	1,664	1,260	819	1,539
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## Notes:

- (1) This total may not reflect the sum of the line items due to rounding.
- (2) By-product revenue at Cerro Corona relates to copper. For all the other operations, by-product revenue relates to silver.
- (3) Sustaining capital expenditure represents the majority of capital expenditures at existing operations, including underground mine development costs, ongoing replacement of mine equipment and other capital facilities and other capital expenditures at existing operations and is calculated as total capital expenditure for IFRS as per Note 26 to the consolidated financial statements, less non-sustaining capital expenditures. Non-sustaining capital expenditures represent capital expenditures for major growth projects as well as enhancement capital for significant infrastructure improvements at existing operations.
- (4) Includes exploration, feasibility and evaluation, share of equity accounted losses of FSE and only 51% of capital expenditure in Chucapaca, being the Group's share of the project per IFRS.

AISC net of by-product revenues decreased from U.S.\$1,202 per ounce of gold in fiscal 2013 to U.S.\$1,053 per ounce of gold in fiscal 2014, mainly due to no inventory write-offs in 2014 and lower sustaining capital expenditure partially offset by the lower by-product revenue. AIC net of by-product revenues decreased from U.S.\$1,312 per ounce of gold in fiscal 2013 to U.S.\$1,087 per ounce of gold in fiscal 2014, due to the lower exploration, feasibility and evaluation costs and lower non-sustaining capital expenditure.

AISC gross of by-product revenues decreased from U.S.\$1,206 per equivalent ounce of gold in fiscal 2013 to U.S.\$1,053 per equivalent ounce of gold in fiscal 2014, mainly due to no inventory write-offs in 2014 and lower sustaining capital expenditure. AIC gross of by-product revenues decreased from U.S.\$1,307 per equivalent ounce of gold in fiscal 2013 to U.S.\$1,086 per equivalent ounce of gold in fiscal 2014, due to lower exploration, feasibility and evaluation costs and lower non-sustaining capital expenditure.

**Royalties****South Africa**

The Royalty Act was promulgated on November 24, 2008 and came into operation on March 1, 2010. The Royalty Act imposes a royalty on refined and unrefined minerals payable to the South African government.

The royalty in respect of refined minerals (which include gold and platinum) is calculated by dividing EBIT by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. A maximum royalty of 5% is levied on refined minerals.

The royalty in respect of unrefined minerals (which include uranium) is calculated by dividing EBIT by the product of nine times gross revenue calculated as a percentage, plus an additional 0.5%. A maximum royalty of 7% is levied on unrefined minerals.

Where unrefined mineral resources (such as uranium) constitute less than 10% in value of the total composite mineral resources, the royalty rate in respect of refined mineral resources may be used for all gross sales and a separate calculation of EBIT for each class of mineral resources is not required. For Gold Fields, this means that currently it will pay a royalty based on the refined minerals royalty calculation as applied to its gross revenue. The rate of royalty tax payable for fiscal 2014 and fiscal 2013 was approximately 0.5% and 0.5% of revenue, respectively.

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***Ghana***

Because minerals are owned by the Republic of Ghana and held in trust by the President, the Tarkwa and Damang operations (Gold Fields Ghana and Abosso, respectively) are subject to a gold royalty which is set at 5% of total revenue earned from minerals obtained.

***Australia***

Royalties are payable to the state based on the amount of gold produced from a mining tenement. Royalties are payable quarterly at a fixed rate of 2.5% of the royalty value of gold sold. The royalty value of gold is the amount of gold produced during the month multiplied by the average gold spot price for the month.

***Peru***

In 2011, the Peruvian Congress approved a new mining royalty law which established a mining royalty that owners of mining concessions must pay to the Peruvian government for the exploitation of metallic and non-metallic resources. The royalties are calculated with reference to the operating margin and ranging from 1% (for operating margins less than 10%) to 12% (for operating margins of more than 80%). Under the new regime, La Cima's effective royalty rate for fiscal 2014 and 2013 was 1.5% and 2.3% of revenue, respectively.

Under the previous mining royalty law, the previous royalty rates were calculated on gross revenues with a sliding scale from 1% to 3%.

**Income and Mining Taxes**

***South Africa***

Gold Fields pays taxes on its taxable income generated by its mining and non-mining tax entities. Under South African law, gold mining companies and non-gold mining companies are taxed at different rates. Companies in the Group not carrying on the direct gold mining operations are taxed at a statutory rate of 28%.

Gold Fields Operations Limited or GFO, and GFI Joint Venture Holdings (Proprietary) Limited or GFIJVH, jointly own the South Deep Mine and constitute gold mining companies for South African taxation purposes. These companies are subject to the gold formula on their mining income.

The applicable formula takes the form  $Y = a \frac{ab}{x}$

Where:

Y = the tax rate to be determined

a = the marginal tax rate of 34%

b = the portion of tax-free revenue (currently the first 5%)

x = the ratio of taxable income to the total income (expressed as a percentage)

The effective mining tax rate for GFO and GFIJVH, owners of the South Deep mine, has been calculated at 30% (2013: 30%).

During the budget speech in February 2012, the Minister of Finance announced that STC will be abolished resulting in the abolishment of the STC inclusive gold mining formula. The result is that there is only one gold mining formula effective January 1, 2012.



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Gold Fields' gold mining companies are taxed at a rate of 28% on any non-mining income with effect from January 1, 2012, in line with the reduction in the marginal rate applicable to mining income. The repeal of STC with effect from April 1, 2012 onwards and the introduction of the dividend withholding tax therefore results in a net lower effective tax rate paid by Gold Fields' gold mining operations.

STC differed from a dividend withholding tax in that it was a tax imposed on companies or closed corporations, and not on its shareholders. STC was payable on the amount of dividends declared by the company, less the sum of qualifying dividends received or accrued to the company during a particular time period (referred to as a dividend cycle).

In terms of the STC provisions, certain dividends received by South African resident companies carried STC credits, and to the extent that South African resident companies in turn declared these same dividends no additional STC was due.

While STC has now been abolished and replaced with a withholding tax on dividends at 15% with effect from April 1, 2012, there will be a three year transition period ending on March 31, 2015 during which dividends carrying STC credits may still be distributed by South African resident companies free of tax. No withholding tax on dividends will be levied on the distribution of such dividends carrying STC credits during this three year window period.

Gold Fields Limited and its subsidiaries have utilized all such STC credits at December 31, 2012.

### ***Ghana***

Ghanaian resident entities are subject to tax on the basis of income derived from, accruing in, received in, or brought into Ghana. The standard corporate income tax rate applicable to mining companies is currently 35%.

Under the project development agreement (entered into between the Ghanaian government and Gold Fields Ghana) and the deed of warranty (entered into between the Ghanaian government and Abosso), the government has agreed that no withholding tax shall be payable on any dividend or capital repayment declared by Gold Fields Ghana or Abosso which is due and payable to any shareholder not normally resident in Ghana.

In 2012, Ghana made the following changes to the tax system, which remain applicable to Tarkwa and Damang:

Increase in corporate income tax from 25% to 35%;

The capital allowance regime was amended to allow qualifying mining equipment to be eligible for capital allowances at a rate of 20% per annum (straight line). Previously, the capital allowances for mine development consisted of an initial allowance of 80% of the cost of assets added in that calendar year, the balance of the brought forward balance was depreciated at the rate of 50% per year on a declining balance basis, as well as a 5% investment allowance based on prior year additions;

Expenses exclusively incurred on one mining area would no longer be offset against profits from another mining area belonging to the same company in determining the chargeable income for income tax purposes. As the amending legislation did not define what constitutes mining areas further, the Ghanaian mining industry has engaged the regulators and lawmakers to seek more clarity as to how this should be interpreted. Discussions are ongoing;

Enactment of Transfer Pricing Regulations, effective September 14, 2012; and

The Ghanaian government also proposed a windfall profit tax of 10% on mining companies. In its 2013 budget speech, the government indicated that it would seek to re-introduce the windfall profit tax bill in parliament after completion of consultations with all stakeholders. In early 2014, however, the government indicated that the windfall profit tax had been postponed indefinitely.



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In addition to the above, there have been incremental increases in rates of levies and other payments. These include:

Stool/land rents: amended to Ghanaian Cedi 15.0 or approximately U.S.\$4.5 per acre (previously U.S.\$15.2 per acre);

Special Petroleum Tax at 17.5%; and

Proposal to extend the special import levy of 1%-2% to 2017.

***Australia***

Generally, Australia imposes tax on the worldwide income (including capital gains) of all of Gold Fields Australian incorporated and tax resident entities. The current income tax rate for companies is 30%. Exploration expenditure is deductible in full as incurred and other capital expenditure is generally deductible over the effective lives of the assets acquired. The Australian Uniform Capital Allowance system allows tax deductions for the decline in value of depreciable assets and certain other capital expenditures.

Gold Fields Australia and its eligible related Australian sister companies, together with all wholly-owned Australian subsidiaries, have elected to be treated as a tax consolidated group for taxation purposes. As a tax consolidated group, a single tax return is lodged for the group based on the consolidated results of all companies within the group.

Withholding tax is payable on dividends, interest and royalties paid by Australian residents to non-residents. In the case of dividend payments to non-residents, withholding tax at a rate of 30% will apply. However, where the recipient of the dividend is a resident of a country with which Australia has concluded a double taxation agreement, the rate of withholding tax is generally limited to between 5% and 15%, depending on the applicable agreement and percentage shareholding. Where dividends are paid out of profits that have been subject to Australian corporate tax there is no withholding tax, regardless of whether a double taxation agreement is in place.

***Peru***

Peru taxes resident individuals and domiciled corporations on their worldwide income. The corporate income tax rate applicable to domiciled corporations is 30% on taxable income. Capital gains are also taxed as ordinary income for domiciled corporations.

Tax losses may be carried forward by a domiciled corporation using one of the following methods:

losses may be carried forward and used in full in the subsequent four tax years. The balance of tax losses carried forward and not used during these four tax years is forfeited; or

losses may be carried forward, and up to 50% of the tax loss may be set off against taxable income in a subsequent tax year. The balance of the assessed losses may be carried forward and applied on this basis until the balance is fully used up, with no time limit on the carry forward.

On October 4, 2007, La Cima and its parent company, Gold Fields Corona (BVI) Limited, or Gold Fields Corona, signed Investment Stability Agreements with the relevant governmental authorities in Peru. These agreements, among other things, guarantee the current income tax regime, including a 4.1% withholding tax rate on dividends of non-domiciled corporations and a 30% corporate income tax rate, for a period of 10 years.

Peru's revised royalty regime introduced in 2011 requires all mining companies to pay royalties on the exploitation of metallic and non-metallic resources. The revised royalty regime distinguishes between a company with formal stability agreements and those without such agreements. The Investor Stability Agreements signed by Gold Fields Corona and La Cima do not constitute a tax stability agreement for purposes of the new fiscal scheme.



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Companies without signed Tax Stability agreements, such as La Cima, now pay a new royalty (which effectively replaces the existing royalty regime) calculated with reference to the operating margin and ranging from 1% (for operating margins of less than 10%) to 12% (for operating margins of more than 80%). All companies are also subject to a Special tax on mining, or IEM, ranging from 2% (for operating margins of less than 10%) to 8.4% (for operating margins of more than 85%). La Cima's effective IEM rate for fiscal 2013 was 2.2% of revenue.

Companies with signed Tax Stability agreements who did not previously pay royalties are now subject to a Special Levy on Mining, or GEM, ranging from 4% for operating margins of less than 10% to 13.12% for operating margins of more than 85%. This does not apply to La Cima.

On December 31, 2014, tax law 30296 was approved for fiscal periods 2015 and beyond, impacting corporate income tax and withholding tax on dividends as shown below:

Year	Corporate income tax rate	Withholding tax rate on dividends
Up to 2014	30%	4.10%
2015 to 2016	28%	6.80%
2017 to 2018	27%	8.00%
From 2019	26%	9.30%

Since La Cima is currently protected under the Legal Stability Agreement, the established changes will affect La Cima and Gold Fields Corona starting in fiscal 2017.

For fiscal 2015 and 2016, corporate income tax and withholding tax on dividends will remain unchanged at 30% and 4.1% respectively.

**Exchange Rates**

Gold Fields' Australian and South African revenues and costs are very sensitive to the Australian dollar/U.S. dollar exchange rate and the Rand/U.S. dollar exchange rate, because revenues are generated using a gold price denominated in U.S. dollars, while the costs of the Australian and South African operations are incurred principally in Australian dollars and Rand, respectively. Depreciation of the Australian dollar and Rand against the U.S. dollar reduces Gold Fields' average costs when they are translated into U.S. dollars, thereby increasing the operating margin of the Australian and South African operations. Conversely, appreciation of the Australian dollar and Rand results in Australian and South African operating costs being translated into U.S. dollars at a lower Australian dollar/U.S. dollar exchange rate and Rand/U.S. dollar exchange rate, resulting in lower operating margins. The impact on profitability of any change in the value of the Australian dollar and Rand against the U.S. dollar can be substantial. Furthermore, the exchange rates obtained when converting U.S. dollars to Australian dollar and Rand are set by foreign exchange markets, over which Gold Fields has no control. For more information regarding fluctuations in the value of the Australian dollar and Rand against the U.S. dollar, see Key Information Exchange Rates. In fiscal 2014, movements in the U.S. dollar/Rand exchange rate had a significant impact on Gold Fields' results of operations as the Rand weakened 12.7% against the U.S. dollar, from an average of R9.60 per U.S.\$1.00 in fiscal 2013 to R10.82 per U.S.\$1.00 in fiscal 2014. The Australian dollar weakened 6.7% against the U.S. dollar, from an average of A\$0.9684 per U.S.\$1.00 in fiscal 2013 to \$0.9034 per U.S.\$1.00 in fiscal 2014.

With respect to its operations in Ghana and Peru, a substantial portion of Gold Fields' operating costs (including wages) are either directly incurred in U.S. dollars or are translated to U.S. dollars. Accordingly, fluctuations in the Ghanaian Cedi and Peruvian Nuevos Soles do not materially impact operating results for the Ghana and Peru operations.

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During fiscal 2014, Gold Fields had the following currency forward contract:

On October 1, 2014 South Deep entered into a US\$/Rand zero-cost collar for U.S.\$7.5 million per month for a period of six months starting October 2014. A floor of R11.2 and an average cap over the period of R12.0567 was achieved. As at December 31, 2014, the fair value of the collar was nil.

During fiscal 2013, Gold Fields had the following currency forward contract:

U.S.\$120 million of expected gold revenue for the September and December 2013 quarters was sold forward on behalf of South Deep mine in May 2013 at an average forward rate of R9.9732, with monthly deliveries of U.S.\$20 million starting July 22, 2013 until December 21, 2013.

See Quantitative and Qualitative Disclosures about Market Risk Foreign Currency Sensitivity Foreign Currency Hedging Experience .

## **Inflation**

A period of significant inflation could adversely affect Gold Fields' results and financial condition. For example, in fiscal 2014, inflation in South Africa increased to 6.2% from 5.8% in fiscal 2013. Further, over the past several years, production costs, especially wages and electricity costs, have increased considerably. The effect of these increases has adversely affected, and may continue to adversely affect, the profitability of Gold Fields' South Deep operations.

In fiscal 2014, the Group rationalized and prioritized capital expenditure without undermining the sustainability of its operations and continued prioritization of cash generation over production volumes. The Group undertook further reductions in labor costs through the implementation of a voluntary separation program at South Deep, retrenchments in Ghana following the closure of the heap leach facilities at Tarkwa and transition to a two shift system in Damang and rightsizing at the Australian operations following the Yilgarn South acquisition. In addition, the Group growth portfolio was further rationalized through the sale of Yanfolila and Chucapaca.

In fiscal 2013, the Group eliminated marginal mining by closing down unprofitable production, such as the heap leach operations at St. Ives and Tarkwa and low grade mining at Agnew. Additions to property, plant and equipment were rationalized and prioritized and, where appropriate, non-essential expenditure was deferred without compromising the future integrity of ore bodies and operations. In addition, Corporate, regional and operational structures were re-structured and right-sized to be fit-for-purpose and the GIP division was broken up.

Further the majority of Gold Fields' costs at the South African operations are in Rand and revenues from gold sales are in U.S. dollars. Generally, when inflation is high, the Rand potentially devalues thereby increasing Rand revenues and potentially offsetting the increase in costs. However, there can be no guarantee that any cost-saving measures or the effects of any potential devaluation will offset the effects of increased inflation and production costs.

The same applies to the Australian operations with regard to the link between Australian dollars and U.S. dollars. The Peruvian and Ghanaian operations, on the other hand, are affected by inflation without a potential similar effect on revenue proceeds, thereby increasing the impact of inflation on the operating margins.

## **Capital Expenditures**

Gold Fields will continue to be required to make capital investments in both new and existing infrastructure and opportunities and, therefore, management will be required to continue to balance the demands for capital expenditure in the business and allocate Gold Fields' resources in a focused manner to achieve its sustainable

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growth objectives. Gold Fields expects that its use of available capital resources and allocation of its capital expenditures may shift in future periods as it increases investment in certain of its exploration projects.

Capital expenditure decreased by U.S.\$63.2 million, or 11.6%, from U.S.\$543.7 million in fiscal 2013 to U.S.\$480.5 million in fiscal 2014. This decrease was due to rationalized and prioritized capital expenditure spending without undermining the sustainability of the operations.

The figures above represent U.S. GAAP capital expenditure. However, the Company prepares its financial records in accordance with IFRS and such IFRS information for the Group and by segment is what the Company's chief operating decision maker reviews in allocating resources and making investment decisions. Therefore, the discussion that follows on capital expenditure focuses on such IFRS information which agrees to the geographical and segment information included in Note 26 to the consolidated financial statements.

On an IFRS basis, capital expenditure decreased by U.S.\$130.3 million, or 17.6%, from U.S.\$739.2 million in fiscal 2013 to U.S.\$608.9 million in fiscal 2014. Set out below are the capital expenditures made by Gold Fields during fiscal 2014.

### **South African Operation**

Gold Fields spent U.S.\$92 million on capital expenditures at the South Deep operation in fiscal 2014 and expects to spend approximately U.S.\$78 million on capital expenditures at South Deep in fiscal 2015.

### **Ghanaian Operations**

Gold Fields spent U.S.\$174 million on capital expenditures at the Tarkwa operation in fiscal 2014 and has budgeted U.S.\$197 million for capital expenditures at Tarkwa for fiscal 2015.

Gold Fields spent U.S.\$16 million on capital expenditures at the Damang mine in fiscal 2014 and has budgeted U.S.\$19 million of capital expenditures at Damang for fiscal 2015.

### **Australian Operations**

Gold Fields spent U.S.\$118 million on capital expenditures at St. Ives in fiscal 2014 and has budgeted U.S.\$139 million for capital expenditures at St. Ives in fiscal 2015.

Gold Fields spent U.S.\$92 million on capital expenditures at Agnew/Lawlers in fiscal 2014 and has budgeted U.S.\$74 million for capital expenditures at Agnew for fiscal 2015.

Gold Fields spent U.S.\$15 million on capital expenditures at Darlot in fiscal 2014 and has budgeted U.S.\$23 million for capital expenditures at Darlot for fiscal 2015.

Gold Fields spent U.S.\$59 million on capital expenditures at Granny Smith in fiscal 2014 and has budgeted U.S.\$85 million for capital expenditures at Granny Smith for fiscal 2015.

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### **Peruvian Operations**

Gold Fields spent U.S.\$51 million on capital expenditures at Cerro Corona in fiscal 2014 and has budgeted U.S.\$74 million for capital expenditures at Cerro Corona for fiscal 2015.

The actual expenditures for the future periods noted above may be different from the amounts set out above and the amount of actual capital expenditure will depend on a number of factors, such as production volumes, the price of gold, copper and other minerals mined by Gold Fields and general economic conditions. Some of the factors are outside of the control of Gold Fields. Please see Risk Factors and Information on the Company for further information.

### **Critical Accounting Policies and Estimates**

Gold Fields' significant accounting policies are more fully described in note 2 to its consolidated financial statements included elsewhere in this annual report. Some of Gold Fields' accounting policies require the application of significant judgments and estimates by management that can affect the amounts reported in the financial statements. By their nature, these judgments are subject to a degree of uncertainty and are based on Gold Fields' historical experience, terms of existing contracts, management's view on trends in the gold mining industry, information from outside sources and other assumptions that Gold Fields considers to be reasonable under the circumstances. Actual results could differ from these estimates under different assumptions or conditions.

Gold Fields' significant accounting policies that are subject to significant judgments, estimates and assumptions are summarized below.

#### **Business combinations**

Management accounts for its business acquisitions under the acquisition method of accounting. The total value of the consideration paid for acquisitions is allocated to the underlying net assets acquired, based on their respective estimated fair values determined by using internal or external valuations. Management uses a number of valuation methods to determine the fair value of assets and liabilities acquired, including discounted cash flows, external market values, valuations on recent transactions or a combination thereof, and believes that it uses the most appropriate measure or a combination of measures to value each asset or liability.

In addition, management believes that it uses the most appropriate valuation assumptions underlying each of those valuation methods based on current information available, including discount rates, market risk rates, entity risk rates and cash flow assumptions. The accounting policy for valuation of business acquisitions is considered critical because judgments made in determining the estimated fair value and expected useful lives assigned to each class of assets and liabilities acquired can significantly impact the value of the asset or liability, including the impact on deferred taxes, the respective amortization periods and ultimately net profit. Therefore the use of other valuation methods, as well as other assumptions underlying these valuation methods, could significantly impact the determination of financial position and the results of operations.

#### **Depreciation, depletion and amortization of mining assets**

Depreciation, depletion and amortization charges are calculated using the units-of-production method and are based on Gold Fields' current gold production as a percentage of total expected gold production over the lives



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of Gold Fields' mines. An item is considered to be produced at the time it is removed from the mine. The lives of the mines are estimated by Gold Fields' mineral resources department using interpretations of mineral reserves, as determined in accordance with the SEC's industry guide number 7.

Depreciation, depletion and amortization at Gold Fields' remaining South African operation are calculated using above-infrastructure proven and probable reserves only, which, because of its reserve base and long life of 73 years, are less sensitive to changes in reserve assumptions. Accordingly, at this location, it is Gold Fields' policy to update its depreciation, depletion and amortization calculations only once the new ore reserve declarations have been approved by Gold Fields' Board. However, if Gold Fields' management becomes aware of significant changes in its above-infrastructure reserves ahead of the scheduled updates, management would not hesitate to immediately update its depreciation, depletion and amortization calculations and then subsequently notify the Board.

A similar approach is followed at Gold Fields' operations in Ghana and Peru, due to the longer life of the primary ore body. At Gold Fields' Australian operations, where mine-life ranges from two to seven years, proven and probable reserves used for the calculation of depreciation, depletion and amortization are more susceptible to changes in reserve estimates. At these locations, Gold Fields' depreciation, depletion and amortization calculations are updated on a more regular basis (at least quarterly) for all known changes in proven and probable reserves. The nature of the ore body, and the on-going information being gathered in connection with the ore body, facilitates these updates.

The estimates of the total expected future lives of Gold Fields' mines could be different from the actual amount of gold mined in the future and the actual lives of the mines due to changes in the factors used in determining Gold Fields' mineral reserves. Changes in management's estimates of the total expected future lives of Gold Fields' mines would therefore impact the depreciation, depletion and amortization charge recorded in Gold Fields' consolidated financial statements. Changes due to acquisitions, sales or closures of shafts expected to have a material impact on Gold Fields' depreciation, depletion and amortization calculations are incorporated in those calculations as soon as they become known.

### **Impairment of long-lived assets**

Gold Fields reviews and tests the carrying amounts of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities.

Under U.S. GAAP, the impairment model for long-lived assets consists of two steps. The impairment analysis first compares the total estimated cash flows on an undiscounted basis to the carrying amount of the asset including goodwill, if any. If the undiscounted cash flows are less than the carrying amount of the asset, a second step is performed. The Group records an impairment as a charge to earnings if discounted expected future cash flows are less than the carrying amount.

The lowest level at which such cash flows are generated are generally at an individual operating mine, even if the individual operating mine is included in a larger mine complex.

If there are indications that an impairment may have occurred, Gold Fields prepares estimates of expected future cash flows for each group of assets. Expected future cash flows reflect:

estimated sales proceeds from the production and sale of recoverable gold and copper contained in proven and probable reserves;

expected future commodity prices and currency exchange rates (considering historical averages, current prices, forward pricing curves and related factors). In impairment assessments conducted in fiscal 2014, the Group used an expected long-term gold price of U.S.\$1,300 and A.\$1,444 per ounce and R420,000 per kilogram, and expected long-term exchange rates of R10.00 to U.S.\$1.00 and

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A\$0.90 to U.S.\$1.00 for the life of mine. The Group used an expected long-term copper price of U.S.\$6,610 per tonne for the life of mine;

expected future operating costs and capital expenditures to produce proven and probable gold reserves based on mine plans that assume current plant capacity, but exclude the impact of inflation; and

expected cash flows associated with value beyond proven and probable reserves.

Gold Fields records a reduction of a group of assets to fair value as a charge to earnings if expected future cash flows are less than the carrying amount. The process of determining fair value is subjective as gold mining companies typically trade at a market capitalization that is based on a multiple of net asset value and requires management to make numerous assumptions. Gold Fields estimates fair value by discounting the expected future cash flows using a discount factor that reflects a market-related rate of interest for a term consistent with the period of expected cash flows.

Expected future cash flows are inherently uncertain, and could materially change over time. They are significantly affected by reserve estimates, together with economic factors such as gold prices and currency exchange rates, estimates of costs to produce reserves and future sustaining capital.

Because of the significant capital investment that is required at many mines, if an impairment occurs, it could materially impact earnings. Due to the long-life nature of many mines, the difference between total estimated discounted net cash flows and carrying value can be substantial. An impairment is only recorded when the carrying amount of a long-lived asset exceeds the total estimated discounted net cash flows. Therefore, although the value of a mine may decline gradually over multiple reporting periods, the application of impairment accounting rules could lead to recognition of the full amount of the decline in value in one period. Due to the highly uncertain nature of future cash flows, the determination of when to record an impairment charge can be very subjective. Management makes this determination using available evidence, taking into account current expectations for each mining property.

For acquired exploration-stage properties, the purchase price is capitalized, but post-acquisition exploration expenditures are expensed. The future economic viability of exploration-stage properties largely depends upon the outcome of exploration activity, which can take a number of years to complete for large properties. Management monitors the results of exploration activity over time to assess whether an impairment may have occurred. The measurement of any impairment is made more difficult because there is not an active market for exploration properties, and because it is not possible to use discounted cash flow techniques due to the very limited information that is available to accurately model future cash flows.

In general, if an impairment occurs at an exploration stage property, it would probably have minimal value and most of the acquisition cost may have to be written down.

Gold Fields recorded asset impairments and write-offs (excluding inventories) amounting to U.S.\$22.4 million in fiscal 2012, U.S.\$154.0 million in fiscal 2013 and U.S.\$12.7 million in fiscal 2014.

**Impairment of goodwill**

Gold Fields acquired the South Deep mine on December 1, 2006. Goodwill related to this acquisition is reflected in the balance sheet in the U.S. dollar reporting currency at U.S.\$756.3 million. Gold Fields performs its annual impairment test of goodwill related to the South Deep mine at the end of each fiscal period.

Under U.S. GAAP, the goodwill impairment test consists of two steps. The first step, which compares the reporting unit's fair value to its carrying amount, is used as a screening process to identify potential goodwill

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impairment. If the carrying amount of a reporting unit exceeds the reporting unit's fair value, the second step of the impairment test must be completed to measure the amount of the reporting unit's goodwill impairment loss, if any. During this step, the reporting unit's fair value is assigned to the reporting unit's assets and liabilities, using the initial acquisition accounting guidance in ACS 805, in order to determine the implied fair value of the reporting unit's goodwill. The implied fair value of the reporting unit's goodwill is then compared with the carrying amount of the reporting unit's goodwill to determine the goodwill impairment loss to be recognized, if any.

The fair value represents a discounted cash flow valuation based on expected future cash flows. The expected future cash flows used to determine the fair value of the reporting unit are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, including, but not limited to, reserves and production estimates, together with economic factors such as the spot gold price and foreign currency exchange rates, estimates of production costs, future capital expenditure and discount rates. Therefore it is possible that outcomes within the next financial year that are materially different from the assumptions used in the impairment testing process could require an adjustment to the carrying values.

Management's estimates and assumptions to estimate the fair value of the South Deep reporting unit include:

estimated sales proceeds from the production and sale of recoverable ounces of gold contained in proven and probable reserves;

expected future commodity prices and currency exchange rates (considering historical averages, current prices, forward pricing curves and related factors). In impairment assessments conducted in fiscal 2014, the Group used an expected long-term gold price of \$1,300 per ounce and R420,000 per kilogram (2013: \$1,300 per ounce and R400,000 per kilogram) and expected long-term exchange rates of R10.00 to U.S.\$1.00 for life of mine (2013:R9.50 to U.S.\$1.00);

expected future operating costs and capital expenditures to produce proven and probable gold reserves based on mine plans that assume current plant capacity, but exclude the impact of inflation;

a nominal discount rate of between 12.9% and 14.1% (2013: 10.9% and 12.3%). A nominal discount rate is used due to the fact that South Deep is not in a tax paying position; and

market value, at U.S.\$63.7 per ounce (U.S.\$50.0 per ounce) used for resource with infrastructure.

Gold Fields has determined that the fair value of the South Deep mine is in excess of its carrying value of U.S.\$2,640.6 million and the goodwill related to the South Deep mine was therefore not considered impaired.

**Income Taxes**

Management establishes a valuation allowance for deferred tax assets where it is more likely than not that some or all deferred tax assets will not be realized based on projections. These determinations are based on the projected taxable income and realization of tax allowances, tax losses and unredeemed capital expenditure. In the event that these tax assets are not realized, an adjustment to the valuation allowance would be required, which would be charged to income in the period that the determination was made. Likewise, should management determine that Gold Fields would be able to realize tax assets in the future in excess of the recorded amount, an adjustment to reduce the valuation allowance would be recorded generally as a credit to income in the period that the determination is made.

Gold Fields is periodically required to estimate the tax basis of assets and liabilities. Where tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the

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consolidated financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period of changes. See note 7 to the consolidated financial statements which appear elsewhere in this annual report.

Gold Fields recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

### **Derivative financial instruments**

The determination of the fair value of derivative financial instruments, when marked-to-market, takes into account estimates such as interest rates, commodity prices and foreign currency exchange rates under prevailing market conditions, depending on the nature of the financial derivatives.

These estimates may differ materially from actual interest rates and foreign currency exchange rates prevailing at the maturity dates of the financial derivatives and, therefore, may materially influence the values assigned to the financial derivatives, which may result in a charge to or an increase in Gold Fields' earnings through maturity of the financial derivatives.

### **Environmental rehabilitation costs**

Gold Fields makes provision for environmental rehabilitation costs and related liabilities when environmental disturbances occur, based on management's interpretations of current environmental and regulatory requirements. The provisions are recorded by discounting the expected cash flows associated with the environmental rehabilitation using a discount factor that reflects a credit-adjusted risk-free rate of interest. The principal factors that can cause expected cash flows to change are: the construction of new processing facilities; changes in the quantities of material in reserves and a corresponding change in the life-of-mine plan; changing ore characteristics that ultimately impact the environment; changes in water quality that impact the extent of water treatment required; and changes in laws and regulations governing the protection of the environment. In general, as the end of the mine life becomes nearer, the reliability of expected cash flows increases, but, earlier in the mine life, the estimation of rehabilitation liabilities is inherently more subjective. Significant judgments and estimates are made when estimating the fair value of rehabilitation liabilities. In addition, expected cash flows relating to rehabilitation liabilities could occur over periods up to the planned life of mine at the time the estimate is made and the assessment of the extent of environmental remediation work is highly subjective.

While management believes that the environmental rehabilitation provisions made are adequate and that the interpretations applied are appropriate, the amounts estimated for the future liabilities may, when considering the factors discussed above, differ materially from the costs that will actually be incurred to rehabilitate Gold Fields' mine sites in the future.

### **Stockpiles, gold-in-process, heap leach pads and product inventories**

Costs that are incurred in or benefit the production process are accumulated as stockpiles, gold-in-process, ore on leach pads and product inventories. Lower of cost or market value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing and long-term metals prices, less estimated costs to complete production and bring the product to sale.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

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Although the quantities of recoverable metal are reconciled by comparing the grades of ore to the quantities of gold actually recovered (metallurgical balancing), the nature of the process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time.

Concentrate inventories represent concentrate available for shipment. The concentrate inventory is valued at the average cost, including an allocated portion of amortization. Costs are added to and removed from the concentrate inventory based on tonnes of concentrate and are valued at the lower of cost and market value. Management's determination of the percentage gold and copper content and the total quantity by weight of gold and copper in the concentrate depends on assay and laboratory results for the content and survey for the quantity.

The recovery of gold from certain oxide ores is best achieved through the heap leaching process. Under this method, ore is placed on leach pads where it is permeated with a chemical solution, which dissolves the gold contained in the ore. The resulting pregnant solution is further processed in a leach plant where the gold in solution is recovered. For accounting purposes, value is added to leach pads based on current mining costs, including applicable depreciation and amortization relating to mining operations. Value is removed from the leach pad as ounces are recovered in circuit at the leach plant based on the average cost per recoverable ounce of gold on the leach pad.

The engineering estimates of recoverable gold on the heap leach pads are calculated from quantities of ore placed on the pads (measured tonnes added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery percentage (based on the leach process and the ore type). In general, the leach pad production cycles project recoveries of approximately 50% to 70% of the placed recoverable ounces in the first year of leaching, declining each year thereafter until the leaching process is completed.

Although the quantities of recoverable gold placed on the leach pads are reconciled by comparing the grades of ore placed on the pads to the quantities of gold actually recovered (metallurgical balancing), the nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is constantly monitored and engineering estimates are refined based on actual results over time. Variations between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write-downs to market are accounted for on a prospective basis. The ultimate recovery of gold from the pad will not be known until the leaching process is terminated.

Gold Fields recorded a write-down to market value of U.S.\$19.2 million in fiscal 2012, U.S.\$61.3 million in fiscal 2013 and U.S.\$1.3 million in fiscal 2014.

### **Share-based compensation – equity-settled**

U.S. GAAP requires Gold Fields to determine the fair value of shares and share options as of the date of the grant, which is then amortized as share-based compensation expense in the statement of operations over the vesting period of the option grant. Gold Fields determines the grant-date fair value of shares and options using a Black-Scholes or Monte Carlo simulation valuation model, which requires Gold Fields to make assumptions regarding the estimated term of the option, share price volatility, expected forfeiture rates and Gold Fields' expected dividend yield.

While Gold Fields' management believes that these assumptions are appropriate, the use of different assumptions could have a material impact on the fair value of the option grant and the related recognition of share-based compensation expense in the consolidated income statement. Gold Fields' options have characteristics significantly different from those of traded options and therefore fair values may also differ.

Share-based compensation charges are included in production costs, corporate expenditure, exploration expenditure and other costs where compensation costs of the underlying employees are classified.

**Table of Contents****Share-based compensation cash-settled**

The group operates a long-term incentive plan. The vesting of the awards is based on total shareholder return and free cash flow margin. These are accounted for as follows: a) the total shareholder return portion is treated as a share-based compensation plan. Compensation costs for all share-based payments are based on the fair value estimated in accordance with the provisions of ASC 718, Stock-Based Compensation. b) the free cash flow margin portion is treated as a deferred compensation plan. Compensation costs are accrued over the period of service when management considers the achievement of the performance condition probable in accordance with the provisions of ASC 710, Deferred Compensation.

**Reserves for contingencies and litigation**

The Group's current estimated liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. The actual costs may vary significantly from estimates for a variety of reasons. As additional information becomes available, the Group will assess the potential liability related to loss contingencies and revise our estimates. Such revisions in estimates of the liabilities for loss contingencies could materially impact the results of operation and financial position. See note 22 to the consolidated financial statements for legal proceedings and other contingencies.

**Recently adopted accounting pronouncements*****Liabilities***

During February 2013, the Accounting Standard Codification, or the ASC guidance related to liabilities: obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date was updated. The update requires an entity to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed as the sum of the amount the entity agreed to pay on the basis of its arrangement among its co-obligors and any additional amount the entity expects to pay on behalf of its co-obligors. The update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The new standard is to be applied prospectively but retrospective application is permitted. The Company implemented the provisions of ASU 2013-04 as of January 1, 2014. The updated guidance did not impact Gold Fields' financial statements.

***Income Taxes***

During July 2013, the ASC guidance related to income taxes: presentation of an unrecognized tax benefit when a net operating loss carry forward, a similar tax loss, or a tax credit carry forward exists was updated. The update requires an unrecognized tax benefit, or a portion of an unrecognized tax benefit, to be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carry forward, a similar tax loss, or a tax credit carry forward. The update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The new standard is to be applied prospectively but retrospective application is permitted. The Company implemented the provisions of ASU 2013-11 as of January 1, 2014. The updated guidance did not impact Gold Fields' financial statements.

**Recently issued accounting pronouncements not yet adopted*****Revenue***

During May 2014, the ASC guidance related to revenue from contracts with customers was updated. The update requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should also disclose sufficient quantitative and qualitative information to enable users of

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financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The new standard is effective for annual reporting periods beginning after December 15, 2016. Gold Fields will implement the provisions of ASU 2014-09 as of January 1, 2017. Gold Fields does not expect that the updated guidance will materially impact its financial statements.

***Discontinued operations***

During April 2014, the ASC guidance related to reporting discontinued operations and disclosures of disposals of components of an entity was updated. The update changes the requirements for reporting discontinued operations and limits discontinued operations reporting to disposals of components of an entity that represent strategic shifts that have a major effect on an entity's operations and financial results. The new standard is effective for any disposals of components of a company in annual reporting periods beginning after December 15, 2014. Gold Fields will implement the provisions of ASU 2014-08 as of January 1, 2015. Gold Fields does not expect that the updated guidance will impact its financial statements.

**Results of Operations****Years Ended December 31, 2014 and December 31, 2013*****Revenues***

Product sales decreased by U.S.\$37.5 million, or 1.3%, from U.S.\$2,906.3 million in fiscal 2013 to U.S.\$2,868.8 million in fiscal 2014. The decrease in product sales was primarily due to a decrease in the average realized gold price of 9.9% from U.S.\$1,386 per ounce in fiscal 2013 to U.S.\$1,249 per ounce in fiscal 2014, partially offset by an increase of 0.199 million equivalent ounces, or 9.5%, in total equivalent gold sold, from 2.097 million ounces in fiscal 2013 to 2.296 million ounces in fiscal 2014 and an increase in the average realized copper price of 3.8% from U.S.\$6,575 per tonne to U.S.\$6,827 per tonne.

In Peru, copper production is converted to equivalent gold ounces on a monthly basis using average copper and gold prices for the month in which the copper was produced.

At South Deep, gold sales decreased by 33.4% from 0.302 million ounces in fiscal 2013 to 0.201 million ounces in fiscal 2014. This was due to decreased underground mining volumes resulting from the extensive ground support remediation program introduced in May 2014. The decrease in the gold sales was due to a 44.6% decrease in reef tonnes broken and a 45.9% decrease in distress production year on year.

At the West African operations, total gold sales decreased by 6.3% from 0.79 million ounces in fiscal 2013 to 0.74 million ounces in fiscal 2014. Tarkwa decreased by 11.1% from 0.63 million ounces in fiscal 2013 to 0.56 million ounces in fiscal 2014 due to cessation of crushing and stacking operations at the heap leach facilities. Damang's gold sales increased by 16.3% from 0.153 million ounces to 0.178 million ounces due to higher head grade mined in 2014 and higher throughput.

At the Americas operation, total gold equivalent sales increased by 6.5% from 0.31 million gold equivalent ounces in fiscal 2013 to 0.33 million gold equivalent ounces in fiscal 2014, mainly due to an increase in ore processed and higher copper grades.

At the Australasian operations, total gold sales increased by 47.1% from 0.70 million ounces in fiscal 2013 to 1.03 million ounces in fiscal 2014 mainly due to the inclusion of the Yilgarn South assets for the full year in 2014 as opposed to only one quarter in 2013. At St. Ives, gold sales decreased by 10.0% from 0.40 million ounces to 0.36 million ounces mainly due to the closure of Argo and lower underground head grade. At Agnew/ Lawlers, gold sales increased by 25.5% from 0.216 million ounces in fiscal 2013 to 0.271 million ounces in fiscal 2014 due to the inclusion of Lawlers for the full year in 2014 as opposed to only one quarter in 2013. At Darlot

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and Granny Smith, gold sales increased from 0.02 million ounces to 0.08 million ounces, and from 0.06 million ounces to 0.315 million ounces, respectively, due to being included for the full year in 2014 as opposed to only one quarter in 2013.

	Fiscal 2013 Gold equivalent ounces sold ( 000 oz)	Fiscal 2014 Gold equivalent ounces sold ( 000 oz)
<b>South Africa</b>	302	201
South Deep	302	201
<b>Ghana</b>	785	736
Tarkwa <sup>(1)</sup>	632	558
Damang <sup>(2)</sup>	153	178
<b>Peru</b>	309	329
Cerro Corona <sup>(3)</sup>	309	329
<b>Australia</b>	700	1,031
St. Ives	403	362
Agnew/Lawlers	216	271
Darlot	20	83
Granny Smith	62	315
<b>Total<sup>(4)(5)</sup></b>	<b>2,097</b>	<b>2,296</b>

## Notes:

- (1) In fiscal 2013 and 2014, 0.569 million equivalent ounces and 0.502 million equivalent ounces of sales, respectively, were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Tarkwa operation
- (2) In fiscal 2013 and 2014, 0.138 million equivalent ounces and 0.160 million equivalent ounces of sales, respectively, were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Damang operation.
- (3) In fiscal 2013 and 2014, 0.306 million equivalent ounces and 0.327 million equivalent ounces of sales were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Cerro Corona operation.
- (4) In fiscal 2013 and 2014, 2.015 million equivalent ounces and 2.221 million equivalent ounces of sales, respectively, were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Ghana and Peru operations.
- (5) The total may not reflect the sum of the line items due to rounding.

**Production costs**

Production costs decreased by U.S.\$11.8 million, or 0.6%, from U.S.\$1,819.9 million in fiscal 2013 to U.S.\$1,808.1 million in fiscal 2014.

This decrease was due to cost saving initiatives mainly at the West African operations and South Deep, partially offset by inflationary increases, annual wage increases, increases in electricity tariffs in South Africa and Australia as well as the inclusion of the Yilgarn South assets for a full year in fiscal 2014 as opposed to only one quarter in fiscal 2013.

The figures above represent U.S. GAAP production costs. However, the Company prepares its financial records in accordance with IFRS and such IFRS information for the Group and by segment is what the Company's chief operating decision maker reviews in allocating resources and making investment decisions. Therefore, the discussion that follows on operating costs (excluding amortization and depreciation) and gold inventory change focuses on such IFRS information which agrees to the geographical and segment information included in Note 26 to the consolidated financial statements.



**Table of Contents***Operating costs (excluding depreciation and amortization)*

Operating costs (excluding depreciation and amortization) increased marginally from U.S.\$1,678.7 million in fiscal 2013 to U.S.\$1,684.9 million in fiscal 2014.

At the South Deep operation in South Africa, operating costs (excluding amortization and depreciation) decreased by 14.0% from R3,089.1 million (U.S.\$321.8 million) to R2,656.5 million (U.S.\$245.5 million). This decrease of R432.6 million (U.S.\$76.3 million) was mainly due to lower production as well as cost restructuring partially offset by annual wage increases and normal inflationary increases.

At the Ghana operations, operating costs (excluding amortization and depreciation) decreased by 14.5% from U.S.\$644.8 million in fiscal 2013 to U.S.\$551.4 million in fiscal 2014. This decrease of U.S.\$93.4 million was mainly at Tarkwa due to lower production, good cost control and lower contractor and consumable costs due to the closure of the heap leach facilities. This was partially offset by increased costs at Damang due to the increased production as well as normal inflationary increases and annual wage increases at both operations. At Tarkwa, operating costs (excluding amortization and depreciation) decreased by 21.1% from U.S.\$473.7 million to U.S.\$373.9 million and at Damang, operating costs (excluding amortization and depreciation) increased by 3.8% from U.S.\$171.1 million to U.S.\$177.6 million.

At the Cerro Corona operation in Peru, operating costs (excluding amortization and depreciation) decreased by 1.9% from U.S.\$161.3 million in fiscal 2013 to U.S.\$158.2 million in fiscal 2014, mainly due to a decrease in workers statutory participation in profits.

At the Australian operations, operating costs (excluding amortization and depreciation) increased by 42.0% from A\$569.2 million (U.S.\$550.8 million) in fiscal 2013 to A\$808.2 million (U.S.\$729.8 million) in fiscal 2014, mainly due to the inclusion of the Yilgarn South Assets for the full year in fiscal 2014, as opposed to only one quarter in fiscal 2013. At St Ives, operating costs (excluding amortization and depreciation) decreased by 9.4% from A\$357.1 million (U.S.\$345.5 million) to A\$323.7 million (U.S.\$292.3 million). This decrease of A\$33.4 million was mainly due to a decrease in surface operational waste tonnes mined and cost improvements. At Agnew/Lawlers, operating costs (excluding amortization and depreciation) increased by 37.3% from A\$139.5 million (U.S.\$135.0 million) to A\$191.6 million (U.S.\$173.0 million). This increase of A\$52.1 million was mainly due to the inclusion of Lawlers for the full year in 2014 compared to only one quarter in fiscal 2013. Operating costs (excluding amortization and depreciation) at Darlot increased by 306.7% from A\$22.3 million (U.S.\$21.6 million) to A\$90.7 million (U.S.\$81.9 million) and at Granny Smith it increased by 301.4% from A\$50.4 million (U.S.\$48.8 million) to A\$202.3million (U.S.\$182.6 million), both due to the operations being included for the full year in fiscal 2014 compared to only one quarter in fiscal 2013.

*Gold inventory change*

The gold inventory credit to costs decreased by 39.0% from U.S.\$11.8 million in fiscal 2013 to U.S.\$7.2 million in fiscal 2014.

At Tarkwa, the gold inventory debit of U.S.\$30.8 million in fiscal 2013 compared with a credit of U.S.\$2.3 million in fiscal 2014. The credit in fiscal 2014 was due to an increase in inventory during the year. The charge in fiscal 2013 was due to a draw-down of inventory.

At Damang, the gold inventory credit of U.S.\$11.1 million in fiscal 2013 was due to an increase in stockpiles compared with a charge of U.S.\$2.1 million in fiscal 2014 due to a draw-down of stockpiles.

At Cerro Corona, the gold inventory credit of U.S.\$18.8 million in fiscal 2013 compared with a charge of U.S.\$1.5 million in fiscal 2014. The credit in fiscal 2013 was due to a build-up of sulphide stockpiles, while the charge in fiscal 2014 was due to a drawdown of sulphide stockpiles.

At St Ives, the credit to costs of A\$9.1 million (U.S.\$8.8 million) in fiscal 2013 compared with A\$11.0 million (U.S.\$9.9 million) in fiscal 2014. Both credits were as a result of a build-up in run-of-mine stockpiles.

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At Agnew, the gold inventory charge of A\$1.2 million (U.S.\$1.2 million) in fiscal 2013 compared with A\$0.3 million (U.S.\$0.3 million) in fiscal 2014. The charge in fiscal 2013 was due to processing of the Songvang open pit stockpiles built-up in fiscal 2011, partially offset by the addition of the Lawlers stockpiles.

At Darlot, the credit to costs of A\$1.4 million (U.S.\$1.3 million) in fiscal 2013 as a result of a build-up in run-of-mine stockpiles compared with a charge of A\$1.9 million (U.S.\$1.7 million) in fiscal 2014 due to a drawdown in run-of-mine stockpiles.

At Granny Smith, the credit to costs of A\$3.8 million (U.S.\$3.7 million) in fiscal 2013 compared with A\$nil (U.S.\$nil) in fiscal 2014. The credit in fiscal 2013 was as a result of a build-up in run-of-mine stockpiles.

### ***Depreciation and amortization***

Depreciation and amortization charges increased by U.S.\$108.8 million, or 19.1%, from U.S.\$568.5 million in fiscal 2013 to U.S.\$677.3 million in fiscal 2014. Depreciation and amortization is calculated on the units-of-production method and is based on current gold production as a percentage of total expected gold production over the lives of the different mines. In South Africa, at South Deep, the decreased amortization was due to the lower production. At the West Africa operations, Tarkwa's amortization decreased due to lower depreciation of the North Heap Leach assets and a lower asset base. Damang's amortization decreased due to a lower asset base following the impairment recognized in fiscal 2013. In Australia, at St. Ives, amortization increased due to higher amortization rates at the open pits. At Agnew, amortization increased mainly due to increased production from the inclusion of Lawlers for the full year. At Darlot and Granny Smith amortization increased as a result of higher production due to the operations being included for a full year in 2014 as opposed to only one quarter in 2013. Amortization at Cerro Corona increased due to the change in life of mine reserves, which form the basis of the units of production depreciation calculation.

The figures above represent U.S. GAAP depreciation and amortization. However, the Company prepares its financial records in accordance with IFRS and such IFRS information for the Group and by segment is what the Company's chief operating decision maker reviews in allocating resources and making investment decisions. Therefore, the table and the discussion that follows on depreciation and amortization focuses on such IFRS information which agrees to the geographical and segment information included in Note 26 to the consolidated financial statements.

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The table below depicts the changes from December 31, 2012 to December 31, 2013 and December 31, 2013 to December 31, 2014 for proven and probable managed gold and equivalent reserves and for the life of mine for each operation and the resulting impact on the amortization charge in fiscal 2013 and 2014, respectively. The life-of-mine information is based on the operations' strategic plans, adjusted for proven and probable reserve balances. In basic terms, amortization is calculated using the life of mine for each operation, which is based on: (1) the proven and probable reserves for the operation at the start of the relevant year (which are taken to be the same as at the end of the prior fiscal year and using reserves); and (2) the amount of gold produced by the operation during the year. The ore reserve statement as at December 31, 2014 became effective on January 1, 2015.

	Proved and probable reserves as of			Life of mine		Amortization for the year ended	
	December 31, 2012	December 31, 2013 ( 000 oz)	December 31, 2014	December 31, 2013	December 31, 2014 (years)	December 31, 2013 (\$ million)	December 31, 2014
<b>South Africa region</b>							
South Deep	39,100	38,200	38,000	74	73	98.9	74.5
<b>West African region</b>							
Tarkwa <sup>(1)</sup>	10,100	7,300	7,500	17	17	137.6	141.6
Damang <sup>(2)</sup>	4,100	1,100	1,200	6	6	30.6	20.9
<b>Americas region</b>							
Cerro Corona <sup>(3)</sup>	5,200	3,700	3,200	10	9	48.8	79.6
<b>Australasian region</b>							
St. Ives	2,200	2,000	1,800	6	6	194.3	140.5
Agnew/Lawlers	1,200	1,000	900	4	5	71.1	96.4
Darlot		200	100	2	2	3.6	16.6
Granny Smith		800	900	7	5	21.0	84.6
<b>Corporate and other</b>						5.0	2.0
<b>Total reserves<sup>(4)</sup></b>	<b>61,900</b>	<b>54,300</b>	<b>53,600</b>			<b>610.9</b>	<b>656.7</b>

## Notes:

- (1) As of December 31, 2012, December 31, 2013 and December 31, 2014 reserves of 9.073 million ounces, 6.546 million ounces and 6.742 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Tarkwa operation.
- (2) As of December 31, 2012, December 31, 2013 and December 31, 2014 reserves of 3.681 million ounces, 0.966 million ounces and 1.111 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Damang operation.
- (3) As of December 31, 2012, December 31, 2013 and December 31, 2014 reserves of 5.100 million ounces, 3.683 million ounces and 3.179 million ounces of equivalent gold were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Cerro Corona operation.
- (4) As of December 31, 2012, December 31, 2013 and December 31, 2014 reserves of 57.888 million ounces, 48.608 million ounces and 48.123 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the West Africa and Americas operations.

Depreciation and amortization increased by 8%, from U.S.\$610.9 million to U.S.\$656.7 million in fiscal 2014.

In South Africa, amortization at South Deep decreased by 15.1% from R949.8 million (U.S.\$98.9 million) in fiscal 2013 to R806.2 million (U.S.\$74.5 million) in fiscal 2014 mainly due to lower production which is used in the calculation of amortization.

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At the West African operations, amortization decreased by 3.4% from U.S.\$168.3 million in fiscal 2013 to U.S.\$162.5 million in fiscal 2014. Tarkwa increased by 2.9% from U.S.\$137.6 million to U.S.\$141.6 million due to additions to property, plant and equipment. Damang decreased by 31.7% from U.S.\$30.6 million to U.S.\$20.9 million due to a decrease in the carrying value of property, plant and equipment following the impairment of assets in fiscal 2013.

In South America, amortization at Cerro Corona increased by 63.1% from U.S.\$48.8 million in fiscal 2013 to U.S.\$79.6 million in fiscal 2014. This significant increase in depreciation from fiscal 2013 to fiscal 2014 was due to the change in the life of mine reserves, which form the basis of the units of production amortization calculation.

At the Australian operations, amortization increased by 25.0% from A\$299.6 million (U.S.\$290.0 million) in fiscal 2013 to A\$374.4 million (U.S.\$338.1 million) in fiscal 2014 due to the inclusion of the Yilgarn South assets for the full year in fiscal 2014, partially offset by the change in estimate in the depreciation calculation at all the Australian operations. At St Ives, amortization decreased by 22.5% from A\$200.7 million (U.S.\$194.3 million) to A\$155.5 million (U.S.\$140.5 million) in fiscal 2014 due to the decrease in production. Agnew/Lawlers increased by 45.4% from A\$73.4 million (U.S.\$71.1 million) to A\$106.7 million (U.S.\$96.4 million) in fiscal 2014 mainly due to the inclusion of Lawlers for the full year in fiscal 2014 compared to one quarter in fiscal 2013. Amortization at Darlot increased by 397.3% from A\$3.7 million (U.S.\$3.6 million) to A\$18.4 million (U.S.\$16.6 million) and Granny Smith increased by 331.3% from A\$21.7 million (U.S.\$21.0 million) to A\$93.6 million (U.S.\$84.6 million), both due to being included for the full year in fiscal 2014 compared to one quarter in fiscal 2013.

The discussion that follows focuses on U.S.GAAP figures as disclosed in the consolidated statement of operations.

***Corporate expenditure***

Corporate expenditure decreased from U.S.\$39.4 million in fiscal 2013 to U.S.\$27.3 million in fiscal 2014, a decrease of 30.7%. The decrease was due to a deliberate cost savings initiative in response to the lower gold price. Corporate expenditure consists primarily of general corporate overhead and corporate service department costs, primarily in the areas of technical services, human resources and finance, which are used by the operations. Corporate expenditure also includes business development costs. In Rand terms, corporate expenditure decreased from R378.2 million in fiscal 2013 to R294.9 million in fiscal 2014 mainly due to deliberate savings in response to the lower gold price.

***Employee termination costs***

Employee termination costs increased from U.S.\$35.5 million in fiscal 2013 to U.S.\$42.2 in fiscal 2014, an increase of 18.9%. The termination costs in fiscal 2014 related primarily to restructuring at all the operations. The termination costs in fiscal 2013 related primarily to restructuring at all the operations as well as the closure of the GIP division in response to the lower gold price.

***Exploration expenditure***

Exploration expenditure decreased from U.S.\$77.9 million in fiscal 2013 to U.S.\$36.2 million in fiscal 2014, a decrease of 53.5%. This decrease in fiscal 2014 was due to the closure of the GIP division and deliberate reduction in exploration activities from September 2013. The U.S.\$36.2 million in fiscal 2014 comprised mainly U.S.\$3.0 million on APP in Finland, U.S.\$11.0 million on Salares Norte in Chile, U.S.\$3.0 million on Chucapaca in Peru and US\$15 million was spent on exploration office costs. In addition, U.S.\$4.0 million related to brownfields exploration in Australia.

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The U.S.\$77.9 million in fiscal 2013 comprised mainly U.S.\$3.0 million on Yanfolila in Mali, U.S.\$11.0 million on APP in Finland, U.S.\$23.0 million on Salares Norte in Chile, U.S.\$4.0 million on Pedernales in Chile, U.S.\$2 million on Woodjam in Canada, U.S.\$2.0 million on Taguas in Argentina, U.S.\$5.0 million on Talas in Kyrgyzstan and U.S.\$5.0 million on Asosa in Ethiopia and U.S.\$12.0 million was spent on exploration office costs. In addition, U.S.\$10.0 million related to brownfields exploration in Australia.

Subject to continued exploration success, exploration expenditure is expected to be U.S.\$41.9 million in fiscal 2015, comprising near-mine exploration of U.S.\$13.7 million and projects exploration of U.S.\$28.2 million.

### ***Feasibility and evaluation costs***

The Group did not incur any expenditure on feasibility and evaluation in fiscal 2014, compared with U.S.\$68.0 million in fiscal 2013, due to the deliberate reduction in feasibility and evaluation activities, resulting from the closure of the GIP division.

The U.S.\$68.0 million in fiscal 2013 comprised U.S.\$15.3 million on Chucapaca in Peru on a 100% basis, U.S.\$17.0 million on Yanfolila in Mali, U.S.\$5.0 million on the sulphide and oxide plant study costs in Peru and U.S.\$30.7 million on corporate development and strategic project costs and general office costs in the various countries the Group operates in.

### ***Loss/(profit) on disposal of property, plant and equipment***

Loss/(profit) on disposal of property, plant and equipment was a profit of U.S.\$10.2 million in fiscal 2013 compared to a loss of U.S.\$1.3 million in fiscal 2014.

The major disposals in fiscal 2014 related to the sale of redundant assets at St. Ives, Darlot, Granny Smith, Tarkwa, Cerro Corona and South Deep, whereas in fiscal 2013, they related to the sale of redundant assets at St. Ives, Agnew, Cerro Corona, Tarkwa and South Deep.

### ***Asset impairments and write-offs***

There was U.S.\$215.3 million in asset impairments and write-offs in fiscal 2013 compared with U.S.\$14.0 million in fiscal 2014.

The asset impairments and write-offs charge of U.S.\$14.0 million in fiscal 2014 comprised:

U.S.\$12.7 million write-downs of redundant assets at South Deep, St. Ives and Agnew; and

U.S.\$1.3 million write-downs of consumables to market value at Lawlers.

There were no impairments of asset groups during fiscal 2014.

The asset impairments and write-offs charge of U.S.\$215.3 million in fiscal 2013 comprised:

U.S.\$53.0 million impairment at the Damang asset group;

U.S.\$63.0 million at Tarkwa due to the cessation of the North Heap Leach operations (this comprised the write-down of inventory to market value amounting to U.S.\$42.8 million as well as the write-off of related assets amounting to U.S.\$20.2 million);

U.S.\$26.8 million at Tarkwa related to long lead items such as the ball mill of U.S.\$22.2 million and components of U.S.\$4.6 million for TEP 6 (it was decided not to advance the TEP 6 project as a result of inadequate returns and capital rationing);



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U.S.\$18.5 million write-downs of stockpiles and consumables to market value at Tarkwa and Damang;

U.S.\$14.8 million write-off of redundant assets at Tarkwa, Cerro Corona and Agnew;

U.S.\$29.7 million at the Yanfolila project which was written down to fair value less cost to sell after a decision was made to dispose of the project; and

U.S.\$9.5 million write-off of the Group's option payment to Bezant Resources Plc, or Bezant, of (due to the Group's decision not to pursue the Guinaoang deposit).

The impairment calculations for the Damang asset group in fiscal 2013 were based on the following estimates and assumptions:

Long-term gold price of U.S.\$1,300 per ounce;

A real discount rate of 8.0%;

Proved and probable reserves as per the most recent life-of-mine plan;

Operating costs and capital expenditure estimates as per the most recent life-of-mine plan; and

Market value, at U.S.\$26.0, used for resource valuation.

**Royalties**

Royalties decreased by 4.9% from U.S.\$90.5 million in fiscal 2013 to U.S.\$86.1 million in fiscal 2014. Royalties in fiscal 2014 decreased in line with lower revenues and profits in South Africa, Ghana and Peru. The royalty in Australia increased due to the inclusion of the Yilgarn South assets for a year in fiscal 2014.

	<b>Fiscal 2014</b>	<b>Fiscal 2013</b>
	<i>(\$ million)</i>	
South Africa	1.3	2.1
West Africa	46.5	55.5
Australia	32.5	24.1
Peru	5.8	8.9
<b>Total</b>	<b>86.1</b>	<b>90.5</b>

**Accretion expense on provision for environmental rehabilitation**

At all of its operations, Gold Fields makes full provision for environmental rehabilitation based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the balance sheet date. The rehabilitation charge increased by U.S.\$5.0 million, or 48.1%, from U.S.\$10.4 million in fiscal 2013 to U.S.\$15.4 million in fiscal 2014.

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For its South African and Ghanaian operations, Gold Fields contributes to environmental trust funds it has established to provide for any environmental rehabilitation obligations and expected closure costs relating to its mining operations. The amounts invested in the trust funds are classified as non-current assets and any income earned on these assets is accounted for as interest income. For the Australian and Peruvian operations Gold Fields does not contribute to a trust fund.

### *Interest and dividends*

Interest and dividend income decreased by U.S.\$4.3 million, or 50.6%, from U.S.\$8.5 million in fiscal 2013 to U.S.\$4.2 million in fiscal 2014. The decrease was mainly due to lower average cash balances at the international operations in fiscal 2014 compared to fiscal 2013.



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The interest and dividends received in fiscal 2014 of U.S.\$4.2 million comprised U.S.\$0.1 million dividends received, U.S.\$0.5 million on monies invested in the South African and Ghanaian environmental rehabilitation trust funds and U.S.\$3.6 million on other cash and cash equivalent balances.

The interest and dividends received in fiscal 2013 of U.S.\$8.5 million comprised U.S.\$0.5 million on monies invested in the South African and Ghanaian environmental rehabilitation trust funds and U.S.\$8.0 million on other cash and cash equivalent balances.

Interest received on the funds invested in rehabilitation trust funds remained flat at U.S.\$0.5 million.

Interest on cash balances decreased from U.S.\$8.0 million in fiscal 2013 to U.S.\$3.6 million in fiscal 2014 mainly due to the lower average cash balances at the international operations in fiscal 2014 compared to fiscal 2013.

**Finance expense**

Finance expense increased by U.S.\$8.4 million, or 11.6%, from U.S.\$72.4 million in fiscal 2013 to U.S.\$80.8 million in fiscal 2014.

Net finance expense in fiscal 2014 consisted of gross interest payments of U.S.\$105.0 million (2013: U.S.\$90.7 million) partially offset by interest capitalized of U.S.\$24.2 million (2013: U.S.\$18.3 million).

The interest expense in fiscal 2014 and 2013 comprised:

	Fiscal 2014	Fiscal 2013
	<i>(\$ million)</i>	
Interest on the U.S.\$1 billion 4.875% guaranteed notes due October 7, 2020	50.0	49.9
Sibanye Gold guarantee fee	5.0	5.0
Interest on R1,500 million Nedbank Revolving Credit Facility, R500 million Rand Merchant Bank Revolving Credit Facility and various uncommitted facilities	17.6	9.2
Interest on the U.S.\$200 million Non-Revolver Senior Secured Term Loan	2.0	2.2
Interest on the U.S.\$1 billion Syndicated Revolving credit facility		1.4
Interest on the U.S.\$1,510 million term loan and revolving credit facilities	25.5	18.1
Interest on the U.S.\$70 million Senior Secured Revolving credit facility	2.9	2.2
Other interest charges	2.0	2.7
Interest capitalized	(24.2)	(18.3)
Interest expense	80.8	72.4

Interest on the U.S.\$1 billion guaranteed notes remained relatively flat at U.S.\$50.0 million in fiscal 2014.

The Sibanye Gold guarantee fee of U.S.\$5 million became payable to Sibanye Gold in 2013 after the Spin-off of Sibanye Gold in February 2013.

Interest on borrowings to fund capital expenditure and operating costs at the South African operations increased from U.S.\$9.2 million in fiscal 2013 to U.S.\$17.6 million in fiscal 2014 due to additional borrowings as a result of losses sustained at South Deep.

Interest on the U.S.\$200 million Non-Revolver Senior Secured Term Loan remained relatively flat at U.S.\$2.0 million in fiscal 2014.

Interest on the U.S.\$1 billion Syndicated Revolving credit facility was U.S.\$1.4 million in fiscal 2013. On February 15, 2013, this facility was refinanced by drawing down under the \$1,510 million term loan and revolving credit facilities. The facility was also cancelled on February 15, 2013.

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Interest on the U.S.\$1,510 million term loan increased from U.S.\$18.1 million in fiscal 2013 to U.S.\$25.5 million in fiscal 2014 due to the fact that interest for only eight months was included in fiscal 2013 compared to 12 months in fiscal 2014.

Interest on the U.S.\$70 million Senior secured revolving credit facility increased marginally from U.S.\$2.2 million in fiscal 2013 to U.S.\$2.9 million in fiscal 2014.

Interest on borrowings incurred in respect of assets requiring a substantial period of time to prepare for their intended use is capitalized to the date on which the assets are substantially completed and ready for their intended use, at which time they will be amortized over the lives of the corresponding assets. During fiscal 2014, U.S.\$24.2 million was capitalized in respect of the South Deep's mine development and ventilation shaft deepening projects compared to U.S.\$18.3 million in fiscal 2013 in respect of the same.

**Loss on financial instruments**

Loss on financial instruments increased from U.S.\$0.3 million in fiscal 2013 to U.S.\$11.5 million in fiscal 2014.

The loss of U.S.\$11.5 million in fiscal 2014 comprised:

	<b>\$ million</b>
Gain on South Deep forward exchange contract	0.1
Loss on Australian oil derivative contracts	(11.6)
	(11.5)

The loss of U.S.\$0.3 million in fiscal 2013 comprised:

	<b>\$ million</b>
Loss on South Deep forward exchange contract	(1.1)
Gain on Australian oil derivative contracts	0.8
	(0.3)

**Foreign exchange gains**

Gold Fields recognized exchange gains of U.S.\$8.4 million in fiscal 2014 compared to exchange gains of U.S.\$7.3 million in fiscal 2013.

The gains of U.S.\$8.4 million in fiscal 2014 comprised:

	<b>\$ million</b>
Exchange gain on cash and working capital balances held in currencies other than the functional currencies of the Gold Fields various subsidiary companies	8.4
	8.4

The gain of U.S.\$7.3 million in fiscal 2013 comprises:

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	<b>\$ million</b>
Exchange loss on cash and working capital balances held in currencies other than the functional currencies of the Gold Fields various subsidiary companies	(2.5)
Gain on repayment of U.S. dollar denominated intercompany loans	9.8
	7.3

**Table of Contents*****Profit on disposal of investments and subsidiaries***

During fiscal 2014 and 2013, Gold Fields liquidated certain non-current investments. The profit on disposal of investments and subsidiaries increased from U.S.\$17.8 million in fiscal 2013 to U.S.\$78.0 million in fiscal 2014.

The profit of U.S.\$78.0 million in fiscal 2014 resulted from the following sales:

	<b>\$ million</b>
Profit on disposal of shares in Robust Resources Limited	1.8
Additional loss on sale of the Group's interest in Talas (exploration project)	(1.7)
Profit on disposal of Yanfolila	5.1
Profit on disposal of Chucapaca <sup>(1)</sup>	72.8
	<b>78.0</b>

Note:

- (1) On August 19, 2014, Gold Fields sold its 51% stake in Canteras del Hallazgo S.A.C (CDH), the company that manages the Chucapaca exploration project in southern Peru, to its joint venture partner in the project, Compañía de Minas Buenaventura S.A.A. (Buenaventura). Buenaventura is Peru's largest publicly traded, precious metals mining company and previously owned 49% in CDH. The sales price was U.S.\$81.0 million in cash.

The profit of U.S.\$17.8 million in fiscal 2013 resulted from the following sales:

	<b>\$ million</b>
Profit on sale of 7.8 million shares in Northam Platinum Limited	13.0
Profit on sale of the Group's interest in Talas (exploration project)	4.8
	<b>17.8</b>

***Impairment of investments***

The charge in fiscal 2013 decreased from U.S.\$10.3 million in fiscal 2013 to U.S.\$6.8 million in fiscal 2014.

The charge of U.S.\$6.8 million in fiscal 2014 comprised:

	<b>\$ million</b>
Impairment of various offshore listed exploration investments to their market values	0.9
Rand Refinery Limited	4.1
Aurigin Resources Incorporated	1.8
	<b>6.8</b>

The charge of U.S.\$10.3 million in fiscal 2013 relates to:

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	<b>\$ million</b>
Impairment of Orsu Metals Corporation	8.6
Impairment of various offshore listed exploration investments to their market values	1.7
	10.3

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***Other expenses***

Other expenses represent miscellaneous corporate expenditure not allocated to the operations, net of miscellaneous revenue items such as scrap sales and rental income. In fiscal 2013, there were other expenses of U.S.\$104.2 million compared with U.S.\$44.2 million in fiscal 2014.

The charges in 2014 are mainly made up of:

Social contributions and sponsorships of US\$13.0 million;

Legal fees amounting to US\$7.1 million as a result of the Gold Fields Board examination relating to the South Deep Black Economic Empowerment transaction and regulatory investigation of the same issue; and

Information technology conversion costs at the Yilgarn South assets of US\$5.0 million.

The charges in 2013 are mainly made up of:

Social contributions and sponsorships of US\$11.4 million;

Facility charges amounting to US\$23.5 million on cancellation of the US\$1 billion and US\$500 million facilities and other costs of US\$13.0 million associated with the unbundling of Sibanye Gold;

New loan facility charges;

Stamp duty and transaction costs amounting to US\$27.4 million on the acquisition of the Yilgarn South assets; and

Legal fees amounting to US\$11.1 million as a result of the Gold Fields Board examination and regulatory investigation relating to the South Deep Black Economic Empowerment transaction.

***Income and mining tax expense***

Income and mining tax expense increased from U.S.\$105.7 million in fiscal 2013 to U.S.\$121.6 million in fiscal 2014. The table below sets forth Gold Fields' effective tax rate for fiscal 2014 and fiscal 2013, including normal and deferred tax.

	Fiscal	
	2014	2013
Effective tax rate	112.4%	65.0%

In fiscal 2014, the effective tax expense rate of 112.4% was higher than the maximum South African mining statutory tax rate of 34% mainly due to the tax effect of the following:

U.S.\$38.3 million valuation allowance raised against unredeemed capital expenditure and net operating losses;

U.S.\$18.0 million non-deductible expenditure comprising mainly U.S.\$1.8 million of impairments, U.S.\$2.0 million of legal and consulting fees and U.S.\$7.0 million of various Peruvian non-deductible expenses;

U.S.\$9.6 million non-deductible exploration and feasibility and evaluation costs;

U.S.\$6.2 million non-deductible share-based compensation;

U.S.\$24.4 million non-deductible interest expense; and

U.S.\$7.0 million deferred tax raised on unremitted earnings.

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The above were primarily offset by the following tax-effected charges:

U.S.\$1.7 million adjustment to reflect the actual realized company tax rates in South Africa and offshore; and

US\$23.4 million non-taxable profit on disposal of investments and subsidiaries.

In fiscal 2013, the effective tax expense rate of 65.0% was higher than the maximum South African mining statutory tax rate of 34% mainly due to the tax-effect of the following:

U.S.\$56.1 million non-deductible expenditure comprising mainly U.S.\$13.3 million of impairments, U.S.\$8.0 million of facility charges, U.S.\$8.2 million of legal and consulting fees, U.S.\$5.1 million of stamp duty on the Yilgarn South assets acquisition and U.S.\$9.4 million of various Peruvian non-deductible expenses:

U.S.\$47.2 million of non-deductible exploration and feasibility and evaluation costs;

U.S.\$11.5 million of non-deductible share-based compensation;

U.S.\$25.3 million of non-deductible interest expense; and

U.S.\$29.5 million prior year adjustment relating to Cerro Corona deferred tax. For further detail, refer to note 7 of the consolidated financial statements.

The above were primarily offset by the following tax-effected charge:

U.S.\$25.5 million adjustment to reflect the actual realized company tax rates in South Africa and offshore.

### ***Impairment of investment in equity investee***

Impairment of investment in equity investee was nil in fiscal 2013 compared to U.S.\$7.4 million in fiscal 2014.

The impairment in fiscal 2014 related to Bezant Resources Plc, or Bezant, which was impaired by \$7.4 million to its fair value, as determined by its quoted market price. This impairment is considered other than temporary as the carrying value was below the fair value for an extended period of time.

### ***Share of equity investees losses, net of tax***

Share of equity investees losses decreased from U.S.\$18.4 million in fiscal 2013 to U.S.\$4.4 million in fiscal 2014.

Gold Fields equity accounts for three associates: Rusoro Mining Limited, or Rusoro, Bezant, Hummingbird Resources Plc, or Hummingbird, from fiscal 2014 and one joint venture, being Far South East Gold Resources Incorporated, or FSE (fiscal 2013: Rusoro, Bezant, Rand Refinery Limited, or Rand Refinery, up to the date of unbundling of Sibanye Gold, Timpetra Resources Limited, or Timpetra, up to May 2013 and FSE).

The charge of U.S.\$4.4 million in fiscal 2014 comprised:



	<b>\$ million</b>
Share of equity accounted losses of Rusoro	
Share of equity accounted losses of FSE	(3.6)
Share of equity accounted profits of Bezant	1.2
Share of equity accounted losses of Hummingbird	(2.0)
	(4.4)

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The charge of U.S.\$18.4 million in fiscal 2013 comprised:

	<b>\$ million</b>
Share of equity accounted losses of Rusoro	
Share of equity accounted losses of FSE	(18.4)
Share of equity accounted losses of Bezant	
Share of equity accounted profits of Rand Refinery	
Share of equity accounted losses of Timpetra	
	(18.4)

The Group's 26.4% share of after-tax losses accounted for in Rusoro was U.S.\$nil in fiscal 2014 and in fiscal 2013. The carrying value of the investment is U.S.\$nil at December 31, 2014, after losses incurred in prior years.

Gold Fields paid U.S.\$10.0 million in option fees to Lepanto Consolidated Mining Company during the six-month period ended December 31, 2010. In addition, Gold Fields paid non-refundable down payments of U.S.\$66.0 million during the year ended December 31, 2011 and U.S.\$44.0 million during the six month period ended December 31, 2010 to Liberty Express Assets in accordance with the agreement concluded whereby the Group has the option to acquire 60% of FSE. On March 31, 2012, Gold Fields acquired 40% of the issued share capital of FSE by contributing an additional U.S.\$110.0 million in accordance with the agreement's terms. The Group's share of losses in FSE was U.S.\$3.6 million in fiscal 2014 and U.S.\$18.4 million in fiscal 2013.

In January 2013, the Group purchased an associate stake in Bezant for U.S.\$7.5 million. The Group's 21.6% share of after-tax profits in Bezant was US\$1.2 million in fiscal 2014, compared with U.S.\$nil in fiscal 2013.

During fiscal 2014, Gold Fields sold its 85% interest in the Yanfolila project in Mali to London-listed Hummingbird for U.S.\$21.1 million which was settled in the form of 21,258,503 Hummingbird shares. The Group's 25.1% share of after-tax losses in Hummingbird was U.S.\$2.0 million in fiscal 2014.

The Group's 35% share in Rand Refinery up to the spin-off date of Sibanye Gold is made up of 2% for continuing operations and 33% for discontinued operations. The continuing operations share of after-tax profits in Rand Refinery was U.S.\$nil during fiscal 2013.

During fiscal 2011, the Group acquired a 21.8% interest in Timpetra as a result of receiving 15 million Timpetra shares valued at U.S.\$3.2 million. Timpetra is an Australian listed junior exploration company and the shares were received in exchange for the Central Victoria tenements, an Australian exploration project previously owned by St. Ives. During fiscal 2013, 13.7 million shares of the 15.0 million previously held were disposed of and due to the decrease in shareholding, Timpetra is no longer equity accounted. The remaining investment was reclassified to listed investments. The Group's share of after-tax losses in Timpetra was U.S.\$nil during fiscal 2013.

***Loss from continuing operations***

As a result of the above, loss from continuing operations decreased from U.S.\$286.6 million in fiscal 2013 to U.S.\$25.2 million in fiscal 2014.

***Income from discontinued operations, net of tax***

The income from discontinued operations of U.S.\$20.5 million in fiscal 2013 related to Sibanye Gold.

**Table of Contents****Net loss**

As a result of the factors discussed above, Gold Fields net loss decreased from U.S.\$266.1 million in fiscal 2013 to U.S.\$25.2 million in fiscal 2014.

**Net (income)/loss attributable to noncontrolling interests**

Net loss attributable to noncontrolling interests was U.S.\$18.2 million in fiscal 2013 compared to a profit of U.S.\$2.0 million in fiscal 2014. The loss in fiscal 2013 was mainly due to the impairment charges by the Ghanaian operations as discussed above.

The noncontrolling interests in Gold Fields Ghana (Tarkwa) and Abosso Goldfields (Damang) remained at 10% during fiscal 2014 and at La Cima (Cerro Corona) noncontrolling interest remained at 0.5% during fiscal 2014.

The noncontrolling interest in Canteras del Hallazgo decreased from 49% in fiscal 2013 to nil in fiscal 2014. Canteras del Hallazgo is a subsidiary company that owned the Chucapaca project.

Gold Fields sold its interest in Canteras del Hallazgo for US\$81.0 million during fiscal 2014.

The amounts making up the noncontrolling interests in fiscal 2014 and 2013 were:

	Effective <sup>(1)</sup> interest	Fiscal 2014	Effective <sup>(1)</sup> interest	Fiscal 2013
Gold Fields Ghana Limited Tarkwa	10%	2.8	10%	(2.1)
Abosso Goldfields Damang	10%	0.3	10%	(4.9)
La Cima Cerro Corona	0.5%	0.3	1.2%	0.3
Canteras del Hallazgo	49.0%	(1.4)	49.0%	(11.5)
		2.0		(18.2)

Note:

(1) Average for the year.

**Net loss attributable to Gold Fields shareholders**

As a result of the factors discussed above, net loss decreased from U.S.\$247.9 million in fiscal 2013 to U.S.\$27.2 million in fiscal 2014 and comprises net loss from continuing operations attributable to Gold Fields shareholders of U.S.\$27.2 million in fiscal 2014 (fiscal 2013: U.S.\$268.4 million) and net income from discontinued operations attributable to Gold Fields shareholders of U.S.\$nil in fiscal 2014 (fiscal 2013: U.S.\$20.5 million).

**Years Ended December 31, 2013 and December 31, 2012****Revenues**

Product sales decreased by U.S.\$624.3 million, or 17.7%, from U.S.\$3,530.6 million in fiscal 2012 to U.S.\$2,906.3 million in fiscal 2013. The decrease in product sales was primarily due to a decrease of 0.036 million equivalent ounces, or 1.7%, in total equivalent gold sold, from 2.133 million ounces in fiscal 2012

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to 2.097 million ounces in fiscal 2013 as well as a decrease in the average realized gold price of 16.3% from U.S.\$1,656 per ounce in fiscal 2012 to U.S.\$1,386 per ounce in fiscal 2013 and a decrease in the average realized copper price of 10.2% from U.S.\$7,322 per tonne to U.S.\$6,575 per tonne.

At the Americas operation in Peru, copper production is converted to equivalent gold ounces on a monthly basis using average copper and gold prices for the month in which the copper was produced.

At South Deep, gold sales increased by 11.9% from 0.270 million ounces in fiscal 2012 to 0.302 million ounces in fiscal 2013. This was due to increased underground mining volumes, as South Deep builds to full production. The increase in the gold sales is due to a 26.1% increase in reef tonnes broken and a 23.8% increase in destress production year on year.

At the West African operations, total gold sales decreased by 11.2% from 0.89 million ounces in fiscal 2012 to 0.79 million ounces in fiscal 2013. Tarkwa decreased by 12.5% from 0.72 million ounces in fiscal 2012 to 0.63 million ounces in fiscal 2013 due to cessation of crushing operations at the South Heap Leach facility at the end of December 2012, as well as industrial action at the beginning of the June 2013 quarter. Damang's gold sales decreased by 11.8% from 0.17 million ounces to 0.15 million ounces due to lower yield following the premature closure of the original Damang pit, due to safety concerns.

At the Americas operation, total gold equivalent sales decreased by 11.4% from 0.35 million gold equivalent ounces in fiscal 2012 to 0.31 million gold equivalent ounces in fiscal 2013, mainly due to lower copper to gold price ratio and expected lower gold and copper grades resulting in lower gold ounces and copper tonnes.

At the Australasian operations, total gold sales increased by 11.1% from 0.63 million ounces in fiscal 2012 to 0.70 million ounces in fiscal 2013 mainly due to the acquisition of the Yilgarn South assets. At St. Ives, gold sales decreased by 11.1% from 0.45 million ounces to 0.40 million ounces due to cessation of crushing and stacking at the heap leach facility and lower grade open pit material mined and processed. At Agnew, gold sales increased by 22.2% from 0.18 million ounces in fiscal 2012 to 0.22 million ounces in fiscal 2013 due to the inclusion of 0.03 million ounces from Lawlers. At Darlot and Granny Smith, gold sales were 0.02 million ounces and 0.06 million ounces, respectively, in fiscal 2013.

	<b>Gold equivalent ounces sold</b> ( 000 oz)	<b>Gold equivalent ounces sold</b> ( 000 oz)
<b>South Africa</b>	270	302
South Deep	270	302
<b>Ghana</b>	885	785
Tarkwa <sup>(1)</sup>	719	632
Damang <sup>(2)</sup>	166	153
<b>Peru</b>	350	309
Cerro Corona <sup>(3)</sup>	350	309
<b>Australia</b>	626	700
St. Ives	450	403
Agnew/Lawlers	176	216
Darlot		20
Granny Smith		62
<b>Total<sup>(4)(5)</sup></b>	<b>2,133</b>	<b>2,097</b>

Notes:

- (1) In fiscal 2012 and 2013, 0.647 million equivalent ounces and 0.569 million equivalent ounces of sales, respectively, were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Tarkwa operation.



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- (2) In fiscal 2012 and 2013, 0.149 million equivalent ounces and 0.138 million equivalent ounces of sales, respectively, were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Damang operation.
- (3) In fiscal 2012 and 2013, 0.345 million equivalent ounces and 0.306 million equivalent ounces of sales were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Cerro Corona operation.
- (4) In fiscal 2012 and 2013, 2.037 million equivalent ounces and 2.015 million equivalent ounces of sales, respectively, were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Ghana and Peru operations.
- (5) The total may not reflect the sum of the line items due to rounding.

***Production costs***

Production costs decreased by U.S.\$42.7 million, or 2.3%, from U.S.\$1,862.6 million in fiscal 2012 to U.S.\$1,819.9 million in fiscal 2013.

This decrease was due to cost saving initiatives across the Group, partially offset by inflationary increases, annual wage increases, increases in electricity tariffs in South Africa and Ghana and increases in fuel prices in Ghana and Australia, as well as the addition of the lower cost Yilgarn South assets.

The figures above represent U.S. GAAP production costs. However, the Company prepares its financial records in accordance with IFRS and such IFRS information for the Group and by segment is what the Company's chief operating decision maker reviews in allocating resources and making investment decisions. Therefore, the discussion that follows on operating costs (excluding depreciation and amortization) and gold inventory change focuses on such IFRS information which agrees to the geographical and segment information included in Note 26 to the consolidated financial statements.

*Operating costs (excluding depreciation and amortization)*

Operating costs (excluding depreciation and amortization) increased marginally from U.S.\$1,673.8 million in fiscal 2012 to U.S.\$1,678.7 million in fiscal 2013.

At the South Deep operation in South Africa, operating costs (excluding amortization and depreciation) increased by 6.2% from U.S.\$302.9 million fiscal 2012 to U.S.\$321.8 million in fiscal 2013. This increase was mainly due to the increase in production, additional staff, annual wage increases, an increase in electricity tariffs, an increase in de-stress development and an increase in maintenance costs.

At Tarkwa, operating costs (excluding amortization and depreciation) decreased by 4.2% from U.S.\$494.4 million to U.S.\$473.7 million and at Damang, operating costs (excluding amortization and depreciation) decreased by 4.5% from U.S.\$179.1 million to U.S.\$171.1 million. These decreases were mainly due to decreased power costs and business process re-engineering at both operations partially offset by normal inflationary increases and annual wage increases.

At the Australian operations, operating costs (excluding amortization and depreciation) increased by 4.7% from U.S.\$526.1 million in fiscal 2012 to US\$550.8 million in fiscal 2013. At St Ives, operating costs (excluding amortization and depreciation) decreased by 8.6% from U.S.\$378.0 million to U.S.\$345.5 million. This decrease was mainly due to a decrease in open pit tonnes mined and processed and the cessation of the heap leach operations at the end of fiscal 2012, partially offset by an increase in underground tonnes mined and processed. At Agnew, operating costs (excluding amortization and depreciation) decreased by 8.8% from U.S.\$148.1 million to U.S.\$135.0 million. This decrease was mainly due to cost saving initiatives arising from mining only the Kim ore body (Main Lode was closed during fiscal 2012), partly offset by the inclusion of Lawlers (U.S.\$20.0 million). Operating costs (excluding amortization and depreciation) at Darlot and Granny Smith were U.S.\$21.6 million and U.S.\$48.8 million in fiscal 2013, respectively, and nil in fiscal 2012 as the operations were acquired in fiscal 2013.

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At the Cerro Corona operation in Peru, operating costs (excluding amortization and depreciation) decreased by 5.9% from U.S.\$171.4 million in fiscal 2012 to U.S.\$161.3 million in fiscal 2013, mainly due to a decrease in workers statutory participation in profits.

### *Gold inventory change*

The gold inventory credit decreased by 46.4% from U.S.\$22.0 million in fiscal 2012 to U.S.\$11.8 million in fiscal 2013.

At Tarkwa, the gold inventory credit of U.S.\$24.8 million in fiscal 2012 compared with a debit of U.S.\$30.8 million in fiscal 2013. The U.S.\$30.8 million charge in fiscal 2013 was due to a draw-down of inventory. The U.S.\$24.8 million credit in fiscal 2012 was due to a revaluation of inventory during the year.

At Damang, the gold inventory credit increased from U.S.\$3.6 million in fiscal 2012 to U.S.\$11.1 million in fiscal 2013, both credits due to increases in stockpiles.

At St Ives, the charge of U.S.\$14.7 million in fiscal 2012 compared with a credit to costs of U.S.\$8.8 million in fiscal 2013. The credit in fiscal 2013 was as a result of a build-up in run-of-mine stockpiles. The charge in fiscal 2012 was as a result of a strategic decision to process stockpiles built-up from the open pits in prior periods while implementing owner mining at the open pits.

At Agnew, the gold inventory charge of U.S.\$2.6 million in fiscal 2012 compared with U.S.\$1.2 million in fiscal 2013, both charges to cost due to processing of the Songvang open pit stockpile that was built-up in 2011. The charge in fiscal 2013 was partially offset by the addition of the Lawlers stockpiles.

Gold inventory credits at Darlot and Granny Smith in fiscal 2013 were U.S.\$1.3 million and U.S.\$3.7 million in fiscal 2013, respectively, and nil in fiscal 2012 as the operations were acquired in fiscal 2013.

At Cerro Corona, the gold inventory credit increased from U.S.\$11.0 million in fiscal 2012 to U.S.\$18.8 million in fiscal 2013, both credits due to a build-up of sulphide inventory during the year.

### *Depreciation and amortization*

Depreciation and amortization charges increased by U.S.\$142.7 million, or 33.5%, from U.S.\$425.8 million in fiscal 2012 to U.S.\$568.5 million in fiscal 2013. Depreciation and amortization is calculated on the units-of-production method and is based on current gold production as a percentage of total expected gold production over the lives of the different mines. In South Africa, at South Deep, the increased amortization was due to additions to property, plant and equipment and the higher production. At the West Africa operations, Tarkwa's amortization increased due to additional fixed assets and accelerated depreciation of the North Heap Leach assets. Damang's amortization increased due to additional assets capitalized and increased machine hours of existing assets. In Australia, at St. Ives, amortization increased due to a 20% increase in underground ounces mined and a move from the Leviathan pit, which had been fully amortized in earlier years, to new pits in 2013 with higher amortization charges. At Agnew, amortization increased mainly due to increased production from the Kim underground mine and the inclusion of Lawlers. The inclusion of the Yilgarn South assets also contributed to the increased amortization. Amortization at Cerro Corona decreased due to lower production.

The figures above represent U.S. GAAP depreciation and amortization. However, the Company prepares its financial records in accordance with IFRS and such IFRS information for the Group and by segment is what the Company's chief operating decision maker reviews in allocating resources and making investment decisions. Therefore, the table and the discussion that follows on depreciation and amortization focuses on such IFRS information which agrees to the geographical and segment information included in Note 26 to the consolidated financial statements.

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The table below depicts the changes from December 31, 2011 to December 31, 2012 and December 31, 2012 to December 31, 2013 for proven and probable managed gold and equivalent reserves and for the life of mine for each operation and the resulting impact on the amortization charge in fiscal 2012 and 2013, respectively. The life-of-mine information is based on the operations' strategic plans, adjusted for proven and probable reserve balances. In basic terms, amortization is calculated using the life of mine for each operation, which is based on: (1) the proven and probable reserves for the operation at the start of the relevant year (which are taken to be the same as at the end of the prior fiscal year and using reserves); and (2) the amount of gold produced by the operation during the year. The ore reserve statement as at December 31, 2013 became effective on January 1, 2014.

	Proved and probable reserves as of			Life of mine		Amortization for the year ended	
	December 31, 2011	December 31, 2012 ( 000 oz)	December 31, 2013	December 31, 2012	December 31, 2013 (years)	December 31, 2012 (\$ million)	December 31, 2013
<b>South Africa region</b>							
South Deep	30,000	39,100	38,200	80	74	82.4	98.9
<b>West African region</b>							
Tarkwa <sup>(1)</sup>	10,300	10,100	7,300	24	17	125.4	137.6
Damang <sup>(2)</sup>	3,400	4,100	1,100	16	6	22.8	30.6
<b>Americas region</b>							
Cerro Corona <sup>(3)</sup>	6,100	5,200	3,700	16	10	48.8	48.8
<b>Australasian region</b>							
St. Ives	2,800	2,200	2,000	6	6	160.4	194.3
Agnew/Lawlers	1,300	1,200	1,000	7	4	53.7	71.1
Darlot			200		2		3.6
Granny Smith			800		7		21.0
<b>Corporate and other</b>						5.7	5.0
<b>Total reserves<sup>(4)</sup></b>	53,900	61,900	54,300			499.2	610.9

## Notes:

- (1) As of December 31, 2011, December 31, 2012 and December 31, 2013 reserves of 9.310 million ounces, 9.073 million ounces and 6.570 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Tarkwa operation.
- (2) As of December 31, 2011, December 31, 2012 and December 31, 2013 reserves of 3.051 million ounces, 3.681 million ounces and 0.990 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Damang operation.
- (3) As of December 31, 2011, December 31, 2012 and December 31, 2013 reserves of 6.011 million ounces, 5.100 million ounces and 3.683 million ounces of equivalent gold were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the Cerro Corona operation.
- (4) As of December 31, 2011, December 31, 2012 and December 31, 2013 reserves of 52.971 million ounces, 57.888 million ounces and 48.608 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to noncontrolling shareholders in the West Africa and Americas operations.

Amortization and depreciation increased by 22.4%, from U.S.\$499.2 million to U.S.\$610.9 million in 2013.

In South Africa, amortization at South Deep increased by 20.0% from U.S.\$82.4 million in 2012 to U.S.\$98.9 million in 2013 mainly due to additions to property, plant and equipment and increased production which is used in the calculation of amortization.

At the West African operations, amortization increased by 13.5% from U.S.\$148.2 million in 2012 to U.S.\$168.2 million in 2013. Tarkwa increased by 9.7% from U.S.\$125.4 million to U.S.\$137.6 million due to





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additions to property, plant and equipment and the accelerated depreciation of the North heap leach assets during 2013. Damang increased by 34.2% from U.S.\$22.8 million to U.S.\$30.6 million due to additions to property, plant and equipment capitalized and increased machine hours of existing assets.

At the Australian operations, amortization increased by 35.5% from U.S.\$214.1 million in 2012 to U.S.\$290.0 million in 2013. At St Ives, amortization increased by 21.1% from U.S.\$160.4 million to U.S.\$194.3 million in 2013 due to a 20% increase in more expensive ounces mined underground and a move from the Leviathan pit, which had been fully amortized in earlier years, to new pits in 2013 with deeper cover and higher amortization charges. Agnew increased by 32.4% from U.S.\$53.7 million to U.S.\$71.1 million mainly due to the inclusion of Lawlers (U.S.\$10.0 million). Amortization at Darlot and Granny Smith was U.S.\$3.6 million and U.S.\$21.0 million in fiscal 2013, respectively, and nil in fiscal 2012 as the operations were acquired in fiscal 2013.

In South America, amortization at Cerro Corona remained constant at U.S.\$48.8 million.

The discussion that follows focuses on U.S.GAAP figures as disclosed in the consolidated statement of operations.

***Corporate expenditure***

Corporate expenditure increased from U.S.\$38.2 million in fiscal 2012 to U.S.\$39.4 million in fiscal 2013, an increase of 3.1%. The increase is due to reorganization of corporate services and inflation. Corporate expenditure consists primarily of general corporate overhead and corporate service department costs, primarily in the areas of technical services, human resources and finance, which are used by the operations. Corporate expenditure also includes business development costs. In Rand terms, corporate expenditure increased from R312.9 million in fiscal 2012 to R378.2 million in fiscal 2013 mainly due to the reorganization of corporate services and inflation.

***Employee termination costs***

Employee termination costs increased from U.S.\$6.1 million in fiscal 2012 to U.S.\$35.5 million in fiscal 2013, an increase of 482.0%. The termination costs in fiscal 2013 related primarily to restructuring at all the operations as well as the closure of the GIP division in response to the lower gold price. The termination costs in fiscal 2012 related primarily to restructuring as part of the BPR program and the Portfolio Review in 2012.

***Exploration expenditure***

Exploration expenditure decreased from U.S.\$135.3 million in fiscal 2012 to U.S.\$77.9 million in fiscal 2013, a decrease of 42.4%. The bulk of the expenditure was incurred on a diversified pipeline of projects in Africa, Australia, Asia and North, South and Central America, with the decrease in fiscal 2013 due to the break-up of the GIP division and deliberate reduction in exploration activities from September 2013. The U.S.\$77.9 million in fiscal 2013 comprised mainly U.S.\$3 million on Yanfolila in Mali, U.S.\$11 million on APP in Finland, U.S.\$23 million on Salares Norte in Chile, U.S.\$4 million on Pedernales in Chile, U.S.\$2 million on Woodjam in Canada, U.S.\$2 million on Taguas in Argentina, U.S.\$5 million on Talas in Kyrgyzstan and U.S.\$5 million on Asosa in Ethiopia and U.S.\$21 million was spent on exploration office costs. In addition, U.S.\$10 million related to brownfields exploration in Australia is expensed. Subject to continued exploration success, exploration expenditure is expected to be U.S.\$35 million in fiscal 2014, comprising near-mine exploration of U.S.\$9 million and projects exploration of U.S.\$26 million.

***Feasibility and evaluation costs***

Feasibility and evaluation expenditure decreased from U.S.\$103.5 million in fiscal 2012 to U.S.\$68.0 million in fiscal 2013, a decrease of 34.3%. The decrease was due to the closure of the GIP division and

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deliberate reduction in feasibility and evaluation costs from September 2013. The U.S.\$68.0 million in fiscal 2013 comprised U.S.\$15.3 million on Chucapaca in Peru on a 100% basis, U.S.\$17.0 million on Yanfolila in Mali, U.S.\$5.0 million on the sulphide and oxide plant study costs in Peru and U.S.\$30.7 million on corporate development and strategic project costs and general office costs in the various countries the Group operates in.

***(Profit)/loss on disposal of property, plant and equipment***

Profit on disposal of property, plant and equipment increased from U.S.\$0.2 million in fiscal 2012 to U.S.\$10.2 million in fiscal 2013.

The major disposals in fiscal 2013 related to the sale of the Vivienne exploration asset in Agnew as well as the sale of redundant assets at St. Ives, Agnew, Cerro Corona, Tarkwa and South Deep, whereas in fiscal 2012, they related to the sale of various redundant assets primarily at St. Ives, La Cima and South Deep.

***Asset impairments and write-offs***

There was U.S.\$41.6 million in asset impairments and write-offs in fiscal 2012 compared with U.S.\$215.3 million in fiscal 2013.

The asset impairments and write-offs charge of U.S.\$215.3 million in fiscal 2013 comprised:

U.S.\$53.0 million impairment at the Damang asset group;

U.S.\$63.0 million at Tarkwa due to the cessation of the North Heap Leach operations (this comprised the write-down of inventory to market value amounting to U.S.\$42.8 million as well as the write-off of related assets amounting to U.S.\$20.2 million);

U.S.\$26.8 million at Tarkwa related to long lead items such as the ball mill of U.S.\$22.2 million and components of U.S.\$4.6 million for TEP 6 (it was decided not to advance the TEP 6 project as a result of inadequate returns and capital rationing);

U.S.\$18.5 million write-downs of stockpiles and consumables to market value at Tarkwa and Damang;

U.S.\$14.8 million write-off of redundant assets at Tarkwa, Cerro Corona and Agnew;

U.S.\$29.7 million at the Yanfolila project which was written down to fair value less cost to sell after a decision was made to dispose of the project; and

U.S.\$9.5 million write-off of the Group's option payment to Bezant Resources Plc, or Bezant, of (due to the Group's decision not to pursue the Guinaoang deposit).

The impairment calculations for Damang asset group were based on the following estimates and assumptions:

Long-term gold price of U.S.\$1,300 per ounce;

A real discount rate of 8.0%;

Proved and probable reserves as per the most recent life-of-mine plan;

Operating costs and capital expenditure estimates as per the most recent life-of-mine plan; and

Market value, at U.S.\$26 per ounce, used for resource valuation.

The impairment charge of U.S.\$41.6 million in fiscal 2012 consisted of a U.S.\$10.1 million write-off of heap leach assets and U.S.\$19.2 million write-down to market value of heap leach inventory at St. Ives in Australia due to the cessation of the heap leach at St. Ives and the U.S.\$4.4 million write-off of heavy mining equipment in Ghana. In addition, the Group impaired its patented technology, known as the Biox process, which

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is used for the pretreatment of refractory ores and concentrates prior to gold recovery through conventional cyanide leaching techniques. The Group entered into an agreement to sell its Biox technology in 2013. This impairment amounted to U.S.\$7.9 million.

### ***Accretion expense on provision for environmental rehabilitation***

At all of its operations, Gold Fields makes full provision for environmental rehabilitation based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the balance sheet date. The rehabilitation charge decreased from U.S.\$13.9 million in fiscal 2012 to U.S.\$10.4 million in fiscal 2013.

For its South African and Ghanaian operations, Gold Fields contributes to environmental trust funds it has established to provide for any environmental rehabilitation obligations and expected closure costs relating to its mining operations. The amounts invested in the trust funds are classified as non-current assets and any income earned on these assets is accounted for as interest income. For the Australian and Peruvian operations Gold Fields does not contribute to a trust fund.

### ***Interest and dividends***

Interest and dividend income decreased from U.S.\$16.3 million in fiscal 2012 to U.S.\$8.5 million in fiscal 2013. The decrease was mainly due to lower average cash balances at the international operations in fiscal 2013 compared to fiscal 2012.

The interest and dividends received in fiscal 2013 of U.S.\$8.5 million comprised U.S.\$0.5 million on monies invested in the South African and Ghanaian environmental rehabilitation trust funds and U.S.\$8.0 million on other cash and cash equivalent balances.

The interest and dividends received in fiscal 2012 of U.S.\$16.3 million comprised U.S.\$0.5 million on monies invested in the South African environmental rehabilitation trust fund and U.S.\$15.8 million on other cash and cash equivalent balances.

Interest received on the funds invested in rehabilitation trust funds remained flat at U.S.\$0.5 million.

Interest on cash balances decreased from U.S.\$15.8 million in fiscal 2012 to U.S.\$8.0 million in fiscal 2013 mainly due to the lower average cash balances at the international operations in fiscal 2013 compared to fiscal 2012.

### ***Finance expense***

Finance expense increased from U.S.\$55.6 million in fiscal 2012 to U.S.\$72.4 million in fiscal 2013.

Net finance expense in fiscal 2013 consisted of gross interest payments of U.S.\$90.7 million (2012: U.S.\$68.6 million) partially offset by interest capitalized of U.S.\$18.3 million (2012: U.S.\$13.0 million).

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The interest expense in fiscal 2013 and 2012 comprised:

	Fiscal 2013	Fiscal 2012
	(\$ million)	
Interest on the U.S.\$1 billion 4.875% guaranteed notes due October 7, 2020	49.9	49.6
Sibanye Gold guarantee fee	5.0	
Interest on R1,500 million Nedbank Revolving Credit Facility and various uncommitted facilities	9.2	0.8
Interest on the U.S.\$200 million Non-Revolving Senior Secured Term Loan	2.2	3.4
Interest on the U.S.\$1 billion Syndicated Revolving credit facility	1.4	7.8
Interest on the Split-tenor Revolving credit facility		1.1
Interest on U.S.\$500 million syndicated revolving credit facility		1.8
Interest on the U.S.\$1,440 million term loan and revolving credit facility	18.1	
Interest on the U.S.\$60 million Senior Secured Revolving credit facility	2.2	1.6
Other interest charges	2.7	2.5
Interest capitalized	(18.3)	(13.0)
Interest expense	72.4	55.6

Interest on the U.S.\$1 billion guaranteed notes remained relatively flat at U.S.\$49.9 million in fiscal 2013.

The Sibanye Gold guarantee fee of U.S.\$5 million became payable to Sibanye Gold in 2013 after the Spin-off of Sibanye Gold in February 2013.

Interest on borrowings to fund capital expenditure and operating costs at the South African operations increased from U.S.\$0.8 million in fiscal 2012 to U.S.\$9.2 million in fiscal 2013 due to additional borrowings.

Interest on the U.S.\$200 million Non-Revolving Senior Secured Term Loan decreased from U.S.\$3.4 million in fiscal 2012 to U.S.\$2.2 million in fiscal 2013 due to repayments made during 2013.

Interest on the U.S.\$1 billion Syndicated Revolving credit facility, Split-tenor Revolving credit facility, U.S.\$500 million syndicated revolving credit facility and the U.S.\$1,440 million term loan and Revolving credit facility increased from U.S.\$10.7 million in fiscal 2012 to U.S.\$19.5 million in fiscal 2013 due to additional borrowings.

Interest on the U.S.\$60 million Senior secured revolving credit facility increased from U.S.\$1.6 million in fiscal 2012 to U.S.\$2.2 million in fiscal 2013 due to additional borrowings.

Interest on borrowings incurred in respect of assets requiring a substantial period of time to prepare for their intended use is capitalized to the date on which the assets are substantially completed and ready for their intended use, at which time they will be amortized over the lives of the corresponding assets. During fiscal 2013, U.S.\$18.3 million was capitalized in respect of the South Deep s mine development and ventilation shaft deepening projects compared to U.S.\$13.0 million in fiscal 2012 in respect of the same.

***(Loss)/gain on financial instruments***

Loss on financial instruments decreased from U.S.\$0.4 million in fiscal 2012 to U.S.\$0.3 million in fiscal 2013.

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The loss of U.S.\$0.3 million in fiscal 2013 comprised:

	<b>\$ million</b>
Loss on South Deep forward exchange contract	(1.1)
Gain on Australian oil derivative contracts	0.8
	(0.3)

The loss of U.S.\$0.4 million in fiscal 2012 comprised:

	<b>\$ million</b>
Mark-to-market valuation of exploration junior warrants	(1.1)
Gain on Australian oil derivative contracts	0.5
Other	0.2
	(0.4)

***Foreign exchange gains/(losses)***

Gold Fields recognized an exchange gain of U.S.\$7.3 million in fiscal 2013 compared to an exchange loss of U.S.\$13.8 million in fiscal 2012.

The gain of U.S.\$7.3 million in fiscal 2013 comprised:

	<b>\$ million</b>
Exchange loss on cash and cash equivalent balances held in currencies other than the functional currencies of the Gold Fields various subsidiary companies	(2.5)
Gain on repayment of U.S. dollar denominated intercompany loans	9.8
	7.3

The loss of U.S.\$13.8 million in fiscal 2012 comprises:

	<b>\$ million</b>
Exchange loss on cash and cash equivalent balances held in currencies other than the functional currencies of the Gold Fields various subsidiary companies	(10.1)
Gain on repayment of U.S. dollar denominated intercompany loans	(3.7)
	(13.8)

***Profit/(loss) on disposal of investments and subsidiaries***

During fiscal 2013 and 2012, Gold Fields liquidated certain non-current investments. The profit on disposal of investments decreased from U.S.\$27.6 million in fiscal 2012 to U.S.\$17.8 million in fiscal 2013.

The profit of U.S.\$17.8 million in fiscal 2013 resulted from the following sales:

	<b>\$ million</b>
Profit on sale of 7.8 million shares in Northam Platinum Limited	13.0
Profit on sale of the Group's interest in Talas (exploration project)	4.8
	17.8



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The profit of U.S.\$27.6 million in fiscal 2012 resulted from the following sales:

	<b>\$ million</b>
Profit on the sale of 5.6 million shares in Atacama Pacific Corporation	7.7
Profit on the sale of 14.0 million shares in GoldQuest Mining Corporation	21.5
Loss on the sale of 15.4 million shares in Evolution Mining Limited	(1.6)
	27.6

**Impairment of investments**

The charge in fiscal 2012 was U.S.\$10.5 million compared with U.S.\$10.3 million in fiscal 2013.

The charge of U.S.\$10.3 million in fiscal 2013 comprised:

	<b>\$ million</b>
Impairment of Orsu Metals Corporation	8.6
Impairment of various offshore listed exploration investments to their market values	1.7
	10.3

The charge of U.S.\$10.5 million in fiscal 2012 relates to:

	<b>\$ million</b>
Impairment of Northam Platinum Limited	8.9
Impairment of various offshore listed exploration investments to their market values	1.6
	10.5

**Royalties**

Royalties of U.S.\$116.8 million in fiscal 2012 compared with U.S.\$90.5 million in fiscal 2013. Royalties in fiscal 2013 decreased in line with lower revenues and profits at the international operations.

**Other expenses**

Other expenses represents miscellaneous corporate expenditure not allocated to the operations, net of miscellaneous revenue items such as scrap sales and rental income. In fiscal 2012, there were other expenses of U.S.\$37.9 million compared with U.S.\$104.2 million in fiscal 2013.

The charges in 2013 are mainly made up of:

Social contributions and sponsorships of US\$11.4 million;

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Facility charges amounting to US\$23.5 million on cancellation of the US\$1 billion and US\$500 million facilities and other costs of US\$13.0 million associated with the unbundling of Sibanye Gold;

New loan facility charges;

Stamp duty and transaction costs amounting to US\$27.4 million on the acquisition of the Yilgarn South assets; and

Legal fees amounting to US\$11.1 million as a result of the Gold Fields Board examination and regulatory investigation relating to the South Deep Black Economic Empowerment transaction.

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The charges in 2012 are mainly made up of:

Social contributions and sponsorships;

New loan facility charges;

Research and development costs into mechanized mining; and

Legal fees paid as a result of a dispute with a mining contractor in Ghana.

**Income and mining tax expense**

Income and mining tax expense decreased from U.S.\$359.4 million in fiscal 2012 to U.S.\$105.7 million in fiscal 2013. The table below sets forth Gold Fields' effective tax rate for fiscal 2013 and fiscal 2012, including normal and deferred tax.

	Fiscal	
	2013	2012
Effective tax expense rate	65.0%	50.4%

As noted in Overview Income and Mining Taxes, during the budget speech in February 2012, the South African Minister of Finance announced that STC would be abolished. This resulted in there being only one gold mining formula to calculate mining income taxes. The revised formula was enacted on April 1, 2012, with effect from January 1, 2012, and resulted in a reduction in the maximum South African tax rate for mining companies from 43% to 34%.

In fiscal 2013, the effective tax expense rate of 65.0% was higher than the maximum South African mining statutory tax rate of 34% mainly due to the tax-effect of the following:

U.S.\$25.5 million adjustment to reflect the actual realized company tax rates in South Africa and offshore;  
The above was primarily offset by the following tax-effected charges:

U.S.\$56.1 million non-deductible expenditure comprising mainly U.S.\$13.3 million of impairments, U.S.\$8.0 million of facility charges, U.S.\$8.2 million of legal and consulting fees, U.S.\$5.1 million of stamp duty on the Yilgarn South assets acquisition and U.S.\$9.4 million of various Peruvian non-deductible expenses:

U.S.\$47.2 million of non-deductible exploration and feasibility and evaluation costs;

U.S.\$11.5 million of non-deductible share-based compensation;

U.S.\$25.3 million of non-deductible interest expense; and

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U.S.\$29.5 million prior year adjustment relating to Cerro Corona deferred tax. For further detail, refer to note 7 of the consolidated financial statements.

In fiscal 2012, the effective tax expense rate of 50.4% was higher than the maximum South African mining statutory tax rate of 34% mainly due to the tax-effect of the following:

U.S.\$17.1 million adjustment to reflect the actual realized company tax rates in South Africa and offshore; and

U.S.\$58.2 million reversal of a portion of a valuation allowance previously raised against deferred tax assets. During fiscal 2012, the Group reversed a portion of the valuation allowance against unredeemed capital expenditure and net operating losses to the extent that there is sufficient future taxable income. In making this determination, the Group analyzed, amongst other things, the recent history of earnings

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and cashflows, forecasts of future earnings, the nature and timing of future deductions and benefits represented by deferred tax assets and the cumulative earnings for the last three years.

The above were primarily offset by the following tax-effected charges:

U.S.\$74.4 million non-deductible exploration and feasibility and evaluation costs;

U.S.\$12.9 million non-deductible share-based compensation;

U.S.\$24.8 million non-deductible interest expense; and

U.S.\$65.4 million net deferred tax charge on increase in the tax rate in Ghana and decrease in the tax rate in South Africa.

**Share of equity investees losses, net of tax**

Share of equity investees losses decreased from U.S.\$63.1 million in fiscal 2012 to U.S.\$18.4 million in fiscal 2013.

Gold Fields equity accounts for four associates: Rusoro Mining Limited, or Rusoro, Bezant (from fiscal 2013), Rand Refinery up to the date of unbundling of Sibanye Gold and Timpetra Resources Limited, or Timpetra, up to May 2013 and one joint venture, being Far South East Gold Resources Incorporated, or FSE.

The charge of U.S.\$18.4 million in fiscal 2013 comprised:

	<b>\$ million</b>
Share of equity accounted losses of Rusoro	
Share of equity accounted losses of FSE	(18.4)
Share of equity accounted losses of Bezant	
Share of equity accounted profits of Rand Refinery	
Share of equity accounted losses of Timpetra	
	(18.4)

The charge of U.S.\$63.1 million in fiscal 2012 comprised:

	<b>\$ million</b>
Share of equity accounted losses of Rusoro	(13.4)
Share of equity accounted losses of FSE	(50.1)
Share of equity accounted profits of Rand Refinery	0.6
Share of equity accounted losses of Timpetra	(0.2)
	(63.1)

The Group's 26.4% share of after-tax losses accounted for in Rusoro was U.S.\$nil million in fiscal 2013 compared with U.S.\$13.4 million in fiscal 2012. The share of Rusoro's fiscal 2012 loss took into account U.S.\$924.3 million impairment as a result of the expropriation of all of the company's mining concessions, property, plant and equipment and mineral properties in Venezuela. The carrying value of the investment is zero at December 31, 2013.

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Gold Fields paid U.S.\$10.0 million in option fees to Lepanto Consolidated Mining Company during the six-month period ended December 31, 2010. In addition, Gold Fields paid non-refundable down payments of U.S.\$66.0 million during the year ended December 31, 2011 and U.S.\$44.0 million during the six month period ended December 31, 2010 to Liberty Express Assets in accordance with the agreement concluded whereby the

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Group has the option to acquire 60% of FSE. On March 31, 2012, Gold Fields acquired 40% of the issued share capital of FSE by contributing an additional U.S.\$110.0 million in accordance with the agreement's terms. The Group's share of losses in FSE was U.S.\$18.4 million in fiscal 2013 and U.S.\$50.1 million in fiscal 2012.

In January 2013, the Group purchased an associate stake in Bezant for U.S.\$7.5 million. The Group's 21.6% share of after-tax profits in Bezant was U.S.\$nil in fiscal 2013.

The Group's 35% share in Rand Refinery up to the date of unbundling of Sibanye Gold is made up of 2% for continuing operations and 33% for discontinued operations. The continuing operations share of after-tax profits in Rand Refinery was U.S.\$nil million in fiscal 2013 compared with U.S.\$0.6 million in fiscal 2012.

During fiscal 2011, the Group acquired a 21.8% interest in Timpetra as a result of receiving 15 million Timpetra shares valued at U.S.\$3.2 million. Timpetra is an Australian listed junior exploration company and the shares were received in exchange for the Central Victoria tenements, an Australian exploration project previously owned by St. Ives. During fiscal 2013, 13.7 million shares of the 15.0 million previously held were disposed of and due to the decrease in shareholding, Timpetra is no longer equity accounted. The remaining investment was reclassified to listed investments. The Group's share of after-tax losses in Timpetra was U.S.\$nil million during fiscal 2013 and U.S.\$0.2 million during fiscal 2012.

***(Loss)/income from continuing operations***

As a result of the above, income from continuing operations was a loss of U.S.\$286.6 million in fiscal 2013 and a profit of U.S.\$290.2 million in fiscal 2012.

***Income from discontinued operations, net of tax***

Income from discontinued operations decreased from U.S.\$362.3 million in fiscal 2012 to U.S.\$20.5 million in fiscal 2013. The decrease is due to the fact that results for only two months up to the date of Spin-off were included in fiscal 2013 compared to 12 months in fiscal 2012.

***Net (loss)/ income***

As a result of the factors discussed above, Gold Fields' loss was U.S.\$266.1 million in fiscal 2013, compared with net income of U.S.\$652.5 million in fiscal 2012.

***Net loss attributable to noncontrolling interests***

Net loss attributable to noncontrolling interests increased from U.S.\$1.8 million in fiscal 2012 to U.S.\$18.2 million in fiscal 2013. This was mainly due to the impairment charges by the Ghanaian operations as discussed above.

The noncontrolling interests in Gold Fields Ghana (Tarkwa) and Abosso Goldfields (Damang) remained at 10% during fiscal 2013 and at La Cima (Cerro Corona) noncontrolling interest decreased from 1.4% in fiscal 2012 to 0.5% in fiscal 2013 (effective interest for the year of 1.2%).

The noncontrolling interest in Canteras del Hallazgo remained at 49.0%. Canteras del Hallazgo is a subsidiary company that owns the Chucapaca project.

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The amounts making up the noncontrolling interests in fiscal 2013 and 2012 were:

	Effective <sup>(1)</sup> interest	Fiscal 2013	Effective <sup>(1)</sup> interest	Fiscal 2012
Gold Fields Ghana Limited Tarkwa	10%	(2.1)	10.0%	20.6
Abosso Goldfields Damang	10%	(4.9)	10.0%	(0.3)
La Cima Cerro Corona	1.2%	0.3	1.5%	3.1
Canteras del Hallazgo	49.0%	(11.5)	49.0%	(25.3)
Living Gold (Pty) Limited			10.0%	0.1
		(18.2)		(1.8)

Note:

(1) Average for the year.

***Net income attributable to Gold Fields shareholders***

As a result of the factors discussed above, net income attributable to Gold Fields shareholders was a loss of U.S.\$247.9 million in fiscal 2013 compared to a profit of U.S.\$654.3 million in fiscal 2012 and comprises net loss from continuing operations attributable to Gold Fields shareholders of U.S.\$268.4 million in fiscal 2013 (fiscal 2012: net income U.S.\$292.1 million) and net income from discontinued operations attributable to Gold Fields shareholders of U.S.\$20.5 million in fiscal 2013 (fiscal 2012: U.S.\$362.2 million).

**Liquidity and Capital Resources*****Cash resources******Cash flows from operations continuing operations***

Net cash provided by operations in fiscal 2013 was U.S.\$334.3 million compared with U.S.\$743.8 million in fiscal 2014, an increase of U.S.\$409.5 million.

Gold Fields realized gold price decreased from an average of U.S.\$1,386 per ounce in fiscal 2013 to an average of U.S.\$1,249 per ounce in fiscal 2014. Gold Fields realized copper price increased from an average of U.S.\$6,575 per tonne in fiscal 2013 to an average of U.S.\$6,897 per tonne in fiscal 2014. The decrease in realized gold price, partially offset by the increase in realized copper price resulted in revenue from product sales decreasing by U.S.\$37.5 million from U.S.\$2,906.3 million in fiscal 2013 to U.S.\$2,868.8 million in fiscal 2014.

The increase in net cash provided was due to:

a positive movement of U.S.\$73.4 million in changes in operating assets and liabilities resulting from a release of working capital of U.S.\$8.4 million in fiscal 2013 compared to a release of U.S.\$81.8 million in fiscal 2014;

a decrease of U.S.\$11.8 million in production costs from U.S.\$1,819.9 in fiscal 2013 to U.S.\$1,808.1 million in fiscal 2014;

a U.S.\$11.1 million decrease in royalties paid from U.S.\$99.9 million in fiscal 2013 to U.S.\$88.8 million in fiscal 2014 due to lower revenue in South Africa, Ghana and Peru; and



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a U.S.\$192.9 million decrease in taxes paid from U.S.\$298.2 in fiscal 2013 to U.S.\$105.3 million in fiscal 2014 due to higher taxes paid in fiscal 2013 for fiscal 2012.

Net cash provided by operations in fiscal 2012 was U.S.\$750.4 million compared with U.S.\$334.3 million in fiscal 2013, a decrease of U.S.\$416.1 million.

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Gold Fields' realized gold price decreased from an average of U.S.\$1,656 per ounce in fiscal 2012 to an average of U.S.\$1,386 per ounce in fiscal 2013. Gold Fields' realized copper price decreased from an average of U.S.\$7,322 per tonne in fiscal 2012 to an average of U.S.\$6,575 per tonne in fiscal 2013. The decrease in realized gold price and decrease in realized copper price resulted in revenue from product sales decreasing by U.S.\$624.3 million from U.S.\$3,530.6 million in fiscal 2012 to U.S.\$2,906.3 million in fiscal 2013.

The decrease in net cash provided by operations was partially offset by:

a positive movement of U.S.\$88.5 million in charges in operating assets and liabilities resulting from an investment in working capital of U.S.\$80.1 million in fiscal 2012 compared to a release of U.S.\$8.4 million in fiscal 2013;

a decrease of U.S.\$42.7 million in production costs from U.S.\$1,862.6 in fiscal 2012 to U.S.\$1,819.9 million in fiscal 2013;

a U.S.\$12.5 million decrease in royalties paid from U.S.\$112.4 in fiscal 2012 to U.S.\$99.9 million in fiscal 2013 due to lower revenue; and

a U.S.\$35.9 million decrease in taxes paid from U.S.\$334.1 in fiscal 2012 to U.S.\$298.2 million in fiscal 2013 due to lower profit. Although revenues from Gold Fields' South African operation are denominated in U.S. dollars, Gold Fields receives them in Rand, which are then subject to South African exchange control limitations. See *Information on the Company Environmental and Regulatory Matters South Africa Exchange Controls*. As a result, those revenues are generally not available to service Gold Fields' non-Rand debt obligations or to make investments outside South Africa without the approval of the South African Reserve Bank.

Revenues from Gold Fields' West African, Australasian and Americas operations are also denominated in U.S. dollars, but, unlike in South Africa, Gold Fields receives them in U.S. dollars or is freely able to convert them into U.S. dollars. The West African and Australasian U.S. dollar revenues can be used by Gold Fields to service its U.S. dollar-denominated debt and to make investments in its non-South African operations, taking into account SARB-applicable requirements.

*Cash flows from operations discontinued operations*

Net cash provided by discontinued operations was U.S.\$30.9 million in fiscal 2013. This related to cash provided by Sibanye Gold for two months to February 2013, the date of Spin-off of Sibanye Gold.

Net cash provided by operations decreased from U.S.\$409.5 million in fiscal 2012 to U.S.\$30.9 million in fiscal 2013. The decrease is due to the fact that results for only two months up to the date of Spin-off of Sibanye Gold were included in fiscal 2013 compared to 12 months in fiscal 2012.

*Cash flows from investing activities continuing operations*

Cash utilized in investing activities was U.S.\$423.9 million in fiscal 2014, U.S.\$680.5 million in fiscal 2013 and U.S.\$1,003.7 million in fiscal 2012, respectively. The items comprising these amounts are discussed below:

Capital expenditure decreased by U.S.\$63.2 million from U.S.\$543.7 million in fiscal 2013 to U.S.\$480.5 million in fiscal 2014, mainly due to key infrastructure required for the build-up at South Deep having been completed.

The U.S.\$63.2 million decrease in capital expenditure to U.S.\$480.5 million in fiscal 2014 from U.S.\$543.7 million in fiscal 2013 was mainly due to:

decreased capital expenditure at South Deep due to key infrastructure required for the production build-up having been largely completed at the end of December 2013;

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decreased expenditure at Tarkwa due to lower expenditure on mining fleet; and

decreased expenditure at St Ives.

Partially offset by:

increased expenditure at Granny Smith, Agnew/Lawlers and Darlot due to the mines being included for a full year in 2014 as opposed to one quarter in 2013.

Expenditure on Gold Fields' major capital projects in fiscal 2014 included:

U.S.\$91.9 million on the development and equipping of the South Deep mine as the mine builds to full production as compared to U.S.\$202.4 million in fiscal 2013 and U.S.\$314.5 million in fiscal 2012;

U.S.\$10.1 million on new mining equipment at Tarkwa, as compared to U.S.\$28.5 million in fiscal 2013 and U.S.\$62.5 million in fiscal 2012;

U.S.\$19.3 million on the tailings storage facility (TSF 5) at Tarkwa compared to U.S.\$0.5 million in 2013 and nil million in 2012;

U.S.\$6.6 million on expenditure on the CIL capacity increase project at Tarkwa, compared to no expenditure in fiscal 2013 and U.S.\$1.7 million in fiscal 2012;

Nil million on the water treatment plant at Tarkwa, compared to U.S.\$14.4 million in fiscal 2013 and U.S.\$12.7 million in fiscal 2012;

U.S.\$5.1 million on the raise of the TSF at Damang as compared to U.S.\$7.3 million expenditure in fiscal 2013 and U.S.\$2.6 million in fiscal 2012;

U.S.\$4.1 million on heavy mining equipment at Damang as compared to U.S.\$4.5 million expenditure in fiscal 2013 and U.S.\$11.1 million in fiscal 2012;

U.S.\$27.7 million on the tailings storage facility at Cerro Corona, compared to U.S.\$26.6 million in fiscal 2013 and U.S.\$41.7 million in 2012;

U.S.\$55.6 million expenditure on development and infrastructure of the Waroonga and New Holland underground complexes at Agnew/Lawlers, compared to U.S.\$36.1 million in fiscal 2013 and U.S.\$31.7 million in fiscal 2012;

U.S.\$29.4 million on development of underground mines at St. Ives compared to U.S.\$54.7 million in fiscal 2013 and U.S.\$91.5 million in fiscal 2012. Athena accounted for U.S.\$7.5 million of expenditure in fiscal 2014, as compared to U.S.\$18.3 million in 2013 and U.S.\$20.8 million in 2012;

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U.S.\$5.3 million on development of the underground mine at Darlot compared to U.S.\$0.9 million in fiscal 2013;

U.S.\$13.1 million on development of the Wallaby underground mine at Granny Smith compared to U.S.\$3.2 million in fiscal 2013;

U.S.\$12.2 million on the plant optimization at Granny Smith; and

U.S.\$24.2 million of interest capitalized as compared to U.S.\$18.3 million in fiscal 2013 and U.S.\$13.0 million in fiscal 2012. Proceeds on the disposal of property, plant and equipment decreased from U.S.\$10.4 million in fiscal 2013 to U.S.\$4.9 million in fiscal 2014. Proceeds on the disposal of property, plant and equipment were U.S.\$1.4 million in fiscal 2012. In all three years, this related to the disposal of various redundant mining assets by the South African and international mining operations.

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On October 1, 2013, the Group obtained full control of the Yilgarn South Assets through a sale and purchase agreement. The total consideration transferred for the acquisition of the Yilgarn South Assets was U.S.\$135.0 million, as well as equity instruments (28.7 million ordinary shares) amounting to U.S.\$127.3 million.

On September 20, 2010, Gold Fields entered into option agreements with Lepanto, a company listed in the Philippines, and Liberty, a private holding company, to acquire a 60% interest in the FSE deposit in the Philippines. The agreements provide Gold Fields with an 18-month option on FSE, during which time Gold Fields will conduct a major drilling program as part of a feasibility study on FSE. As part of the agreement, Gold Fields was required to pay U.S.\$10.0 million in option fees to Lepanto and U.S.\$44.0 million as a non-refundable down-payment to Liberty upon signing of the option agreements, totaling U.S.\$54.0 million, which payments were made during September 2010. During fiscal 2011, Gold Fields paid a further non-refundable down payment of U.S.\$66.0 million to Liberty, in accordance with the agreement. On March 22, 2012, Gold Fields exercised its option to acquire 40% of the FSE after making a payment of U.S.\$110.0 million. The final payment of U.S.\$110.0 million is payable at the expiration of the option period. The total pre-agreed acquisition price for a 60% interest in FSE, inclusive of all of the above payments, is U.S.\$340.0 million.

On October 4, 2011, Gold Fields entered into an option agreement with Bezant to acquire the entire issued share capital of Asean Copper Investment Limited, or Asean, which is incorporated in the British Virgin Islands, a wholly owned subsidiary of Bezant. Asean holds Bezant's entire interest in the Guinaoang porphyry copper-gold deposit (the Mankayan project) located on Luzon Island in the Philippines.

In fiscal 2011, Gold Fields paid an upfront non-refundable option fee of U.S.\$7.0 million and was granted the option to acquire the entire issued share capital of Asean for U.S.\$63.0 million. The option could be exercised from the date upon which it is granted until its expiry on January 31, 2013. In January 2013, the option was extended to January 31, 2014 with a revised consideration of U.S.\$60.5 million to be paid on future exercise of the option. In consideration for this extension, Gold Fields made a payment of U.S.\$10.0 million comprising a second non-refundable payment of U.S.\$2.5 million. Gold Fields also made a U.S.\$7.5 million payment for a 21.6% shareholding in Bezant in January 2013. In November 2013, Gold Fields relinquished the option ahead of the expiry date and the U.S.\$10.0 million non-refundable option fee was impaired. The 21.6% shareholding in Bezant, acquired in January 2013, is classified as an investment in associate. The Mankayan project is located approximately four kilometers east of the FSE deposit.

On July 2, 2014, Gold Fields sold its 51% interest in Canteras del Hallazgo (entity that housed the Chucupaca project in Peru) for US\$81.0 million to Compañía de Minas Buenaventura S.A.A.

Purchase of investments was U.S.\$4.4 million in fiscal 2014, U.S.\$3.5 million in fiscal 2013 and U.S.\$0.8 million in fiscal 2012, respectively.

The investment purchases of U.S.\$4.4 million in fiscal 2014 were:

	<b>U.S.\$ million</b>
Rand Refinery Limited <sup>(1)</sup>	(3.0)
Purchase of shareholding in Tocqueville Bullion Reserve Limited	(1.4)
	(4.4)

Note:

- (1) On July 25, 2014, Rand Refinery announced that its shareholders had approved and certain shareholders have extended to Rand Refinery, a R1.2 billion (U.S.\$103.8 million) irrevocable, subordinated loan facility (the Facility). The maximum commitment of Gold Fields Operations Limited (GFO), a subsidiary of Gold Fields Limited, is R37.3 million (U.S.\$3.2 million). In December 2014, GFO advanced R32.0 million (U.S.\$3.0 million) to Rand Refinery.

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The investment purchases of U.S.\$3.5 million in fiscal 2013 were:

	<b>U.S.\$ million</b>
Purchase of additional shareholding in Rand Refinery Limited	(1.1)
Purchase of shareholding in Aurigin Resources Incorporated	(1.7)
Purchase of shareholding in Clancy Exploration Limited	(0.5)
Purchase of shareholding in Cascadero Copper Corporation	(0.2)
	<b>(3.5)</b>

The investment purchases of U.S.\$0.8 million in fiscal 2012 were:

	<b>U.S.\$ million</b>
Purchase of shareholding in Cascadero Copper Corporation	(0.1)
Purchase of shareholding in Atacama Pacific Gold Corporation conversion of warrants	(0.7)
	<b>(0.8)</b>

Proceeds from the sale of listed investments were U.S.\$6.4 million in fiscal 2014, U.S.\$35.0 million in fiscal 2013 and U.S.\$65.4 million in fiscal 2012, respectively.

The investment disposals comprising the U.S.\$6.4 million in fiscal 2014 were:

	<b>U.S.\$ million</b>
Sale of shares in Robust Resources Limited	4.6
Sale of the Group's interest in Talas (exploration project in Kyrgyztan)	1.8
	<b>6.4</b>

The investment disposals comprising the U.S.\$35.0 million in fiscal 2013 were:

	<b>U.S.\$ million</b>
Sale of shares in Northam Platinum Limited	32.9
Sale of shares in Timpetra Resources Limited	1.2
Repayment of loans advanced to GBF Underground Mining Company	0.9
	<b>35.0</b>

The investment disposals comprising the U.S.\$65.4 million in fiscal 2012 were:

	<b>U.S.\$ million</b>
Sale of shares in Evolution Mining Limited	25.5
Sale of shares in GoldQuest Mining Corporation	22.9

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Sale of shares in Atacama Pacific Gold Corporation	15.0
Sale of shares in Africo Resources Corporation Limited	0.1
Repayment of loans advanced to GBF Underground Mining Company	1.9
	65.4

For its South African and Ghanaian operations (from fiscal 2013), Gold Fields contributes to environmental trust funds it established to provide for any environmental rehabilitation obligations and expected closure costs relating to its mining operations. The amounts invested in the trust funds are classified as non-current assets and



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any income earned on these assets is accounted for as interest income. The amount required to be contributed each year is calculated pursuant to a statutory formula, and can vary depending on how the fund's investments performed, the lives of mines and various other factors. During fiscal 2014, Gold Fields contributed U.S.\$7.1 million to the environmental trust fund comprising U.S.\$0.5 million contributed by the South African operation and U.S.\$6.6 million contributed by the Ghanaian operation, compared to U.S.\$15.4 million contributed in fiscal 2013 comprising U.S.\$0.9 million contributed by the South African operation and U.S.\$14.5 million contributed by the Ghanaian operation and U.S.\$0.6 million from the South African operation only in fiscal 2012. For the Australasia and Americas operations, Gold Fields does not contribute to a trust fund.

*Cash flows from investing activities discontinued operations*

Cash utilized in investing activities was U.S.\$54.9 million in fiscal 2013. This related to cash utilized by Sibanye Gold for two months to February 2013, the date of Spin-off of Sibanye Gold.

Cash utilized in investing activities decreased from U.S.\$381.8 million in fiscal 2012 to U.S.\$54.9 million in fiscal 2013. The decrease is due to the fact that results for only two months up to the date of Spin-off of Sibanye Gold were included in fiscal 2013 compared to 12 months in fiscal 2012.

*Cash flows from financing activities continuing operations*

Net cash utilized by financing activities was U.S.\$168.2 million in fiscal 2014 as compared to cash provided of U.S.\$30.3 million in fiscal 2013 and cash utilized of U.S.\$398.9 million in fiscal 2012. The items comprising these amounts are discussed below:

Long- and short-term loans received were U.S.\$463.9 million in fiscal 2014, U.S.\$3,177.7 million in fiscal 2013 and U.S.\$936.3 million in fiscal 2012.

The U.S.\$463.9 million in loans received in fiscal 2014 comprised:

	<b>U.S.\$ million</b>
Draw down under the La Cima revolving senior secured credit facility	42.0
Draw down under the U.S.\$70 million senior secured revolving credit facility	35.0
Draw down under the U.S.\$1,510 million term loan and revolving credit facilities	41.5
Draw down under the R500 million Rand Merchant Bank revolving credit facility	46.2
Draw down under the Short-term rand credit facilities	299.2
	463.9

The U.S.\$3,177.7 million in loans received in fiscal 2013 comprised:

	<b>U.S.\$ million</b>
Draw down under the U.S.\$60 million senior secured revolving credit facility	35.0
Draw down under the U.S.\$1,510 million term loan and revolving credit facilities	893.0
Draw down under the R1,500 million Nedbank revolving credit facility	155.5
Draw down under the Short-term rand credit facilities	2,094.2
	3,177.7

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The U.S.\$936.3 million in loans received in fiscal 2012 comprised:

	<b>U.S.\$ million</b>
Draw down under the U.S.\$1 billion syndicated revolving credit facility	666.0
Draw down under the U.S.\$500 million syndicated revolving credit facility	244.0
Draw down under the U.S.\$60 million senior secured revolving credit facility	23.0
Draw down under the various rand credit facilities	3.3
	<b>936.3</b>

Long- and short-term loans repaid were U.S.\$591.8 million in fiscal 2014, U.S.\$2,971.3 million in fiscal 2013 and U.S.\$975.9 million in fiscal 2012.

The U.S.\$591.8 million in loans repaid in fiscal 2014 comprised:

	<b>U.S.\$ million</b>
U.S.\$200 million non-revolving senior secured term loan	70.0
U.S.\$70 million senior secured revolving credit facility	35.0
U.S.\$1,510 million term loan and revolving credit facilities	189.0
R500 million Rand Merchant Bank revolving credit facility	21.6
Short-term Rand credit facilities	276.2
	<b>591.8</b>

The U.S.\$2,971.3 million in loans repaid in fiscal 2013 comprised:

	<b>U.S.\$ million</b>
U.S.\$1 billion syndicated revolving credit facility	104.0
U.S.\$500 million syndicated revolving credit facility	666.0
U.S.\$200 million non-revolving senior secured term loan	40.0
U.S.\$1,510 million term loan and revolving credit facilities	119.5
Short-term Rand credit facilities	2,041.8
	<b>2,971.3</b>

The U.S.\$975.9 million in loans repaid in fiscal 2012 comprised:

	<b>U.S.\$ million</b>
Split-tenor revolving facility	500.0
U.S.\$500 million syndicated revolving credit facility	140.0
U.S.\$1 billion syndicated revolving credit facility	220.0
U.S.\$200 million non-revolving senior secured term loan	40.0
U.S.\$60 million senior secured revolving credit facility	73.0
Borrowings under various rand facilities	2.9
	<b>975.9</b>

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For a description of Gold Fields' various credit facilities, see "Credit Facilities and Other Capital Resources".

U.S.\$2.0 million, U.S.\$6.8 million and U.S.\$27.7 million of noncontrolling shareholder loans were received in fiscal 2014, fiscal 2013 and fiscal 2012, respectively, from Buenaventura which holds a 49% noncontrolling interest in Canteras del Hallazgo, the company that owns the Chucapaca project in Peru.

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During fiscal 2013, Gold Fields purchased an additional noncontrolling interest of 0.9% in La Cima for U.S.\$12.8 million. During fiscal 2012, Gold Fields purchased 0.1% in La Cima for U.S.\$0.8 million and the noncontrolling interest of 40% in the Talas project from Orsu Metals Corporation for U.S.\$10.0 million. There was no additional buy-out of La Cima's noncontrolling interest during fiscal 2014.

Dividends paid amounted to U.S.\$29.8 million in fiscal 2014 compared to U.S.\$61.2 million in fiscal 2013 and U.S.\$364.2 million in fiscal 2012. Dividend payments amounted to R324.2 million, or 42 SA cents per ordinary share, in fiscal 2014, R557.9 million, or 75 SA cents per ordinary share, in fiscal 2013 and R2,846.3 million, or 390 SA cents per ordinary share, in fiscal 2012. The decrease in dividends paid in fiscal 2014 was due to lower normalized earnings.

During fiscal 2014, Tarkwa and La Cima paid dividends to noncontrolling shareholders amounting to U.S.\$10.6 million, compared with U.S.\$1.1 million paid by Tarkwa and La Cima and U.S.\$11.5 million paid by Tarkwa, Damang and La Cima in fiscal 2013 and fiscal 2012, respectively.

During the six-month period ended December 31, 2010, Gold Fields implemented three empowerment transactions which included a broad-based BEE transaction for 10.0% of South Deep. The South Deep transaction amounted to U.S.\$115.5 million and was made up of a preferred BEE dividend of U.S.\$21.2 million and an equity component equivalent to U.S.\$94.3 million. Under the South Deep transaction, a wholly owned subsidiary company of Gold Fields was created to acquire 100% of the South Deep asset from GFIMSA. The new company then issued 10 million Class B ordinary shares representing 10.0% of South Deep's net worth to a consortium of BEE partners. Class B ordinary shareholders are entitled to a dividend of R2 per share. During fiscal 2014, 2013 and 2012, U.S.\$1.9 million, U.S.\$2.2 million and U.S.\$2.5 million of the Class B dividend was paid, respectively.

In fiscal 2014, U.S.\$nil was received as a result of share options exercised, as compared to U.S.\$0.8 million and U.S.\$2.0 million in fiscal 2013 and 2012, respectively.

In fiscal 2013, cash of U.S.\$106.4 million relating to discontinued operations was transferred to Sibanye Gold on Spin-off.

*Cash flows from financing operations by discontinued operations*

Net cash provided by financing activities was U.S.\$39.0 million in fiscal 2013. This related to cash provided by Sibanye Gold for two months to February 2013, the date of Spin-off of Sibanye Gold.

Net cash provided by financing activities decreased from U.S.\$514.7 million in fiscal 2012 to U.S.\$39.0 million in fiscal 2013. The decrease is due to the fact that results for only two months up to the date of unbundling were included in fiscal 2013 compared to 12 months in fiscal 2012.

*Net decrease in cash and cash equivalents*

As a result of the above, net cash provided after accounting for the effect of exchange rate on cash and cash equivalents was U.S.\$133.0 million in fiscal 2014, compared with net cash utilized of U.S.\$330.6 million in fiscal 2013 and U.S.\$88.4 million in fiscal 2012, respectively.

The resultant cash and cash equivalents at December 31, 2014, December 31, 2013 and December 31, 2012 was U.S.\$458.0 million, U.S.\$325.0 million and U.S.\$655.6 million, respectively.

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**Credit Facilities and Other Capital Resources**

As at December 31, 2014, Gold Fields had committed, unutilized banking facilities of U.S.\$1,016.9 million available under the following facilities, details of which are discussed below:

U.S.\$884.0 million available under the U.S.\$1,510 million term loan and revolving credit facilities;

U.S.\$33.0 million available under the La Cima revolving senior secured credit facility;

U.S.\$35.0 million available under the U.S.\$70 million senior secured revolving credit facility; and

U.S.\$64.9 million (R750.0 million) available under various committed revolving credit facilities discussed further below. Subsequent to year end, on January 19, 2015, a further U.S.\$75.0 million became available under the La Cima revolving senior secured credit facility.

Substantial contractual arrangements for uncommitted borrowing facilities are maintained with several banking counterparties to meet Gold Fields' normal contingency funding requirements.

As of the date of this report, Gold Fields was not in default under the terms of any of its outstanding credit facilities.

In the event that Gold Fields undertakes any acquisitions or incurs significant capital expenditure, it may need to incur further debt or arrange other financing to fund the costs, which could have an adverse effect on Gold Fields' liquidity, including increasing its level of debt.

***U.S.\$200 million Non-revolving Senior Secured Term Loan***

On September 17, 2010, La Cima entered into a non-revolving senior secured term loan for up to U.S.\$200 million with The Bank of Nova Scotia and Banco de Crédito del Perú. The purpose of this facility was to (i) repay La Cima's outstanding subordinated loans with its affiliates, and (ii) to finance its working capital requirements.

On September 22, 2010, the lenders advanced U.S.\$200 million to La Cima under this facility. The facility amount was to be repaid in 20 equal quarterly installments of U.S.\$10 million each. The final maturity date of this facility was five years from the disbursement date.

Borrowings under the non-revolving senior secured term loan were secured by first-ranking assignments of all rights, title and interest in all of La Cima's concentrate sale agreements. In addition, the offshore and onshore collection accounts of La Cima would be subject to an Account Control Agreement and a first ranking charge in favor of the lenders. This facility would be non-recourse to the rest of the Gold Fields group. The loan bore interest at LIBOR plus a margin of 2.0% per annum.

On December 19, 2014, the outstanding balance of US\$40.0 million under this facility was refinanced by drawing down under the La Cima revolving senior secured credit facility as detailed below. This facility was also canceled on December 19, 2014.

The outstanding balance at December 31, 2014 was U.S.\$nil compared with U.S.\$70.0 million at December 31, 2013 and U.S.\$110.0 million at December 31, 2012.

***U.S.\$70 million Senior Secured Revolving Credit Facility***

On December 22, 2010, GF Ghana and Abooso entered into a U.S.\$60 million reducing senior secured revolving credit facility, which facility became available on February 21, 2011. The available facility amount reduces annually on the anniversary date, being February 21, from U.S.\$60 million to U.S.\$43 million to U.S.\$35 million in the last and final year, with the final maturity date being February 21, 2014. The final



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maturity date was subsequently extended to May 21, 2014. This facility is for (i) general corporate purposes, (ii) working capital purposes and/or (iii) capital expenditure purposes, including the purchase of a mining fleet.

On May 6, 2014, the facility was amended and increased to US\$70 million. The final maturity date of the amended facility is three years from the financial close date.

During fiscal 2014, the outstanding balance of US\$35.0 million under the initial facility was refinanced by drawing down US\$35.0 million under the amended facility.

The outstanding borrowings for GF Ghana on December 31, 2014, December 31, 2013 and December 31, 2012 were U.S.\$35.0 million, U.S.\$35.0 million and U.S.\$nil, respectively.

The loan bears interest at LIBOR plus a margin of 2.40% per annum. The borrowers are required to pay a quarterly commitment fee of 1.00% per annum.

Borrowings under this facility are guaranteed by GF Ghana and Abosso. Borrowings under this facility are also secured by the registration of security over certain fleet vehicles owned by GF Ghana and Abosso, or the Secured Assets. In addition, the lenders are noted as first loss payees under the insurance contracts in respect of the Secured Assets and are assigned the rights under the maintenance contracts between certain suppliers of the Secured Assets. This facility is non-recourse to the rest of the Gold Fields group.

### ***La Cima revolving senior secured credit facility***

On December 16, 2014, La Cima entered into a revolving senior secured credit facility for up to U.S.\$200 million. The purpose of this facility was to refinance the U.S.\$200 million non-revolving senior secured term loan, to finance its working capital requirements and for general corporate purposes. The final maturity date of this facility is three years from the agreement date. On the agreement date, the total commitments under this facility amounted to U.S.\$75.0 million.

The loan bears interest at LIBOR plus a margin of 1.625% per annum. Borrowings under the revolving senior secured credit facility are secured by first-ranking assignments of all rights, title and interest in all of La Cima's concentrate sale agreements. In addition, the offshore and onshore collection accounts of La Cima are subject to an account control agreement and a first-ranking charge in favour of the lenders. This facility is non-recourse to the rest of the Gold Fields Group.

Where the utilization under this facility is less than or equal to U.S.\$66,666,666, a utilization fee of 0.075% per annum will be payable on the amount of utilizations. Where the utilization under this facility is greater than U.S.\$66,666,666 and less than or equal to U.S.\$133,333,333, a utilization fee of 0.15% per annum will be payable on the amount of utilizations. Where the utilization under this facility is greater than U.S.\$133,333,333, a utilization fee of 0.25% per annum will be payable on the amount of utilizations. Such utilization fee is payable quarterly in arrears.

The borrowers are required to pay a quarterly commitment fee of 0.65% per annum on the undrawn amount.

The outstanding balance under this facility at December 31, 2014 was U.S.\$42.0 million.

Subsequent to year-end, on January 19, 2015, total commitments were increased by U.S.\$75.0 million to US\$150.0 million.

### ***Other Short-Term Credit Facilities***

The Group utilized uncommitted loan facilities from some of the major banks to fund the capital expenditure and working capital requirements of the South African operations.

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These facilities have no fixed terms, are short-term in nature and interest rates are market related. Borrowings under these facilities are guaranteed by Gold Fields.

The outstanding borrowings of Gold Fields under these facilities at December 31, 2014 were U.S.\$65.2 million (December 31, 2013: U.S.\$46.5 million).

### ***R1.0 billion Long-Term Revolving Credit Facilities***

GFO and GFIJVH, or the Borrowers, entered into various revolving credit facilities with some of the major banks with three-year tenors. The purpose of the facilities is to finance capital expenditure, general corporate and working capital requirements.

The Borrowers are required to pay a commitment fee of between 1% and 1.05% per annum on the undrawn and uncanceled amounts of the facilities, calculated and payable semi-annually in arrears.

In summary, the facilities are:

a R500.0 million (U.S.\$43.3 million) revolving credit facility entered into on June 19, 2013 and maturing on June 19, 2016 at JIBAR plus 2.5%, or the RMB RCF; and

a R500.0 million (U.S.\$43.3 million) revolving credit facility entered into on December 20, 2013 and maturing on December 20, 2016 at JIBAR plus 2.75%, or the Standard Bank Facility.

Borrowings under these facilities are guaranteed by Gold Fields, GFO, GFH, Orogen and GFIJVH.

These facilities were unutilised during the year ended December 31, 2013.

The outstanding balance under the facilities at December 31, 2014 was R250.0 million (US\$21.6 million).

### ***U.S.\$1 billion Notes Issue***

On September 30, 2010, Orogen announced the issue of U.S.\$1,000,000,000 4.875% guaranteed Notes due October 7, 2020, issued October 7, 2010. The payment of all amounts due in respect of the Notes was unconditionally and irrevocably guaranteed by the Guarantors on a joint and several basis. The Notes and guarantees constitute direct, unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively, and rank equally in right of payment among themselves and with all other existing and future unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively.

Gold Fields used the net proceeds of the offering of the Notes to repay certain existing indebtedness of the Group and for general corporate purposes.

Each of Gold Fields and the other Guarantors have entered into an indemnity agreement ( the Indemnity Agreement ) in favor of Sibanye Gold in order to indemnify Sibanye Gold, with effect from the Spin-off Date, against any loss caused to Sibanye Gold in circumstances where Sibanye Gold is required to make a payment to noteholders or the trustee of the Notes by virtue of its guarantee of the Notes (whether such loss is made prior to or after the Spin-off Date or whether the circumstances giving rise to such loss arose prior to or after such date). The Indemnity Agreement will remain in place for as long as Sibanye Gold's guarantee obligations under the Notes remain in place, which is the redemption date of the Notes unless Sibanye Gold is released as a guarantor by the trustee of the Notes.

On March 12, 2015, Orogen launched the Consent Solicitation. A meeting of Note holders seeking to approve the Consent Solicitation was held on April 7, 2015 and was adjourned due to lack of a quorum to April 22, 2015. There can be no guarantee that the Consent Solicitation will be approved and that Sibanye Gold will be released as Guarantor of the Notes. If the Consent Solicitation is not approved, Sibanye Gold will continue to be a Guarantor of the Notes and the Indemnity Agreement will remain in place.





**Table of Contents*****U.S.\$1,510 million Term Loan and Revolving Credit Facility***

On November 28, 2012, Orogen, GFO and GFI Joint Venture Holdings Proprietary Limited, or GFIJVH, or together the Borrowers, entered into a U.S.\$900 million Term Loan and Revolving Credit Facility, or the U.S.\$900 million facility. The U.S.\$900 million facility comprises a U.S.\$450 million three-year term loan tranche, or Facility A, and a U.S.\$450 million five-year revolving tranche, or Facility B. In addition to the U.S.\$900 million facility, the Borrowers entered into a U.S.\$600 million bridge loan facility, or the U.S. Dollar Bridge Facility. The U.S. Dollar Bridge Facility had a 21-month maturity.

The purpose of the U.S.\$900 million facility was to refinance the U.S.\$1 billion syndicated revolving credit facility and the U.S.\$500 million syndicated revolving credit facility on the Spin-off date and for general corporate and working capital purposes. The final maturity dates of Facility A and Facility B are November 28, 2015 and November 28, 2017, respectively, with the U.S. Dollar Bridge Facility maturing on August 28, 2014.

Subsequent to entering into the U.S.\$900 million facility, the facility was syndicated to a wider bank group and received an oversubscription which allowed the Borrowers to increase the facility amount to U.S.\$1,440 million on January 30, 2013, or the U.S.\$1,440 million facility. Accordingly, the amounts of Facility A and Facility B both equaled U.S.\$720 million. As a result of this oversubscription, the Borrowers canceled the U.S. Dollar Bridge Facility on January 30, 2013.

On July 22, 2013, the agreement was amended and Facility A was decreased to U.S.\$100 million while a third U.S.\$620 million revolving tranche, or Facility C, was added. Facility C matures on November 28, 2015.

On June 18, 2014, the agreement was amended and Facility A was increased to U.S.\$120 million while Facility C was increased to U.S.\$670 million. US\$75 million of Facility A matures on November 28, 2015 and the remaining portion of U.S.\$45 million matures on November 28, 2017. Facility C matures on November 28, 2017.

Borrowings under Facility A bear interest at LIBOR plus an initial margin of 2.45% per annum, Facility B at LIBOR plus an initial margin of 2.25% per annum and borrowings under Facility C at LIBOR plus an initial margin of 2.00%. The initial margins detailed above are based on the current long term credit rating assigned to Gold Fields and could either increase or decrease depending on changes in the long term credit rating of Gold Fields.

Where the utilization under Facility B is less than or equal to  $33\frac{1}{3}\%$ , a utilization fee of 0.20% per annum will be payable on the amount of utilizations. Where the utilization under Facility C is greater than  $33\frac{1}{3}\%$  and less than or equal to  $66\frac{2}{3}\%$ , a utilization fee of 0.40% per annum will be payable on the amount of utilizations. Where the utilization under Facility C is greater than  $66\frac{2}{3}\%$ , a utilization fee of 0.60% per annum will be payable on the amount of utilizations. Such utilization fee is payable quarterly in arrears. The borrowers are required to pay a quarterly commitment fee of 0.90% per annum under Facility B on the undrawn amount.

Where the utilization under Facility C is less than or equal to  $33\frac{1}{3}\%$ , a utilization fee of 0.15% per annum will be payable on the amount of utilizations. Where the utilization under Facility B is greater than  $33\frac{1}{3}\%$  and less than or equal to  $66\frac{2}{3}\%$ , a utilization fee of 0.30% per annum will be payable on the amount of utilizations. Where the utilization under Facility B is greater than  $66\frac{2}{3}\%$ , a utilization fee of 0.45% per annum will be payable on the amount of utilizations. Such utilization fee is payable quarterly in arrears. The borrowers are required to pay a quarterly commitment fee of 0.80% per annum under Facility C on the undrawn amount.

The outstanding balance under this facility at December 31, 2014 was \$626.0 million (December 31, 2013: \$773.5 million.)

Borrowings under the U.S.\$1,510 million facility are guaranteed by Gold Fields, GF Holdings, Orogen, GFO and GFIJVH.

**Table of Contents*****R1,500 million Nedbank Revolving Credit Facility***

On March 1, 2013, Nedbank, GFIJVH and GFO entered into a R1,500 million Revolving Credit Facility. The purpose of the facility is to fund Gold Fields' capital expenditure and general corporate and working capital requirements. The tenor of the facility is five years. The final maturity date of this facility is March 7, 2018.

The facility bears interest at JIBAR plus a margin of 2.50% per annum. The borrowers are required to pay a commitment fee of 0.85% per annum every six months.

The outstanding balance under this facility at December 31, 2014 was \$129.8 million (December 31, 2013: \$145.1 million).

Borrowings under the facility are guaranteed by Gold Fields, GFO, GFH, Orogen and GFIJVH.

**Contractual obligations and commitments as at December 31, 2014**

	Total	Payments due by period			After 60 months
		Less than 12 months	12-36 months	36-60 months	
<i>(\$ millions)</i>					
<b>Long-term debt</b>					
<i>Notes Issue</i>					
Capital	1,000.0				1,000.0
Interest	281.8	48.8	97.5	97.5	38.0
<i>La Cima revolving senior secured credit facility</i>					
Capital	42.0		42.0		
Interest	2.3	0.8	1.5		
<i>U.S.\$1,510 million term loan and revolving credit facility</i>					
Capital	626.0	75.0	551.0		
Interest	43.9	16.2	27.7		
<i>U.S.\$70 million senior secured revolving credit facility</i>					
Capital	35.0		35.0		
Interest	2.1	0.9	1.2		
<i>R1,500 million Nedbank revolving credit facility</i>					
Capital	129.8				129.8
Interest	35.3	11.1	22.2		2.0
<i>R500 million Rand Merchant Bank revolving credit facility</i>					
Capital	21.6		21.6		
Interest	2.8	1.9	0.9		
<i>Short term Rand credit facilities</i>					
Capital	65.2	65.2			
Interest	4.9	4.9			
Operating lease obligations - building	7.4	3.1	3.5		0.8
<b>Other long-term obligations</b>					
Environmental obligations - undiscounted <sup>(1)</sup>	390.8		5.3	23.8	361.7
Total contractual obligations	2,690.9	227.9	809.4	253.9	1,399.7

Note:

- (1) Gold Fields makes full provision for all environmental obligations based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the balance sheet date. Management believes that the provisions made for environmental

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obligations are adequate to cover the expected volume of such obligations. See Critical Accounting Policies and Estimates Environmental rehabilitation costs.

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	Amounts of commitments expiring by period				
	Total	Less than 12 months	12-36 months	36-60 months	After 60 months
<b>Other commercial commitments</b>					
Guarantees <sup>(1)</sup>	0.1	0.1			
Capital expenditure	120.5	120.5			
Total commercial commitments	120.6	120.6			

## Notes:

- (1) Guarantees consist of numerous obligations. Guarantees consisting of U.S.\$67.0 million committed to guarantee Gold Fields environmental obligations with respect to its West African, American and Australasian operations are fully provided for under the provision for environmental rehabilitation and are not included in the amount above.

**Working capital**

Management believes that Gold Fields' working capital resources, by way of internal sources and banking facilities, are sufficient to fund Gold Fields' currently foreseeable future business requirements.

**Off balance sheet items**

At December 31, 2014, Gold Fields had no material off balance sheet items.

**Recent Developments**

See [Information on the Company Overview Developments since December 31, 2013](#).

**Trend and Outlook**

In fiscal 2015, Gold Fields expects the trends discussed in [Overview](#) to continue to have an impact on the business going forward.

The trend and outlook below are based on management accounts, which are prepared in accordance with International Financial Reporting Standards.

Gold production for the fiscal year ending December 31, 2015 is expected to be approximately 2.2 million attributable equivalent ounces. The all-in-sustaining cost is estimated at U.S.\$1,055 per ounce and total all-in cost is estimated at U.S.\$1,075 per ounce. These estimates are based on an average exchange rate of R11.50 per U.S.\$1.00 and U.S.\$0.80 per A\$1.00.

The above is an estimate subject to change based on a number of factors. For further information on these factors, see [Forward-looking Statements](#) and [Risk Factors](#). The estimated financial information has not been reviewed and reported on by Gold Fields' auditors.

**Table of Contents****ITEM 6: DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES****Directors**

Gold Fields directors and their ages and positions are:

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Term Expires<sup>(1)</sup></b>
Cheryl A. Carolus	56	Non-executive Chair	May 2015
Nicholas J. Holland	56	Executive Director and Chief Executive Officer	May 2017
Paul A. Schmidt	47	Executive Director and Chief Financial Officer	May 2017
Kofi Ansah	70	Non-executive Director	May 2017
Alan R. Hill	72	Non-executive Director	May 2015
Richard P. Menell	59	Non-executive Director	May 2015
David N. Murray	70	Non-executive Director	May 2016
Donald M. J. Ncube	67	Non-executive Director	May 2016
Gayle M. Wilson	70	Non-executive Director	May 2016

Note:

(1) Terms expire on the date of the annual general meeting in that year.

**Directors and Executive Officers**

The Memorandum of Incorporation of Gold Fields provides that the Board must consist of no less than four and no more than 15 directors at any time. The Board currently consists of two executive directors and seven non-executive directors, all of whom are independent.

The Memorandum of Incorporation of Gold Fields provides that the longest serving one-third of directors must retire from office at each annual general meeting of Gold Fields. Retiring directors normally make themselves available for re-election and are re-elected at the annual general meeting at which they retire. The number of directors serving must at all times be less than one-half of the total number of directors in office. Gold Fields current executive directors are appointed to their positions as directors by contract.

According to the Memorandum of Incorporation, the Board may meet as it sees fit and set its own policies for adjourning and otherwise regulating meetings. Any director may call a meeting at any time by requesting the company secretary to convene a meeting. The Memorandum of Incorporation further provides for the following:

if a Director has a personal financial interest in a matter to be considered at a meeting of the Board, that Director is obliged to disclose that interest, must leave the meeting after making that disclosure and must not take part in the consideration of the matter. While absent from such meeting, the interested Director will nevertheless be regarded as being present for the purposes of determining a quorum, but will not be regarded as being present for the purpose of determining whether a resolution has sufficient support to be adopted. However, a Director who owns ordinary shares may vote his ordinary shares at a general meeting of shareholders in a transaction in which the Director is interested;

a director may not vote as a director to determine his own compensation. The shareholders in a general meeting determine the fees for non-executive directors from time to time. Any additional compensation, including compensation for additional services performed by the director for Gold Fields business or for other positions in Gold Fields or its subsidiaries, must be determined by a quorum of directors whose compensation would not be affected by the decision; and

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the directors are not required to hold shares in Gold Fields, although a shareholding qualification may be imposed at any meeting of the shareholders.

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The Memorandum of Incorporation does not provide for a mandatory retirement age for directors. However, Gold Fields' Board charter specifies the retirement age to be 72 years with an extension of 12 months in the year a director turns 72 years of age.

Some of Gold Fields' executive officers and executive directors are members of the boards of directors of various of its subsidiaries.

Under Section 303A.11 of the New York Stock Exchange Company Manual, or the NYSE Listing Standards, foreign private issuers such as Gold Fields must disclose any significant ways in which their corporate governance practices differ from those followed by U.S. listed companies under the NYSE Listing Standards. Disclosure of the significant ways in which Gold Fields' corporate governance practices differ from practices followed by U.S. companies listed on the NYSE can be found in Item 16G of this report.

The business address of all the directors and executive officers of Gold Fields is 150 Helen Road, Sandown, Sandton, 2196 South Africa, the address of Gold Fields' head office.

### **Executive Directors**

*Nicholas J. Holland BCom, BAcc, Witwatersrand; CA (SA)*

Executive Director and Chief Executive Officer. Mr. Holland has been an Executive Director of Gold Fields since April 14, 1998 and became Chief Executive Officer on May 1, 2008. He served as Executive Director of Finance from April 1997. On April 15, 2002, his title changed to Chief Financial Officer until April 30, 2008. Mr. Holland has more than 35 years' experience in financial management and over 25 years of experience in the mining industry. Prior to joining Gold Fields, he was Financial Director and Senior Manager of Corporate Finance of Gencor Limited and a Director of Rand Refinery from July 12, 2000 until September 30, 2008. He remained an alternate director until February 2013.

*Paul A. Schmidt BCom, Witwatersrand; BCompt (Hons), UNISA; CA (SA)*

Executive Director and Chief Financial Officer. Mr. Schmidt was appointed Chief Financial Officer on January 1, 2009 and joined the Board on November 6, 2009. Prior to this, Mr. Schmidt was acting Chief Financial Officer from May 1, 2008. Prior to this appointment, Mr. Schmidt was financial controller for Gold Fields from April 1, 2003. He has more than 19 years' experience in the mining industry. Mr. Schmidt holds no other directorships.

### **Non-executive Directors**

*Cheryl A. Carolus BA Law; Bachelor of Education, University of the Western Cape*

Chair of the Board. Ms. Carolus has been a director of Gold Fields since March 10, 2009. She was appointed Non-executive Chair effective February 14, 2013. Ms. Carolus is an Executive Chairperson of Peotona Group Holdings, which has diverse interests in mining. In 2009, she was appointed Chairperson of the Board of South African Airways and served on a number of listed and unlisted companies. Ms. Carolus has previously held senior leadership positions in the liberation movement in South Africa and in the ANC. She has served as Deputy Secretary General under Nelson Mandela, and helped to negotiate the new South African constitution and coordinate the drafting of post-apartheid ANC policy. She served as South Africa's High Commissioner to the United Kingdom from 1998 to 2001 and was the CEO of SA Tourism from 2001 to 2004. She was Chairperson of South African National Parks Board for six years and currently serves on the boards of other public and private companies, including the World Wildlife Fund, Investec Limited, Investec plc and De Beers Consolidated Mines Ltd. She also works with NGOs focused on young people at risk and conflict prevention. She was awarded an honorary doctorate in law from the University of Cape Town in 2004 for her contribution to freedom and human rights. She was awarded the French National Order of Merit by Elisabeth Barbier, the French Ambassador to South Africa, on March 8, 2014.



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***Kofi Ansah*** BSc (Mechanical Engineering) UST Ghana; MSc (Metallurgy) Georgia Institute of Technology, United States of America

Mr. Ansah was appointed a Director of Gold Fields in April 2004. He also serves as a Director of Ecobank (Ghana) Limited. From 1984 to 1999, Mr. Ansah was the Chief Executive of the Minerals Commission Accra in Ghana where his key responsibilities included advising on matters relating to the exploration and exploitation of all mineral resources in Ghana. Mr. Ansah is currently a Mining & Energy Consultant, in which capacity he provides general advice to mining and power companies and negotiates with service providers as well as regulatory authorities.

***Alan R. Hill*** B.Sc (Hons), M. Phil (Rock Mechanics), Leeds University, United Kingdom

Mr Hill joined the Board on August 21, 2009. From 2004 to 2007, Mr Hill was the non-executive chairman of Alamos Gold Limited and, from 2005 to 2009, he held the position of President and CEO of Gabriel Resources Limited. Both companies are involved in gold exploration and development. Mr Hill's mining career started on the Zambian Copperbelt, following which he joined Noranda, Inc. where he managed gold and nickel mines. He worked as a consultant for a short period, before joining Camflo Mines in 1981, which merged with Barrick Gold in 1984. Mr Hill joined Barrick as part of the merger and spent 19 years with Barrick and was instrumental in its considerable growth, having played a pivotal role in its various merger and acquisition initiatives through the years. He retired from Barrick in 2003 as its Executive Vice President, Development. He has served as Non-Executive Chairman of Teranga Gold Corporation since April 20, 2013, having previously served as its Executive Chairman since September 2012 as well as Chairman and CEO since the company was founded in October 2010.

***Richard P. Menell*** BA (Hons), MA (Natural Sciences, Geology), Trinity College, Cambridge, United Kingdom; M.Sc. (Mineral Exploration and Management), Stanford University, California, United States of America

Mr. Menell has been a Director of Gold Fields since October 8, 2008. He has over 36 years' experience in the mining industry. Previously, he has been the President and Member of the Chamber of Mines of South Africa, President and Chief Executive Officer of TEAL Exploration & Mining Inc., Chairman of Anglovaal Mining Limited and Avgold Limited, Chairman of Bateman Engineering, Deputy Chairman of Harmony Gold Limited and African Rainbow Minerals and Executive Chairman of Anglovaal Mining Limited and Avgold Limited. He is currently a director of Weir Group Plc and Senior Advisor to Credit Suisse Securities Johannesburg, a director of Rockwell Diamonds Inc., the National Business Initiative and the Tourism Enterprise Partnership. Mr. Menell is a Trustee of Brand South Africa and a Council Member of Business Leadership South Africa. He is also Chairman of the City Year South Africa Citizen Service Organization, the Carrick Foundation and the Palaeontological Scientific Trust. Mr. Menell became a director of Sibanye Gold with effect from January 1, 2013.

***David N. Murray*** BA Hons Econ; MBA (UCT)

Mr. Murray joined the Board on January 1, 2008. He has more than 39 years' experience in the mining industry and has been Chief Executive Officer of Rio Tinto Portugal, Rio Tinto Brazil, TVX Gold Inc., Avgold Limited and Avmin Limited. He also served as a non-executive Director of Ivernia, Inc.

***Donald M. J. Ncube*** BA Economics and Political Science, Fort Hare University; Post Graduate Diploma in Labor Relations, Strathclyde University, Scotland; Graduate MSc Manpower Studies, University of Manchester, United Kingdom, Diploma in Financial Management; Honorary Doctorate in Commerce, University of Transkei

Mr. Ncube was appointed a Director of Gold Fields on February 15, 2006. Previously, he was an alternate Director of Anglo American Industrial Corporation Limited and Anglo American Corporation of South Africa Limited, a Director of AngloGold Ashanti Limited, as well as Non-Executive Chairman of South African Airways. He is currently the Executive Chairman of Badimo Gas (Pty) Ltd and the Managing Director of Vula Mining Supplies (Pty) Ltd.

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**Gayle M. Wilson** BCom, BCompt (Hons); CA (SA)

Mrs. Wilson was appointed a Director on August 1, 2008. She was previously an audit partner at Ernst & Young for 16 years where her main focus was on mining clients. In 1998, she was involved in AngloGold Ashanti Limited's listing on the NYSE and in 2001 she took over as the lead partner on the global audit. Other mining clients during her career include Northam Platinum Limited, Aquarius Platinum Limited, Anglovaal Mining Limited (now African Rainbow Minerals Limited) and certain Anglo Platinum operations.

**Executive Officers**

**Alfred Baku** (48) MSc (Mining Engineering), University of Mines and Technology, Statutory Mines Manager certificate, Ghana Mines Department of Minerals Commission, Executive Education, University of Virginia, Darden School of Business, USA and member of the Australian Institute of Mining Metallurgy (AusIMM)

Executive Vice President: West Africa. Mr. Baku was appointed Executive Vice President: West Africa effective March 1, 2013. Prior to this appointment, Mr. Baku was Senior Vice President for Gold Fields West Africa since August 1, 2013. He was the Vice President: Operations for Gold Fields Ghana from July 1, 2011 until August 1, 2013. In 2008, he became the first Ghanaian to be appointed the General Manager of Damang Operations and subsequently the Tarkwa mine's General Manager in 2010.

**Ernesto Balarezo** (47) MSc Industrial Management, BSc Industrial Engineering, Texas A&M University, Management Studies, Wharton School of Business, Management Studies, Harvard University

Executive Vice President: America. Mr. Balarezo joined Gold Fields effective March 11, 2013 as Executive Vice President: America. He has 22 years of professional experience at industrial and mining companies with a focus on finance and operations. Prior to joining Gold Fields, Mr. Balarezo was the Vice-President: Operations of Hochschild Mining plc, or Hochschild. In this capacity, he was responsible for overseeing the Hochschild group's six silver and gold mining operations in Peru, Argentina and Mexico, as well as its growth projects. He had 9,000 employees under his management. He joined Hochschild in 2007 as General Manager of the Mexican operation before being promoted to General Manager for Peru in 2008 and Vice President of Operations in 2010. Prior to Hochschild, Ernesto worked at other subsidiaries of the Hochschild group since 1997, including at Hochschild's cement subsidiary, Cementos Pacasmayo, as deputy CEO.

**Naseem A. Chohan** (54) BE (Electronic), University of Limerick

Executive Vice President: Sustainable Development. Mr. Chohan was appointed to the position of Senior Vice President: Sustainable Development on September 13, 2010. Mr. Chohan was previously self-employed as a consultant to various companies and, prior to that, spent 25 years at De Beers. When he left De Beers in 2009, he was acting as Group Consultant, Sustainability and ECOHS (Environment, Community, Occupational Health and Hygiene and Safety).

**Taryn L. Harmse** (42) BCom LLB, University of Johannesburg, Advanced Corporate Law I & II Certificate, University of Witwatersrand

Executive Vice-President: General Counsel. Ms. Harmse was appointed Executive Vice-President: General Counsel on May 1, 2014. Ms. Harmse was appointed as Company Secretary on August 1, 2013, and resigned from the position on September 15, 2014. She previously served as Assistant General Counsel and Vice President, Group Legal. Before joining Gold Fields, Ms. Harmse was an Associate with Linklaters LLP in London, having completed her articles at Hofmeyr Herbststein Gihwala (now DLA Cliffe Dekker Hofmeyr). She was admitted as an attorney to the High Court of South Africa in 2000.

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**Brett J. Mattison** (36) *BComm (Hons) Law, BAcc, University of Stellenbosch; Masters in Law, Higher Tax Diploma, University of Johannesburg; Exec. MBA (PLD), Harvard Business School*

Executive Vice-President: Strategy, Planning and Corporate Development. Mr. Mattison was appointed Executive Vice-President: Strategy, Planning and Corporate Development effective May 1, 2013. He began his career with Gold Fields in 2001 as part of the Global Legal team providing commercial, legal and tax structuring advice in relation to various global transactions. He subsequently joined the Corporate Development team in 2005 where he worked for six years in South Africa, Peru and Australia until 2010. In late 2010, Mr. Mattison was appointed as the Country Manager of the Philippines tasked with the mandate of setting up Gold Fields activities in the Philippines. Most recently, he has been in the role of Vice President of Special Projects tasked with setting out the groundwork for the Gold Fields strategy sessions.

**Nico Muller** (48), *BSC Mining Engineering, University of Pretoria*

Executive Vice President: South Africa. Mr Muller joined Gold Fields as Executive Vice President: South Africa on October 1, 2014. Prior to joining Gold Fields, he was with Royal Bafokeng Platinum where he held the position of Chief Operating Officer since January 2009. He has extensive technical mechanized mining experience, having held various positions in the mining industry while employed at De Beers, Avgold and Two Rivers Platinum.

**Avishkar Nagaser** (31), *BBusSc Finance and Economics, University of KwaZulu-Natal*

Executive Vice President: Investor Relations and Corporate Affairs. Mr. Nagaser joined Gold Fields as Executive Vice President: Investor Relations and Corporate Affairs in January 2015. Before joining Gold Fields, he was with Merrill Lynch from 2012 to 2014 and Macquarie from 2007 to 2012, where he held the position of gold and platinum equity research analyst.

**Lee-Ann N. Samuel** (37) *BA Psychology and Honors Political Science, University of Johannesburg, Global Remuneration Practitioner (GRP), WorldatWork, USA*

Executive Vice President: People and Organizational Effectiveness. Mrs. Samuel joined Gold Fields in 2009 as Vice President, Group Remuneration and Employee Benefits, and, effective March 1, 2013, she was promoted to Executive Vice President: People and Organizational Effectiveness. Lee-Ann has 15 years of Human Resources experience in financial services, mining and telecommunications. Prior to joining Gold Fields, Mrs. Samuel worked as Head of People Development at Telkom Media, a subsidiary of Telkom, for three years. Her overall responsibility is to provide strategic direction for the Human Resources discipline at Gold Fields, including the development of Human Resource policies to ensure alignment with the strategy for the Group, as well as external trends and demands impacting on HR.

**Richard M. Weston** (63) *FAIMM, CPEng, IEA. MSc Mining Geomechanics, UNSW; GDM, UCQ; BE (Civil), Sydney University*

Executive Vice President: Head of Australasia. Mr. Weston was appointed to the position of Executive Vice President, Head of Australasia on May 1, 2010. He was formerly Senior Vice-President, Operations for Coeur d'Alene Mines Corporation, a gold and silver mining company based in Idaho in the United States. Before joining Coeur, he led the site team responsible for the development of Barrick Australia's Cowal gold project and, prior to that, he headed operations at Rio Tinto Australia's ERA Ranger and Jabiluka uranium mines in the Northern Territory.

**Former Executive Officers**

**Michael D. Fleischer** (54) *BProc, University of Witwatersrand*

Admitted as attorney of the High Court of South Africa in 1991, Advanced Taxation Certificate, University of South Africa. Executive Vice President, General Counsel. Mr. Fleischer was appointed to his current position

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of Executive Vice President, General Counsel on November 1, 2006. Prior to his appointment, Mr. Fleischer was a partner in the corporate services department at Webber Wentzel, one of the leading South African law firms. Mr. Fleischer has a wide range of experience in mergers and acquisitions, commercial transactions, mining law and stock exchange transactions. In 2005, he was ranked as one of South Africa's leading commercial lawyers by Chambers Global. Mr. Fleischer resigned from Gold Fields effective January 31, 2014.

*Jan W. Jacobsz (53) BA, University of Johannesburg (previously Rand Afrikaans University)*

Senior Vice President: Investor Relations and Corporate Affairs. Mr. Jacobsz was appointed Senior Vice President: Investor Relations & Corporate Affairs, as well as a member of the Group executive committee, on April 15, 2002. In addition Mr. Jacobsz held the portfolio of Group Sustainable Development from 2002 to 2005. Prior to that, Mr. Jacobsz was Senior Manager: Investor Relations & Corporate Affairs; Program Manager of Gold Fields' Group Transformation Program at Gold Fields of South Africa Limited, and Administrator of the Gold Fields Foundation. Mr. Jacobsz returned to North America effective December 1, 2014 to focus on and strengthen Gold Fields' North American investor base.

*Kgabo F. L. Moabelo (44) B.Admin (Honors) in Industrial Psychology, University of South Africa, MSc in Engineering Business Management, University of Warwick*

Managing Executive: South Africa. Mr. Kgabo Moabelo was appointed Managing Executive: South Africa effective March 1, 2013. Prior to that, Mr. Moabelo had served as Executive Vice President, People and Organizational Effectiveness since August 1, 2011 after having joined Gold Fields on October 1, 2010 as Senior Vice President, Human Resources. Before joining Gold Fields, he was the HR Director for Africa and Levant at Cisco Systems, the IT Group from 2008 to 2010. Prior to Cisco Systems, he was the Human Resources Director for Standard Bank overseeing the Global Personal and Business Banking, Credit and Support Services from 2005 to 2008. Mr. Moabelo has extensive HR experience within the mining and energy industries, having also worked for Anglo Platinum between 1992 and 2005 and Eskom, respectively. Mr. Moabelo resigned from Gold Fields on July 31, 2014.

**Company Secretary**

*Lucy M. M. Mokoka (43) B.Juris, University of Durban-Westville and LLB degree, University of Pretoria*

Company Secretary. Ms. Lucy Mokoka was appointed Company Secretary of Gold Fields Limited on September 16, 2014. Prior to joining Gold Fields, Ms. Mokoka was General Manager: Company Secretary, for MTN South Africa from October 1, 2010 to September 15, 2014 and Director: Company Secretarial at the Standard Bank between January 2009 and December 2009. Ms. Mokoka is an admitted attorney and has held various roles as a Company Secretary and Legal Advisor. Her career includes roles as Company Secretary for Ithala Limited, Tongaat-Hulett and Standard Bank. She has also acted as legal advisor to the South African Revenue Service and the State Attorney's office.

**Board of Directors Committees**

In order to ensure good corporate governance, the Board has formed an Audit Committee, a Remuneration Committee, a Nominating and Governance Committee, a Safety, Health and Sustainable Development Committee, a Capital Projects Control and Review Committee and a Social & Ethics Committee. All the committees are composed exclusively of Non-executive Directors. All committees are chaired by an independent Non-executive Director. The remuneration of Non-executive Directors for their service on the various committees has been approved by the shareholders.

The Audit Committee monitors and reviews Gold Fields' accounting controls and procedures, including the effectiveness of the Group's information systems and other systems of internal control; the effectiveness of the internal audit function; reports of both external and internal auditors; quarterly reports, the Form 20-F, annual report and the annual financial statements; the accounting policies of the Group and any proposed revisions

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thereto; external audit findings, reports and fees, and the approval thereof; and compliance with applicable legislation and requirements of regulatory authorities and Gold Fields Code of Ethics. The current membership of the Audit Committee is as follows:

Gayle M. Wilson (chair)

Donald M. J. Ncube

Richard P. Menell

The Remuneration Committee establishes the compensation philosophy of Gold Fields and the terms and conditions of employment of Executive Directors and other executive officers. The current membership of the Remuneration Committee is as follows:

Alan R. Hill (chair)

Cheryl A. Carolus

Donald M. J. Ncube

Gayle M. Wilson

The Safety, Health and Sustainable Development Committee reviews adherence to occupational health, safety and environmental standards by Gold Fields. The Committee seeks to minimize mining-related accidents, to ensure that the Company's operations are in compliance with all environmental regulations and to establish policy in respect of HIV/AIDS and health matters. The current membership of the Safety, Health and Sustainable Development Committee is as follows:

David N. Murray (chair)

Kofi Ansah

Cheryl A. Carolus

Alan R Hill

Richard P. Menell

The Nominating and Governance Committee develops and implements policy on corporate governance issues, develops the policy and process for evaluating nominations to the Board of Directors, identifies successors to the Chairman and Chief Executive Officer and considers selection and rotation of the Board committee members. The current membership of the Nominating and Governance Committee is as follows:

Cheryl A. Carolus (chair)

Kofi Ansah

Donald M.J. Ncube

The Capital Projects Control and Review Committee was established on May 1, 2009 as a sub-committee to satisfy the Board that Gold Fields has used appropriate and efficient methodologies and has adequate controls in place in respect of new capital projects proposed by management in excess of R1.5 billion or U.S.\$200 million.

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These projects are reviewed from inception to completion and the committee makes recommendations to management as it considers appropriate. The current membership of the Capital Projects Control and Review Committee is as follows:

Richard P. Menell (chair)

David N. Murray

Gayle M. Wilson

The Social & Ethics Committee was established on November 29, 2011 and is responsible for ensuring, among other things, that Gold Fields discharges its statutory duties in respect of section 72 of Companies Act 71 of 2008 (as amended) and its applicable regulations, which include monitoring Gold Fields activities in relation to relevant legislation, other legal requirements and prevailing codes of best practice regarding: (i) social and economic development; (ii) good corporate citizenship; (iii) the environment, health and public safety and their impact on Gold Fields activities, products and services; (iv) consumer relations; and (v) labor and employment legislation. The Social and Ethics Committee must bring any matters relating to this monitoring to the attention of the Board and report to shareholders at the annual general meeting. The Board seeks the assistance of the Social and Ethics Committee in ensuring that Gold Fields complies with best practice recommendations in respect of social and ethical management. The current members of the committee include the chairs of the Audit Committee, Remuneration Committee, the Safety, Health and Sustainable Development Committee and the Nominating and Governance Committee, as follows:

Donald M. J. Ncube (chair)

Cheryl A. Carolus

Alan R. Hill

Richard P. Menell

David N. Murray

Gayle M. Wilson

**Table of Contents****Executive Committee**

Gold Fields Executive Committee meets on a regular basis to discuss and make decisions on strategic and operating issues facing Gold Fields. The current composition of the Executive Committee is as follows:

<b>Name</b>	<b>Position</b>
Nicholas J. Holland	Chief Executive Officer
Paul A. Schmidt	Chief Financial Officer
Brett J. Mattison	Executive Vice President: Strategy, Planning and Corporate Development
Nico Muller	Executive Vice President: South Africa
Alfred Baku	Executive Vice President: West Africa
Ernesto Balarezo	Executive Vice President: Americas
Avishkar Nagaser	Executive Vice President: Investor Relations and Corporate Affairs
Richard M. Weston	Executive Vice President: Australasia
Naseem A. Chohan	Executive Vice President: Sustainable Development
Lee-Ann N. Samuel	Executive Vice President: People and Organizational Effectiveness
Taryn L. Harmse	Executive Vice President: General Counsel

**Regional Executive Management Committees**

Each of Gold Fields four operating regions (South Africa, Australasia, West Africa and South America) has a Regional Executive Management Committee.

South African Regional Executive Management Committee composition:

Nico Muller	Executive Vice President: South Africa
Jana Strydom	Head of Legal and Compliance
Masala Matungwa	Senior Project Manager
Kenneth Mabasa	Senior Mining Engineer

South Deep Executive Committee composition:

Adriaan de Beer	Vice President
Bonny Sebola	Head of Sustainable Development
Blessed Mazibuko	Head of Finance
Tumelo Nkisi	Head of Human Resources
Francois van Heerden	Head of Mining
Manie Keyser	Head of Mineral Resource Management
Errol Drake	Head of Engineering
Andre Marais	Head of Projects
Steven Joseph	Head of Metallurgy

Edwin Matlapeng

Head of Safety, Health and Environment (Acting)



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Australasian Regional Executive Management Committee composition:

Richard Weston	Executive Vice President: Australasia Region
Graham Ovens	General Manager: St. Ives
Jason Sander	General Manager: Agnew
Wimpie Du Toit	Vice President and Head of Human Resources: Australasia
Alex Munt	Vice President and Head of Finance: Australasia
Philip Woodhouse	Vice President and Head of Sustainable Development: Australasia
Ian Suckling	General Manager: Granny Smith
Stuart Mathews	Vice President Operations: Australia, Operations Support & Technology
Andrew Bywater	General Manager: Darlot
Craig Feebrey	Vice President: Exploration
Kelly Carter	Head of Legal: Australasia Region

West Africa Regional Executive Management Committee composition:

Alfred Baku	Executive Vice President: Head of West Africa
Lindley Witbooi	Vice President and Head of Finance: West Africa
Mubashir Dari	Vice President and Head of Human Resources: West Africa
Balaji Subrahmanyam	Regional Head of Mining
David Johnson	Vice President and Head of Stakeholder Relations
Michiel van der Merwe	General Manager: Tarkwa
Marcus Brewster	General Manager: Damang
Serge Ntiema	Vice President and Head of Exploration
Kevin Butler	Vice President and Head of Supply Chain
Johannes de Beer	Vice President: Projects and Head of Engineering
Michael Akafia	Manager: Legal and Company Secretary

Americas Regional Executive Management Committee composition:

Ernesto Balarezo	Executive Vice President: The Americas
Manuel Diaz	Vice President: Operations
Alberto Cardenas	Vice President: Head of Business Corporate Development
Jorge Redhead	Vice President: Head of Finance
Miguel Inchaustegui	Vice President: Head of Corporate Affairs
Veronica Valderrama	Vice President: Head of Human Resources
Juan Jose Granda	Vice President: Head of Legal

Nate Brewer

Vice President: Head of Exploration

**Table of Contents****Compensation of Directors and Senior Management**

During fiscal 2014, the aggregate compensation paid or payable to directors and senior management of Gold Fields as a group was approximately U.S.\$16.27 million (R176.0 million), including all salaries, fees, bonuses and contributions during such period to provide pension, retirement or similar benefits for directors and senior management of Gold Fields, of which U.S.\$0.67 million (R7.2 million) was due to pension scheme contributions and life insurance, U.S.\$7.21 million (R78.0 million) was due to bonus and performance-related share payments, U.S.\$0.89 million (9.7 million) was expenses, U.S.\$6.61 million (R71.6 million) was due to salary payments, directors fees and committee fees and U.S.\$0.89 million (R9.6 million) was due to severance payments.

The following table presents information regarding the compensation paid by Gold Fields for fiscal 2014 to its directors and executive officers. Average exchange rates were R10.82 per U.S.\$1 for fiscal 2014 and R9.60 per U.S.\$1 for fiscal 2013:

	Directors fees	Committee fees	Salary <sup>(1)</sup>	Annual Bonus <sup>(2)</sup>	Pre-tax Share Proceeds for shares awarded in previous years (U.S.\$ 000)	Severance	Pension Scheme Contribution	Sundry <sup>(3)</sup>	Total for fiscal 2014 <sup>(4)</sup>	Total for fiscal 2013
<b>Executive Directors</b>										
Nicholas J. Holland			986.0	1,052.2	399.3		160.0	6.0	2,603.5	2,597.2
Paul A. Schmidt			534.7	588.1	411.2		63.0	5.7	1,602.7	1,704.4
<b>Executive Officers</b>										
Ernesto Balarezo			695.1	716.6	158.7			400.0	1,970.4	1,875.9
Alfred Baku			736.3	597.6	167.0		138.3	250.0	1,889.2	785.3
Richard Weston			649.6	579.0	203.4		74.2		1,506.2	1,524.5
Willie Jacobsz			472.1	347.4	214.9				1,034.4	1,099.9
Naseem A. Chohan			292.1	277.8	102.2		54.5		726.6	584.3
Brett Mattison			337.9	343.2	132.7		37.5		851.3	783.8
Lee-Ann Samuel			318.9	340.6	112.2		35.4		807.1	554.3
Taryn Harmse			255.4	278.3	79.0		61.0	0.1	673.8	349.8
Nico Muller <sup>(5)</sup>			109.2	51.2			12.1	231.1	403.6	
Michael D. Fleischer <sup>(6)</sup>			36.8			468.1	5.8		510.7	1,476.2
Kgabo F. L. Moabelo <sup>(7)</sup>			221.1		57.5	418.4	30.1		727.1	804.1
Juan L. Kruger <sup>(8)</sup>										600.0
Tommy McKeith <sup>(8)</sup>										2,308.0
Tim W. Rowland <sup>(8)</sup>										403.4
Peet van Schalkwyk <sup>(9)</sup>										1,158.5
Peter Turner <sup>(10)</sup>										649.8
Jimmy Dowsley <sup>(11)</sup>										780.8
<b>Non-executive Directors</b>										
Cheryl A. Carolus	232.3								232.3	250.3
Alan R. Hill	76.3	49.3							125.6	126.4
David N. Murray	76.3	38.6							114.9	138.0
Richard P. Menell	76.3	51.2							127.5	159.5
Gayle M. Wilson	76.3	59.9							136.2	147.5
Donald M. J. Ncube	76.3	52.9							129.2	119.8
Kofi Ansah	76.3	21.5							97.8	105.9
Mamphela Ramphele <sup>(12)</sup>										42.0
Robert Danino <sup>(13)</sup>										113.3
Rupert Pennant-Rea <sup>(13)</sup>										116.0
Delfin Lazaro <sup>(13)</sup>										64.4
Total	690.1	273.4	5,645.2	5,172.0	2,038.1	886.5	671.9	892.9	16,270.1	21,422.9

Notes:

- (1) The total U.S. dollar amounts paid for fiscal 2014, and included in the individuals' salary above, were as follows: Nicholas J. Holland \$348,000, Paul A. Schmidt \$94,000, Willie Jacobsz \$290,045 and Michael D. Fleischer \$6,442.

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- (2) The annual bonus accruals for fiscal 2014, paid in February 2015 (including a profit-share (*Utilidades*) payment for Ernesto Balarezo of U.S.\$400,000).
- (3) Includes a special bonus payment of U.S.\$400,000 for Ernesto Balarezo, U.S.\$250,000 for Alfred Baku and U.S.\$231,100 for Nico Muller.
- (4) These amounts reflect the full directors' emoluments for comparative purposes. The portion of executive directors' and officers' emoluments payable in U.S. dollars is paid in terms of agreements with the offshore subsidiaries for work done by directors and officers offshore for offshore companies.
- (5) Engaged on October 1, 2014.
- (6) Resigned effective January 31, 2014. Pursuant to the terms of his employment contract, Mr. Fleischer was eligible for a total severance package of \$470,000, of which \$250,000 was paid in February 2014.
- (7) Separation due to restructuring effective July 31, 2014. Pursuant to the terms of his employment contract, a total severance package of \$420,000 was paid.
- (8) Executive officer until May 30, 2013.
- (9) Resigned on May 31, 2013.
- (10) Transferred to Sibanye Gold on February 1, 2013 as part of the unbundling and subsequent listing of Sibanye Gold.
- (11) Retired on May 31, 2013.
- (12) Resigned on February 13, 2013.
- (13) Resigned on August 31, 2013.

Share options and restricted shares outstanding and held by directors, former directors, executive officers and former executive officers as of December 31, 2014 were, to the knowledge of Gold Fields' management, as follows:

Name	Options to purchase ordinary shares	Share Appreciation Rights (SARS)	Restricted Shares	Option/SARS exercise price	Spin-off Adjustment <sup>(1)</sup> (Rand)	Adjusted Exercise Price <sup>(1)</sup>	Expiration/Settlement Date <sup>(2)</sup>
<b>Executive Directors</b>							
Nicholas J. Holland		49,000		109.66	7,383	95.31	June 4, 2015
		59,000		89.76	6,045	75.89	April 17, 2016
		38,250		119.15	5,762	103.55	March 1, 2017
			116,415		17,536		March 1, 2015
			187,498				March 1, 2016
Paul A. Schmidt		14,390		109.66	2,168	95.31	June 4, 2015
		8,220		103.78	1,173	89.91	September 3, 2015
		22,350		89.76	2,290	75.89	April 17, 2016
		25,800		119.15	3,886	103.55	March 1, 2017
			43,743		6,589		March 1, 2015
			69,326				March 1, 2016
			47,311				September 1, 2015
<b>Executive Officers</b>							
Richard M. Weston		10,840		101.48	1,493	87.61	June 1, 2016
		18,225		119.15	2,744	103.55	March 1, 2017
			36,195		5,452		March 1, 2015
			62,466				March 1, 2016
			95,408				September 1, 2015
Naseem A. Chohan		4,130		118.35	622	102.86	December 1, 2016
		12,975		119.15	1,954	103.55	March 1, 2017
			16,961		2,554		March 1, 2015
			26,452				March 1, 2016
			18,168				September 1, 2015

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Name	Options to purchase ordinary shares	Share Appreciation Rights (SARS)	Restricted Shares	Option/SARS exercise price	Spin-off Adjustment <sup>(1)</sup> (Rand)	Adjusted Exercise Price <sup>(1)</sup>	Expiration/Settlement Date <sup>(2)</sup>
Jan W. Jacobsz		9,950			1,499	95.31	May 26, 2015
		18,000		89.76	1,844	75.89	April 17, 2016
		12,975		119.15	1,954	103.55	March 1, 2017
			19,173		2,888		June 1, 2015
			5,448		820		September 1, 2015
			39,276				March 1, 2016
Lee-Ann Samuel		29,421					September 1, 2015
		3,333		109.66	502	95.31	June 1, 2017
			39,113				March 1, 2015
			11,540		1,738		March 1, 2016
Brett Mattison			19,147				September 1, 2015
		10,200		119.15	1,536	103.55	March 1, 2017
		7,130		109.66	1,074	95.31	May 13, 2015
		12,800		89.76	1,311	75.89	April 17, 2016
			30,601				March 1, 2015
Alfred Baku			13,911		2,095		March 1, 2016
			21,954				September 1, 2015
		4,730		109.66	712	95.31	March 2, 2015
		7,013		119.15	1,056	103.55	March 1, 2017
		8,775		89.76	899	75.89	March 1, 2016
			17,559				March 1, 2015
Taryn Harmse			15,429		2,324		March 1, 2016
			27,235				September 1, 2015
		6,750		89.76	691	75.89	April 17, 2016
		5,400		119.15	812	103.55	March 1, 2017
		2,675		114.64	402	99.63	September 1, 2017
		5,100		109.66	768	95.31	May 23, 2015
			7,395		1,113		March 1, 2015
Ernesto Balazero			12,662				March 1, 2016
			11,610				September 1, 2015
			39,182				March 1, 2016
<b>Former Executive Officers</b>							
Michael D. Fleischer		20,400		109.66	3,073	95.31	July 31, 2015
		22,350		89.76	2,290	75.89	July 31, 2015
		18,225		119.15	2,744	103.55	July 31, 2015
Kgabo F.L. Moabelo		3,440		118.35	518	102.86	July 31, 2015
		12,975		119.15	1,954	103.55	July 31, 2015
		4,156		114.64	626	99.63	July 31, 2015

## Notes:

- (1) The rules of the share plans make provision for an adjustment to the number of shares in the event that there is a variation in the issued share capital as a result of corporate action. The share plans require that the fair market value of an employee's portfolio pre- and post-corporate action remain the same. In order to uphold this principle, an independent professional firm was contracted to provide a fairness opinion on the additional number of awards required to maintain the pre-Spin-off value of the share portfolios of employees.
- (2) For the restricted shares, the settlement date is three years after the date of award and, for the SARS, six years after the date of award.

**Table of Contents****Share Ownership of Directors and Executive Officers**

The following sets forth, to the knowledge of Gold Fields management, the total amount of ordinary shares directly or indirectly owned by the directors and executive officers of Gold Fields as of March 16, 2015:

<b>Holder</b>	<b>Ordinary shares</b>	<b>Percentage</b>
Nicholas J. Holland	610,877	0.0788%
Paul A. Schmidt	95,109	0.0123%
Cheryl Carolus	3,129	0.0004%
Richard Menell	5,850	0.0008%
Donald M. J. Ncube	11,252	0.0015%
Gayle Wilson	2,378	0.0003%
Naseem A. Chohan	62,485	0.0081%
Brett Mattison	7,601	0.0010%
Lee-Ann Samuel	3,652	0.0005%
Jan W. Jacobsz	80,328	0.0104%
Taryn L. Harmse	2,102	0.0003%
Total Directors (6 persons)	728,595	0.0940%
Total Non-Director Executive Officers (5 persons)	156,168	0.0201%
Total Directors and Executive Officers (11 persons)	884,763	0.1141%

**Long-term Cash Incentive Plan**

A Long-term Cash Incentive Plan, or LTIP, was implemented on March 1, 2014. The key objectives of the LTIP are to reinforce a high performance culture and create stronger alignment between executive compensation and shareholder value.

***Salient features of the Long-term Cash Incentive Plan:***

The purpose of the LTIP is twofold: (1) to reward key senior managers for their performance and contribution to long-term sustainable financial results that drive shareholder value, and (2) to increase the alignment of executives and shareholders in the future growth and profitability of Gold Fields Limited.

The LTIP is a three-year performance plan. Each performance cycle starts on January 1 of the first year and ends on December 31 of the third year.

Annual awards will be made to eligible participants.

Allocations will be based on a formula of annual salary x applicable percentage by grade x personal performance.

Vesting will be based on two corporate performance conditions equally being met:

Free cash flow margin (FCFM) 50% weighted; and

Total Shareholder Return (TSR) 50% weighted.

Threshold must be achieved for pay-out of any portion of the award to be triggered.



**Table of Contents***Free Cash Flow Margin (FCFM) vesting criteria:*

<b>Target</b>	<b>FCFM</b>	<b>% Vesting</b>
Threshold	5%	0%
Target	15%	100%
Stretch	20%	200%
Above stretch	The award will be uncapped above stretch and every additional 5% FCFM will result in an additional 50% vesting e.g. an average FCFM of 25% will result in a vesting of 250%	Every additional 5% FCFM will result in an additional 50% vesting

*Total Shareholder Return (TSR) vesting criteria:*

<b>Target</b>	<b>TSR</b>	<b>% Vesting</b>
Threshold	Below US based cost of equity per annum	0%
Target	US based cost of equity per annum	100%
Stretch	US based cost of equity +6% per annum	200%
Above stretch	The award will be uncapped above the stretch and every additional 6% TSR growth per annum will result in an additional 50% vesting e.g. cost of equity + 12% will result in a vesting of 250%	Every additional 6% TSR growth per annum will result in an additional 50% vesting

**The Gold Fields Limited 2012 Share Plan**

At Gold Fields' annual general meeting held on May 14, 2012, the shareholders approved the Gold Fields Limited 2012 Share Plan, or The 2012 Plan, under which employees, including executive directors but excluding non-executive directors, are compensated. With the approval of The 2012 Plan, no further awards will be made to participants under The 2005 Plan (as defined below). The 2012 Plan was subsequently replaced with the Gold Fields Limited Long Term Cash Incentive Plan.

The 2012 Plan contains two equity instruments: conditional shares, or the Performance Shares, and forfeitable shares, or the Bonus Shares.

The Performance Shares share similar features with the PVRs (as defined below) under The 2005 Plan. The Performance Shares will settle subsequent to the vesting date. The employee's annual salary, grade, performance, retention and attraction requirements and market benchmarks determine the number of Performance Shares to be awarded. The actual number of Performance Shares which would be settled to a participant after the original award date is determined by the company's performance measured against the performance of a peer group (made up of AngloGold Ashanti, Barrick, Goldcorp, Harmony, Newmont, Newcrest and Kinross) based on the relative change in Gold Fields' share price compared to the respective U.S. dollar share prices of its peer group. Furthermore, for performance share awards to be settled to executives, an internal company performance target is required to be met before the external relative measure is applied. As in The 2005 Plan, the target performance criterion has been set at 85% of the company's expected gold production over the three-year measurement period as set out in the Business Plans of the company approved by the Board. In the event that the target performance criterion is met, the full initial target award shall be settled on the settlement

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date. The Remuneration Committee has determined that the number of Performance Shares to be settled may only be increased by up to 200%, as opposed to 300% in terms of The 2005 Plan, of the number of the initial target number of Performance Shares conditionally awarded.

The 2012 Plan discontinued SARS (as defined below) and replaced them with Bonus Shares. The Bonus Shares vest over a nine-month and 18-month period from the award date in equal parts. The size of the award of Bonus Shares is dependent on the employee's annual cash bonus calculated with reference to actual performance against predetermined targets for the financial year ending immediately preceding the award date. The aggregate number of shares which may at one time be allocated under the 2012 Plan, when added to the 2005 Plan and the GF Management Initiative Scheme, may not exceed 35,309,593 shares (which represents approximately 5% of the number of ordinary shares of the company currently in issue). The maximum number of shares which may be allocated to an individual may not exceed 3,530,956. As of December 31, 2014, Gold Fields had 4,316,657 Performance Shares and 2,161,922 Bonus Shares outstanding under the 2012 Plan.

No Performance Share Awards under the Gold Fields Limited 2012 Share Plan were made in fiscal 2014. Final Bonus Shares were awarded under the Gold Fields Limited 2012 Share Plan rules in fiscal 2014 which were linked to fiscal 2013 bonus payments. No further Performance and Bonus shares will be awarded. The last allocation of Bonus Shares vests on September 1, 2015 and the last allocation of Performance Shares vests on December 1, 2016, after which the Plan will be closed.

**The Gold Fields Limited 2005 Share Plan**

At Gold Fields' annual general meeting held on November 17, 2005, the shareholders approved The Gold Fields Limited 2005 Share Plan, or The 2005 Plan, under which employees, including executive directors, were compensated. With the approval of the 2012 Plan, no further awards will be made to participants under the 2005 Plan.

The 2005 Plan provided for two types of awards: performance vesting restricted shares, or PVRS, and performance allocated share appreciation rights, or SARS. The PVRS are settled three years after being awarded and the SARS vest three years after being allocated, with a further three years before expiration. The size of the annual award or allocation was dependent on the performance of the participant at the time of the award or allocation, which was usually in March. As of December 31, 2014, Gold Fields had 1,818,261 SARS and no PVRS outstanding under The 2005 Plan.

All PVRS allocations made from March 1, 2006 to December 1, 2011 were conditionally awarded to participants. Based on the rules of The 2005 Plan, the actual number of PVRS which would be settled to a participant three years after the original award date is determined by the company's performance measured against the individual performance of five other major gold mining companies (referred to as the peer group and made up of AngloGold Ashanti, Barrick, Goldcorp, Harmony and Newmont) based on the relative change in the Gold Fields share price compared to the respective U.S. dollar share prices of the individual companies within the peer group. For PVRS awards to be settled to executives, an internal company performance target is required to be met before the external relative measure is applied. Effective June 1, 2008, the rules were modified so that two performance measures apply, as permitted under the existing rules approved by the shareholders at the annual general meeting. The target performance criterion has been set at 85% of the company's expected gold production over the three-year measurement period as set out in the Business Plans of the company approved by the Board. In the event that the target performance criterion was met, the full initial target award was settled on the settlement date. In addition, the Remuneration Committee determined that the number of PVRS to be settled may be increased by up to 300% of the number of the initial target number of PVRS conditionally awarded, depending on the performance of the company relative to the performance of five other major gold mining companies (the peer group) based on the relative change in the Gold Fields share price compared to the respective U.S. dollar share prices of the individual companies within the peer group.

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### **Shares Set Aside for Share Plans**

As at December 31, 2014, the number of shares in issue under the share schemes was 29,961,190.

The rules of the share plans make provision for an adjustment to the number of shares in the event there is a variation in the issued share capital as a result of corporate action. The share plans require that the fair market value of an employee's share portfolio pre- and post-corporate action remain the same. Good leavers are entitled to the vested portion of their awards based on the period that the awards were held up to vesting date. The unvested portion was forfeited in terms of the rules of the share plans.

The aggregate number of shares which may at one time be allocated under the 2012 Plan, when added to the 2005 Plan, may not exceed 35,309,593 shares (which represents approximately 5% of the number of ordinary shares of the company currently in issue). The maximum number of shares which may be allocated to an individual may not exceed 3,530,956. The remaining shares set aside for the Share Plan amounts to 5,348,403.

### **Employee Share Option Scheme**

An ESOP in respect of an effective 10.75% stake in GFIMSA was registered on December 1, 2010. The ESOP is housed and administered through the Thusano Share Trust. The effective holding in GFIMSA was equivalent to about 13.5 million unencumbered Gold Fields shares with full voting rights, which were issued to and held by the trust at par value of R0.50 which represented a 99.5% discount to the 30 days volume-weighted average price at July 30, 2010. This represents approximately 1.75% of the current Gold Fields shares in issue. See [Additional Information](#) [Material Contracts](#) [Additional Black Economic Empowerment Transactions](#) .

### **Executive Directors Terms of Employment**

Nicholas J. Holland (Executive Director and Chief Executive Officer) and Paul A. Schmidt (Executive Director and Chief Financial Officer) are party to employment agreements with Gold Fields Ghana Holdings, Gold Fields Orogen, or Orogen, and Gold Fields Group Services (Pty) Limited, or GFGS.

The terms and conditions of employment for each executive director are substantially similar, except where otherwise indicated below. The annual gross remuneration packages, or GRP, payable to each of Mr. Holland and Mr. Schmidt for 2014 were determined by the Remuneration Committee and were as follows:

Nicholas J. Holland: R8,757,442 plus U.S.\$348,000; and

Paul A. Schmidt: R5,524,238 plus U.S.\$94,000.

The split between the three companies is determined by the amount of time spent by the executive directors with each company.

### ***The GFGS Contracts***

Under the GFGS contracts, the employment of an executive director will continue until terminated upon (i) 24 or 12 months' notice by either party for the Chief Executive Officer and Chief Financial Officer, respectively or (ii) retirement of the relevant executive director (currently provided for at age 60). The notice period for members of the Group Executive Committee is six months.

Gold Fields can also terminate the executive director's employment summarily for any reason recognized by law as justifying summary termination.

Should the Company require the Executive Director not to work the notice period (albeit Company or employee initiated), or any part thereof, the Executive Director shall be entitled to his GRP up to the last day of the notice period. In addition, the Executive Director shall be entitled to the following benefits:



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The Executive Director shall be entitled to receive the Annual Performance Bonus pro-rated up to the last day of the notice period based on the average percentage annual performance bonus received over the past two years.

The Executive Director shall be entitled to exercise all Share Appreciation Rights in terms of the Gold Fields Limited 2005 Share Plan, which have vested prior to or on the last day of the notice period and will have 12 months in which to do so.

The Executive Director shall be entitled to exercise all pro-rated Performance Shares, Bonus Shares and PVRS in terms of the Gold Fields Limited 2012 Share Plan and the Gold Fields Limited 2005 Share Plan, which have settled prior to or on the last day of the notice period and will have 20 days in which to do so.

The Executive Director shall be entitled to pro rata Long Term Cash Incentive Plan subject to scheme rules and payment at the end of the performance cycle.

The Executive Director shall be entitled to be compensated for any business travel and cell phone reimbursement up to the last day worked.

The value of the GRP payable in terms of the GFGS contract is to be allocated among the following benefits: (i) salary; (ii) compulsory retirement fund contribution (with contributions set at 20% of pensionable emoluments); (iii) voluntary participation in a vehicle scheme; (iv) compulsory medical coverage; and (v) compulsory Group Personal Accident Policy coverage. Furthermore, the requirement that the executive director contribute a compulsory 1% of his GRP to the Unemployment Insurance Fund is subject to any legislated contribution maximum at the time.

### ***The Offshore Contracts***

Under the agreements with Gold Fields Ghana Holdings and Orogen, or the Offshore Contracts, the executive director is paid offshore in the appropriate currency. The portion of the GRP paid relates to the amount of time spent performing duties offshore for the companies. No benefits other than annual leave accrue to each executive director under the Offshore Contracts.

### ***Other Remuneration***

In addition to the gross guaranteed remuneration payable, each executive director is entitled, among other things, to the following benefits under their employment contracts:

Participation in the Gold Fields Limited 2005, 2012 Share Plans and the Long Term Cash Incentive Plan;

Consideration of an annual (financial year) incentive bonus based upon the fulfillment of certain targets set by the Board of Directors; and

An expense allowance.

As of January 1, 2015, the basis of the amount and manner of any bonus payments for the CEO and CFO remained unchanged for 2015.

The employment contracts also provide that, in the event of the relevant executive director's employment being terminated solely as a result of a change of control as defined below, such termination occurring within 12 months of the change of control, the director is entitled to:

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Payment of an amount equal to two-and-a-half times GRP in the case of the CEO and two times GRP in the case of the CFO;

Payment of an amount equal to the average percentage of the incentive bonuses paid to the executive director during the previous two completed financial years;

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Any other payments and/or benefits due under the contracts;

Payment of any annual incentive bonus he/she has earned during the financial year notwithstanding that the financial year is incomplete; and

The Executive Director shall be entitled to pro rata Long Term Cash Incentive Plan subject to scheme rules and payment at the end of the performance cycle;

An entitlement to be settled with the full amount of the SARS and Restricted Shares allocated and awarded to him/her, and, in the case of the SARS, to have a further period of one year in which to exercise such SARS.

The employment contracts further provide that these payments cover any compensation or damages the executive director may have under any applicable employment legislation.

A change of control for the above is defined as the acquisition by a third-party or concert parties of 30% or more of Gold Fields ordinary shares.

In the event of the consummation of an acquisition, merger, consolidation, scheme of arrangement or other reorganization, whether or not there is a change of control, if the executive director's services are terminated, the change of control provisions summarized above also apply.

The committee resolved to discontinue the compensation entitlement in the event of change of control for senior executives appointed from January 1, 2013. The senior executives who are currently entitled to the change of control compensation benefits will retain their rights under the previous policy.

**Non-executive Director Fees**

Gold Fields has no service contracts with its non-executive directors. The Board has considered market conditions and in light thereof, have taken a decision not to increase the non-directors' fees for fiscal 2015. The fees applicable in fiscal 2014 will apply in fiscal 2015.

**Employees**

The gold mining industry, particularly in South Africa, is labor-intensive. The total number of employees, excluding employees of outside contractors who are not on Gold Fields payroll, as of the end of the last three fiscal years at each of the operations owned by Gold Fields as of those dates was:

	December 31, 2012	As of <sup>(1)(2)</sup> December 31, 2013	December 31, 2014
<b>South Africa</b>			
KDC <sup>(3)</sup>	26,200		
Beatrix <sup>(3)</sup>	9,200		
South Deep	3,500	4,100 <sup>(4)</sup>	3,500 <sup>(4)</sup>
<b>Ghana</b>			
Tarkwa	2,800 <sup>(4)</sup>	2,900 <sup>(4)</sup>	2,500 <sup>(4)</sup>
Damang	1,100 <sup>(4)</sup>	1,100 <sup>(4)</sup>	900 <sup>(4)</sup>
<b>Australia</b>			
St. Ives	650 <sup>(5)</sup>	680 <sup>(5)</sup>	520
Agnew/Lawlers	260 <sup>(5)</sup>	310 <sup>(5)</sup>	300
Darlot <sup>(6)</sup>		220 <sup>(5)</sup>	220 <sup>(5)</sup>
Granny Smith <sup>(6)</sup>		380 <sup>(5)</sup>	420 <sup>(5)</sup>
Perth		100 <sup>(5)</sup>	110 <sup>(5)</sup>

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<b>Peru</b>			
Cerro Corona	400 <sup>(5)</sup>	360 <sup>(5)</sup>	450 <sup>(5)</sup>
<b>Corporate</b>	150 <sup>(5)</sup>	100 <sup>(5)</sup>	80 <sup>(5)</sup>
<b>Total</b>	<b>44,300<sup>(4)</sup></b>	<b>10,200<sup>(4)</sup></b>	<b>9,000<sup>(5)</sup></b>



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## Notes:

- (1) The employee numbers presented do not include contractors who are not on the payroll. As at December 31, 2014, Gold Fields employed approximately 6,486 outside contractors divided among its operations as follows: South Deep: 1,732; Tarkwa: 1,911; Damang: 877; St. Ives: 219; Agnew/Lawlers: 284; Perth: 1; and Cerro Corona: 1,260.
- (2) In previous years, employee figures for the GIP division were reported separately. During fiscal 2013, Gold Fields decided to disband the GIP division. As part of this restructuring, most GIP employees received involuntary or voluntary separation packages or were reallocated to the existing regional structures.
- (3) Gold Fields' employee numbers decreased significantly during fiscal 2013 due to the unbundling and subsequent listing Sibanye Gold which included the divisions of KDC and Beatrix.
- (4) Rounded to the nearest hundred.
- (5) Rounded to the nearest ten.
- (6) Acquired by Gold Fields on October 1, 2013.

***Labor Relations****South Africa*

Approximately 91.82% of the labor force at Gold Fields' South African operations is unionized, with the major portion of its South African workforce being members of the NUM and the other recognized union being UASA. Gold Fields attempts to balance union demands with the need to contain and reduce all-in costs in order to ensure the long-term viability of its operations. For the Group's South Africa operations, labor costs constituted approximately 43% of operating costs excluding amortisation and depreciation.

There were no labor-related work stoppages at South Deep in fiscal 2014. One work stoppage was self-imposed for maintenance. Gold Fields has actively engaged with the DMR on the protocols applied to safety-related mine closures. Gold Fields continues to promote health and safety in South Africa as part of a comprehensive effort to improve mine safety. Since December 31, 2014, there have been three work stoppages to address safety issues.

*Wage Agreements*

In September 2013, Gold Fields reached a two-year wage agreement as part of the Chamber of Mines negotiation with UASA and NUM. This was preceded by members of the NUM returning to work at the South Deep mine following three days of wage-related industrial action. Under the agreement, employees received pay increases of between 7.5% and 8% with further inflation-linked pay increases in the second year. In addition, it was agreed that the monthly living out allowance would rise from R1,640 (US\$200) to R2,000 (US\$210) by September 1, 2014. Currently, approximately 40% of Gold Fields' South African labor force (excluding employees of outside contractors) receive living out allowances. The net impact of the deal was that it guaranteed that basic pay for employees at South Deep would rise by an average of 7.8%. This compared to original NUM demands for a general 15% increase, as well as a 60% increase for the most junior employees.

In total, labor costs in South Africa decreased by 12% in fiscal 2014 compared to fiscal 2013. The decrease was primarily due to the restructuring of the mine to create a fit-for-purpose operation.

At the wage talks with organized labor which commenced on March 19, 2015, Gold Fields offered an all-inclusive package which included a scarce skills allowance and a housing allowance. On April 10, 2015, the Group signed a three-year wage and other conditions of employment agreement with the NUM and UASA, the registered trade unions at South Deep. The agreement will result in average annual wage increases of 10% over the three-year period of the deal. The first increase took effect on April 1, 2015.

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### *Ghana*

Of the Ghanaian employees at Tarkwa, Damang and the Accra office, the majority are members of the GMWU, whose employment is governed by a collective bargaining agreement originally concluded in 1996 and revised in 2000, 2003, 2004, 2006 and 2010. Wages are revised annually by negotiation with the GMWU. On November 6, 2013, a two-year wage deal was reached with the GMWU for 2013 and 2014. Under the agreement, employees receive a 12% and 13% increase for fiscal 2013 and 2014, respectively, as well as 3% of the accrued production bonus to be added to the basic salary for 2013.

In order to reduce AIC in West Africa, management restructured the two mines in fiscal 2014. Approximately 439 employees were affected at Tarkwa due to the closure of the North Heap Leach and 189 employees were affected at Damang due to the 3<sup>rd</sup> shift being dropped.

In the context of the restructuring at Tarkwa and Damang, wage inflation, as well as energy prices and heavier government imposts, remain an ongoing concern in Ghana.

The next round of wage negotiations is expected to take place in May 2015.

### *Australia*

In Western Australia, where Gold Fields' Australian operations are located, labor is now primarily regulated by the Fair Work Act (2009), or the Fair Work Act, and the federal industrial relations system created thereby. The Fair Work Act came into effect on July 1, 2009, replacing the previous federal industrial relations system created by the Workplace Relations Act 1996 (Cth.), or the Workplace Relations Act.

With the exception of a range of state statutes limited to health and safety, long-service leave, discrimination and workers' compensation, Gold Fields and its employees are not subject to state industrial or employment laws.

However, the Fair Work Act has made significant changes to the previous federal industrial relations system under the Workplace Relations Act by enhancing employee collective bargaining rights and increasing the role of unions in the collective bargaining process.

The commencement of the Fair Work Act means that unions have an increased role in negotiating collective agreements for pay and working conditions and may lead to an increased union presence in Western Australia's mining industry, potentially including at Gold Fields' mining operations in Australia. In order to mitigate potential labor risks, Gold Fields implemented a Companies Enterprise Agreement, or the Gold Fields Companies Enterprise Agreement, with employee representatives and union representatives in February 2014, which took effect in April 2014 and lasts until April 2018. During the term of this agreement, protected industrial actions such as strikes and bans will be regarded as a breach of contract. The terms of the Gold Fields Companies Enterprise Agreement have been endorsed by the Fair Work Commission and provide standardized conditions of employment across Gold Fields' mining operations in Australia for all of its employees including minimum safety net rates of pay, work hours, redundancy provisions, discretionary market-based annual wage reviews and general best practice employer and employee obligations, such as a dispute settlement procedure that includes an internal up the line escalation process as well as provision (by mutual agreement) for external arbitration.

### *Peru*

Prior to 2011, the employees at Cerro Corona were not unionized and had no collective bargaining agreement. However, Peruvian labor regulations provide that a collective negotiation process may be commenced by a union or by workers' representatives elected by the majority thereof.

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In June 2011, operational employees at Cerro Corona formed a labor union and negotiated a five-year collective bargaining agreement with the Group. Currently 11.7% of the Group's South American employees are unionized. This agreement provides for a S/. 200 annual wage increase, which is equivalent to a 6% annual wage increase for this group of employees. In addition, eligible employees are entitled to a special bonus payment, education expenses and other benefits. Though not required by law, Gold Fields provides to certain management staff a flat amount to cover housing and utility expenses in the city of Cajamarca in accordance with the Group's internal policy.

Also, Gold Fields provides to its workers, as a working condition, free transportation between the mine site and the city of Cajamarca.

Over the last few years, Peru has seen many cases of conflicts and dissention between local communities and mining operations and mining projects, stemming largely from the communities' desire for greater participation in the economic benefits of these mining projects. Cerro Corona has undertaken extensive community consultation and negotiation since 2003 through the land purchase and permitting process to achieve agreement with local communities on various aspects of community involvement. A comprehensive strategy to work with the communities has been implemented through the operations stages. The main focus of this strategy relies on three pillars, which are (i) promoting the development of basic local infrastructure such as, for example, improvements to local drinking water, (ii) training and employing the local communities and (iii) developing economically self-sustaining projects and suppliers. Gold Fields believes its social strategy has created goodwill with the local communities.

### ***Benefits***

Gold Fields provides benefits to its employees, generally including pension, medical and accommodation benefits. Employees are also entitled to a severance package if they are laid off. Gold Fields' own employees are generally provided with medical and retirement benefits. In Australia, benefits for contractors' employees are the responsibility of each contractor and Gold Fields' own employees are generally responsible for their own medical costs and other benefits, except that Gold Fields contributes to a third-party pension plan.

In South Africa, Gold Fields attempts to attract and retain motivated high caliber employees through a mix of guaranteed and performance-based remuneration, as well as short-term and long-term incentives, and non-financial rewards relating to work experience. Gold Fields has also implemented company pay structuring for management employees and also for supervisory employees in South Africa, known as the Gross Remuneration Package.

Furthermore, in order to maintain competitiveness in the South African labor market, regular industry market surveys are conducted, to benchmark remuneration practices and to keep abreast of industry movements regarding employee benefits and non-financial employee reward and recognition programs. Gold Fields was actively involved in an industry task team working with the Institute of Directors in formulating industry standards for remuneration practices based on labor market dynamics.

### ***Bonus Schemes***

Gold Fields offers appropriate bonus schemes for employees at all levels. The focus of Gold Fields' bonus schemes is based on specific production, safety, cost and development at management levels.

### ***Employment Equity***

Under the South African Employment Equity Act, or the Employment Equity Act, Gold Fields has a responsibility to: (1) promote equal opportunity and fair treatment in employment by eliminating unfair discrimination; and (2) implement affirmative action measures to redress the disadvantages in employment

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experienced by certain groups, in order to ensure their equitable representation in all occupational categories and levels in the workforce. As required by the Employment Equity Act, Gold Fields had a formal employment equity plan, which has been approved by its unions and submitted as part of its report to South African regulatory officials. The plan includes numerical targets to be achieved over a five-year period, with regular meetings of employment equity forums involving management and employee representatives to monitor progress against the plan. Management believes that Gold Fields is currently making adequate progress toward the targets under its plan and is in compliance with legal and regulatory requirements regarding employment equity.

### ***Training***

Gold Fields continues to provide comprehensive training to its employees, in full compliance with the regulatory requirements at the sites at which it operates. The training provided in South Africa is aligned with South Africa's National Qualifications Framework, and is carried out within the ambit of Gold Fields' education, training and development, or ETD, establishment, in partnership with other institutions to provide accreditation. In order to secure optimal workplace safety and productive work performance, Gold Fields exposes its employees to ETD interventions which significantly exceed compliance to minimum standards, in the form of additional mining and safety skills training, team-based behavioral training, and non-mining related life and social skills training.

In addition, Gold Fields continues to focus systematically on managerial, leadership, and professional development through the provision of Management Development Leadership programs in association with Duke University, as well as its Leadership and Professional Talent Pipeline program, by means of a process known as the Talent Review, which is integrated with its performance management system.

In South Africa, Gold Fields has maintained its enrollment of University Bursars and entry-level scholarships across the technical disciplines. At South Deep, the mechanized training center has now been established and provides essential mechanized training required for our South Deep operations.

Gold Fields continues to review the performance of its human resource development, which seeks to identify further opportunities to improve the training and development initiatives. This new focus has resulted in changes in the approach of human resource development, with a conscious departure from the traditional training-only approach, towards a holistic talent and change management approach. Gold Fields believes that this approach will facilitate the cultural and behavioral changes required for the organization to achieve its Safe Production performance objectives. This includes the roll-out of the Gold Fields Foundational program which almost all employees have already completed across the Group, and which provides a foundation of company knowledge, key business concepts and company strategy.

Gold Fields continues to subscribe to initiatives concerning national critical skills formation, operating through various private sector collaborative initiatives. In addition, Gold Fields continues to work closely with local and national government forums towards the development of business initiatives aimed at addressing youth development.

All of Gold Fields' employee training activities in South Africa take account of the human resources development requirements of the Mining Charter, and are fully described in the Social and Labor Plan submitted by Gold Fields to the Department of Minerals and Energy. See Information on the Company Environmental and Regulatory Matters South Africa Mineral Rights .

Gold Fields has initiated training and development programs internationally that are appropriate to the specific regions, commensurate with regional and site-specific objectives and constraints. A comprehensive leadership development program at Gold Fields' operations has been developed to further the growth of high-potential individuals, including management, specialists, and other high performers.

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### ***Health and Safety***

Gold Fields strives to uphold its promise that if we cannot mine safely, we will not mine. This reflects the Group's emphasis on the need to minimize any potential human impacts, maintain operational continuity and protect its reputation. Furthermore, maintaining safe and healthy working conditions is a key compliance issue for the Group.

Gold Fields strives for zero harm at all of its operations, and to minimize occupational health and safety hazards. All of the Group's operations are now certified to the OHSAS 18001 international health and safety management standard. This follows the certification of Granny Smith and Darlot in fiscal 2014, both of which were acquired from Barrick Gold in October 2013. The Lawlers mine, also acquired from Barrick Gold, was certified through its merger with Agnew. In addition, all of the Group's operations are now fully compliant with the requirements of the International Cyanide Management Code.

All of Gold Fields' regional operations are required to implement Health, Safety and Wellness Strategies, together with associated action plans, that address occupational safety, occupational health, employee wellness and community health and wellbeing. In addition, these strategies and action plans define relevant management structures, resource allocations and reporting requirements. Gold Fields' South African operation is also required to take into account various occupational health and safety milestones that were adopted at the national Mine Health and Safety Council of South Africa, or MHSC, summit in November 2014.

### ***Safety***

#### ***Overview***

In fiscal 2014, Gold Fields continued to focus on implementing its Group Safety Reporting Guideline, which is based on International Council on Mining and Metals, or ICMM, guidelines. Gold Fields' South African operation also takes into account the safety targets set by the MHSC in November 2014 of a 20% reduction in serious injuries per year by December 2015, 20% reduction in lost time injuries from January 2017 and zero fatalities by December 2020.

Since fiscal 2013, Gold Fields has aligned its health and safety metrics with those of the ICMM, headed by the TRIFR. Gold Fields peer companies tend to use the TRIFR metric, which assists benchmarking of Group performance against the wider sector.

During fiscal 2014, the Group's overall TRIFR improved by 3%, to 4.04 per million man hours worked, compared to 4.14 per million man hours worked in fiscal 2013. This reflected:

Improved safety performance at South Deep, albeit partly linked to the four-month remedial program, during which production slowed down;

Improved safety performance in Australia following the implementation of a behavioral health and safety strategy; and

Improved safety performance in West Africa, following the implementation of a range of interventions.

Details around specific regional safety initiatives implemented at the Group's operations in fiscal 2014 are set out below:

#### ***South Africa***

In fiscal 2014, two employees and one contractor at South Deep were tragically killed in workplace accidents. These deaths, all of which all occurred underground, related to two workshop accidents and a machinery incident. On May 27, 2014, following a review of the circumstances surrounding the first two fatalities, the DMR imposed a moratorium on all workshop-related activities via a Section 54 notice.

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effectively bringing production to a halt. The moratorium was lifted on May 30, 2014 after Gold Fields filed a report to the DMR confirming its compliance with Section 11(5) of the Mines Health and Safety Act. A fatality in July 2014 also led to a Section 54 stoppage being imposed for about a week in the affected areas, before being lifted. These accidents led to the deferral of about 16,000 ounces of production. Following the incidents, South Deep also implemented a wide range of safety-based remedial actions, including the completion of secondary support in older parts of the mine. The latter, which began late in May 2014, entailed an extensive safety-related ground support remediation intervention, effectively limiting access to 70% of the current mining areas, from which a significant proportion of current production is sourced. This intervention led to the deferral of approximately 48,225 ounces of production and is expected to have a knock-on effect for production in fiscal 2015. This secondary support work was completed in October 2014.

South Deep has had one fatality to date in fiscal 2015. The death related to an accident at a station tip.

Gold Fields remains committed to eradicating residual safety risks at South Deep by instituting further safety management initiatives. In fiscal 2014, these included:

The integration of a health and safety management system, or the Health and Safety Management System, into new training processes introduced at South Deep, in addition to the standard induction process. The Health and Safety Management System is being audited on a quarterly basis, with the first audit completed in the first quarter of fiscal 2015;

The reversion of the mine's operations to a 7-2-7-5 roster system, in part to address concerns about fatigue-related safety risks caused by the recently introduced 24/7, 12-hour shift system. This transition was supported by a five-day training program for each new roster cycle to ensure employees and contractors were sufficiently trained to work safely within the new roster system;

The provision of general refresher safety courses to workers as they returned to work following the safety shutdowns in fiscal 2014, as well as role-specific modules, including training on the new roster system;

The installation of proximity detection systems, which help personnel avoid danger zones when working near heavy mining equipment; and

The installation of new rail-bound equipment, including the Rovic auto-coupler, which eliminates the need for personnel to manually couple and uncouple rolling stock.

In addition, the mine continued to carry out regular substance testing for alcohol and cannabis over the course of fiscal 2014. A total of 5,127 employees and contractors were tested for the use of cannabis, with 99, or 2% of the total, of those tested found to be positive. A total of 51,500 alcohol tests were carried out among employees and contractors, of which 57 yielded positive results. The positive cases were referred to Gold Fields Employee Assistance Program, or EAP, where first offenders received counseling and other assistance to stop substance use. Repeat offenders were dismissed due to the potential safety risks they posed to the workplace.

In fiscal 2014, South Deep's TRIFR improved by 10% to 4.65 per million man hours worked, compared to 5.19 per million man hours worked in fiscal 2013.

### *West Africa*

Despite already achieving some of the best safety performances across the Group, Gold Fields' West Africa operations instituted a number of enhanced safety measures following a lost time incident in September 2014 at Tarkwa's CIL plant. At Tarkwa, the Group continued its drive to reduce vehicle-related incidents by conducting random breathalyzer testing, and reenergized a 100 Injury Free Day Challenge safety campaign. Senior managers also conducted visits to selected working sites, to create safety awareness.



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At Damang, the Group revised its Safety Referee Policy, which involves the issuance of color-coded cards to offenders of safety rules and is now being implemented, to boost the overall safety of the mine. Simulation drills were conducted during fiscal 2014 to test the readiness of the emergency response team, and the Group also conducted random alcohol testing.

The implementation of the safety initiatives described above helped to improve the TRIFR at the Group's West Africa operations, which decreased by 20% to 0.75 per million man hours worked in fiscal 2014, from 0.94 per million man hours worked in fiscal 2013.

### *Australasia*

During fiscal 2014, the Group implemented a safety strategy around best practice tools, programs and processes at its Australasia operations. It also focused on achieving OHSAS 18001 international health and safety certification at its Yilgarn South Assets, which were acquired from Barrick Gold in October 2013. This resulted in the successful certification of both Granny Smith and Darlot to OHSAS 18001. Lawlers was certified in the fourth quarter of fiscal 2014 under Agnew's certification.

The Group also implemented an innovative behavior-based safety program at its Australasia Operations called "Vital Behaviors", involving all employees and contractors. Vital Behaviors engages the workforce through participatory workshops aimed at promoting safe workplace behavior. Participants share experiences (on a confidential basis), while analyzing and reflecting on past instances of their non-compliance with health and safety policies. In parallel with this process, the Group also rolled out a "Visible Felt Leadership" program in fiscal 2014. This involved training senior managers to engage with their teams on safety issues.

Management believes that the implementation of these two strategies has played a role in the improvement of safety performance at the Group's Australasia operations in fiscal 2014, with the TRIFR decreasing to 17.04 per million man-hours from 23.47 per million man hours worked in fiscal 2013. The relatively high TRIFR for Australasia is partly due to a higher number of restricted work injuries being reported relative to other regional operations. This reflects more conservative injury classifications being employed by local medical practitioners, who are concerned about the possibility of injury severity escalations.

### *The Americas*

In fiscal 2014, Cerro Corona placed particular focus on improving contractor safety. This followed the death of a contracted worker at the mine in fiscal 2013. As a result, Cerro Corona extended its "Behavior Change Program" to include contractors. Relevant initiatives applied in fiscal 2014 included a review of contractors' safety programs and improvement of the safety induction process for contractors. The mine's TRIFR rose slightly from 0.34 per million man hours worked in fiscal 2013 to 0.38 per million man hours worked in fiscal 2014.

### *Occupational health*

Gold Fields is committed to reducing the exposure of its employees to occupational health risks, including those associated with air quality, silicosis, tuberculosis and hearing loss. As such, the Group has implemented management plans for diesel particulates, silica dust, radiation and noise at each of its regional operations. These plans provide for ongoing and regular monitoring of exposure levels at all operations. Particular emphasis is placed on managing the underground working environments in Gold Fields' Australasia and South Africa operations, because of the heightened health risks that underground mining may pose to workers.



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All operational employees are subject to entry and exit medical assessments, and in certain operations, employees also undergo annual medical assessments that aim to prevent, identify and treat occupational diseases. These assessments, which are, at a minimum, aligned with the legal requirements of each operating jurisdiction, focus on operation and role-specific health risks. Employees are also offered quantitative, confidential health risk assessments. These seek to address occupational diseases, but also general health and lifestyle issues such as hypertension, diabetes, cholesterol, diet and mental health.

In fiscal 2014, the number of recorded occupational health cases across the Group rose slightly. These included:

13 cases of NIHL (compared to 8 in fiscal 2013); and

15 cases of silicosis (compared to 12 in fiscal 2013).

The Group is awaiting the final outcome of the assessments that are conducted as a matter of course by the Medical Bureau for Occupational Disease and the Rand Mutual Association, which will determine the final number of cases accepted.

In fiscal 2014, 49 new cases of cardiorespiratory tuberculosis, or CRTB, were recorded, compared with 42 in fiscal 2013. This increase can be attributed to the fact that during the year, South Deep enhanced its efforts to identify CRTB cases. There was therefore an increase in the total number of patients screened and in the final number of CRTB cases identified.

Wellness is a material issue given the location of Gold Fields' mines, the nature of employees' working patterns and the lifestyle challenges associated with the sector in which the Group operates. All of Gold Fields' regional operations implement dedicated wellness programs, tailored to both the national and local context of each mining operation. This is aimed at identifying and managing chronic medical conditions within the Group's workforce, and at maximizing the Group's productive capacity and reducing absenteeism.

### *Noise*

Gold Fields remains committed to further reducing noise levels at South Deep. New targets have been set by the MHSC which require that noise-induced hearing loss be eliminated; total noise emitted by all mining equipment should not exceed 107 dBA by 2025; and that all employees' Standard Threshold Shift should not exceed 25 dB from the baseline when averaged at 2000, 3000 and 4000 Hz in one or both ears by December 2016. In fiscal 2014, the mine met the current MHSC target for noise emissions by mining equipment, partly due to the silencing of underground fans as well as the application of noise management measures to its underground mining fleet.

To further reduce employee exposure to noise levels exceeding the statutory requirements of 85 dBA over an eight-hour shift, the mine piloted new molded hearing protection devices in fiscal 2014. These are custom-fitted for each employee's ear and were distributed to all 500 identified high-risk employees. It should be noted that the measurement of exposure levels above 85 dBA do not take into account the protection afforded by hearing protection devices, which are issued to all employees working in high exposure areas.

### *Silica dust exposure*

South Deep continued to implement improved dust control measures, in accordance with the new MHSC milestones (which include the requirement that by December 2024, 95% of all individual exposure measurement readings in respect of respirable crystalline silica be below 0.05 mg/m<sup>3</sup>). Examples of actions taken in fiscal 2014 include:

Real-time dust monitoring;

The fitting of water mist sprays at dust sources;

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Dust management controls on footwalls and internal tips; and

The installation of manually controlled water blasts in all working areas.

During fiscal 2014, South Deep stayed within the 5% limit set by the MHSC for the proportion of individual silica dust measurements exceeding the occupational exposure limit set by the MHSC, or OEL, of 0.1 mg/m<sup>3</sup>. The average percentage sample above the OEL at the mine in fiscal 2014 was 4.9%, compared with 3.8% in fiscal 2013.

In November 2014, Gold Fields, Sibanye Gold, Anglo American South Africa, AngloGold Ashanti and Harmony Gold formed an industry working group to address legacy issues relating to compensation and medical care for occupational lung disease in the gold mining industry in South Africa. The five companies intend to engage with stakeholders to work together to design and implement a comprehensive solution that is both fair to present, past and future gold mining employees and also sustainable for the sector. The companies are already engaging with a number of stakeholders as part of an intensive engagement process during fiscal 2015 intended to lead to a comprehensive solution. See Information on the Company Legal Proceedings and Investigations Silicosis .

The companies believe that fairness and sustainability are necessary to any comprehensive solution. The companies are among respondent companies in a number of lawsuits related to occupational lung disease. The five companies do not believe that they are liable in respect of the claims brought, and they are defending these. They do, however, believe that they should work together to seek a solution to this South African mining industry legacy issue.

Gold Fields is continuing its efforts to eliminate the incidence of silicosis and tuberculosis at its operations through improved underground dust management and a number of other measures.

*Diesel particulate matter*

Gold Fields undertakes regular monitoring and analysis of the concentration of diesel particulate matter at all of its operations. This issue is particularly material at Gold Fields underground mines in Australia and South Africa, due to the potential concentration of particulates in specific working areas.

Although there are no regulatory limits, in fiscal 2014, the Group's Australasia Region implemented a strategy designed to reduce exposure to diesel particulate matter, or DPM, with a focus on fitting filters to equipment, refining maintenance schedules, ensuring the correct levels of ventilation and providing appropriate procedural controls. Sampling programs have indicated the success of this initiative, with a decline in levels of DPM underground to a point where only 2% of samples have exceeded the internal target of 70 micrograms per cubic meter. This is in line with targets recommended by the Australian Institute for Occupational Hygienists.

In South Africa, the DMR has developed a draft regulatory framework to establish a DPM OEL. This proposal, published in February 2014, recommends a four-year step-in-approach starting at 350 micrograms per cubic meter, and systematically decreasing to 160 micrograms per cubic meter by January 2018. In response, Gold Fields carried out a study to establish current exposure levels at South Deep, which found that in a number of areas, the fiscal 2015 exposure levels were exceeded by 4.5% and the 2018 levels by 26%. As such, Gold Fields recognizes that more work will be needed for South Deep to comply with the proposed OEL for DPMs.

In the third quarter of fiscal 2014, the Group entered a new fuel supply contract with Sasol through which South Deep now receives only ultra-low sulfur content diesel. Sampling suggests this has helped the Group reduce airborne DPMs at its South Deep operation by up to 45%, depending on location.

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Gold Fields will continue to research the benefits of exhaust treatments at South Deep, including diesel particulate filters. Furthermore, it is likely that the mine's DPM performance will improve with time due to the ongoing acquisition of more advanced engine technology. The introduction of ultra-low sulfur diesel is also expected to extend the range of engines that can be employed at the mine.

*Radiation*

Underground mining, including that which is carried out at South Deep, has the potential to expose workers to latent radiation. South Africa's National Nuclear Regulator Act stipulates that the maximum permissible personal exposure from ionizing radiation is 100 mSV in aggregate per five consecutive years, and may not exceed 50 mSV in a single year over a five-year period. Occupational monitoring at South Deep showed that the annual exposure limit of 50 mSV was not exceeded at any point during fiscal 2014 and that average exposures were between 3 and 6 mSV between 2010 and 2014.

*HIV/AIDS and tuberculosis*

MHSC targets in respect of HIV/AIDS and associated health issues such as tuberculosis include the requirement that tuberculosis incidence rates at mining operations be at or below the national incidence rate by December 2024, and that 100% of employees be offered annual HIV counseling and testing, with all eligible employees linked to an anti-retroviral program. At Gold Fields, HIV/AIDS management is integrated into mainstream health services to improve worker participation and minimize stigmatization. Voluntary Counselling and Testing, or VCT, takes place, for example, during regular employee health assessments. This has the added benefit of directly addressing the interaction of HIV/AIDS with related health issues such as tuberculosis and sexually transmitted infections.

Gold Fields' workforce in South Africa faces a particular risk of exposure to HIV/AIDS, given that an estimated 19.1% of adults in South Africa aged 15 to 49 live with the disease, according to data from the United Nations. Gold Fields is committed to lowering the HIV/AIDS prevalence rate at its operations in South Africa, which is estimated to be 12% at the time of this annual report as 152 employees of 1,320 tested positive in fiscal 2014. The Group's integrated strategy for HIV/AIDS, sexually transmitted infections and tuberculosis at its South Africa operations, or HAST Strategy, directly addresses interactions between these diseases. The HAST Strategy is based on four key pillars:

**Promotion:** This includes regular publicity campaigns and condom distribution at all workplaces;

**Prevention:** VCT is provided to all employees, contractors, their partners and family members on a confidential basis. In 2014, the Region's VCT participation rate was 25%, compared to 16% in fiscal 2013;

**Treatment:** Free Highly Active Anti-Retroviral Treatment, or HAART, is provided to HIV-infected employees through onsite clinics staffed with doctors. In fiscal 2014, 58 employees at Gold Fields' South Africa operations joined the HAART program, compared with 53 in fiscal 2013. This takes the total number of active participants to 262, compared to 253 in fiscal 2013. Employees dependants are also eligible to receive HAART via the Group's medical aid schemes; and

**Support:** This includes doctor-based primary healthcare, psychological counselling and social services for all employees and contractors.

In addition, South Deep supports a number of community-based HIV/AIDS projects, in recognition of the potentially close relationship that HIV/AIDS in the workplace can have with local communities.

Gold Fields' workforce also faces exposure to HIV/AIDS in Ghana, where an estimated 1.3% of adults aged 15 to 49 live with the disease, according to data from the United Nations. All of Gold Fields' employees and contractors have access to a confidential VCT program which employees receive free of charge. This program

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had a participation rate of 45% in fiscal 2014 among employees and contractors, and a participation rate among employees alone of 78%. Individuals who test positive for HIV are provided with treatment in line with the Government's national HIV treatment program, which supplies drugs free of charge. Gold Fields also implements community-based HIV/AIDS programs in Ghana, including public education (via radio and trained community health educators) and condom distribution.

*Malaria*

The workforce at Gold Fields' West Africa operations faces a high risk of exposure to malaria. In fiscal 2012, for example, Ghana recorded 3.76 million cases, according to data from the World Health Organization. Furthermore, Gold Fields' West Africa operations are in an area of elevated malaria exposure (according to the Malaria Atlas Project). During fiscal 2014, there were 681 workplace malaria cases that tested positive at Gold Fields' operations in West Africa (2013: 708), none of which proved to be fatal.

Gold Fields has a comprehensive malaria strategy in place at its West Africa operations, based on education, prevention, prophylaxis and treatment. This includes the spraying of accommodation (both on-mine and within the community), the fitting of anti-mosquito screens in mine accommodation, provision of insect repellent sprays and creams to night shift workers, larviciding of stagnant pools, support for community health facilities and rapid diagnosis and treatment.

*Ebola*

Although no Ebola cases were recorded in Ghana in fiscal 2014, Gold Fields took proactive steps to prepare for potential infection at its operations in West Africa. This included the development of a formal Ebola Management Strategy and Plan, which addresses:

The monitoring of infections across West Africa;

Capability-building for members of the Employee Wellbeing Team, staff at the Tarkwa Mine Hospital and local volunteers;

Raising of Ebola awareness amongst the workforce;

Screening of all visitors and employees returning from leave at the mines' points of entry to ensure that persons coming from the three Ebola-affected countries do not enter the mine until 22 days have passed; and

Additional resourcing to support potential control protocols including screening, isolation and treatment.

***TRIFR, Fatalities and Fatal Injury Frequency Rate***

In fiscal 2014, Gold Fields continued to focus on implementing its Group Safety Reporting Guideline, which is based on International Council on Mining and Metals, or ICMM, guidelines. Since fiscal 2013, Gold Fields has aligned its health and safety metrics with those of the ICMM, headed by the TRIFR. As Gold Fields' peer companies tend to use the TRIFR metric, this alignment assists with benchmarking of Group performance against the wider sector.

The information in the following tables for fiscal 2013 excludes the newly-acquired Yilgarn South Assets, unless otherwise indicated. The information in the following tables for fiscal 2014 is inclusive of the Yilgarn South Assets. The existing Agnew and newly-acquired Lawters operations were combined in the fourth quarter of fiscal 2013 and it is therefore not possible to separate out the data for Yilgarn South Assets in fiscal 2014 to allow for a year-on-year comparison with fiscal 2013.

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The following tables set out the TRIFR data for Gold Fields' mining operations for the last two calendar years. The tables also provide the number of fatalities and fatal injury frequency rate data for Gold Fields' South African, West African, Australian and Americas operations.

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*West Africa*

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*Australia*

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*South America*

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**Table of Contents****ITEM 7: MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS****Major Shareholders**

To the knowledge of management: (1) Gold Fields is not directly or indirectly owned or controlled (a) by another corporation or (b) by any foreign government; and (2) there are no arrangements the operation of which may at a subsequent date result in a change in control of Gold Fields. To the knowledge of Gold Fields management, there is no controlling shareholder of Gold Fields.

As of December 31, 2014, the issued share capital of Gold Fields consisted of 775,308,626 ordinary shares.

A list of the individuals and organizations holding, to the knowledge of management, directly or indirectly, 5% or more of its issued share capital as of February 27, 2015 is set forth below.

<b>Beneficial owner</b>	<b>Ordinary shares</b>	<b>Percentage</b>
Public Investment Corporation Limited	70,150,833	9.05%
First Eagle Investment Management, L.L.C.	62,756,265	8.09%
Van Eck Global	55,741,650	7.19%
Allan Gray	49,772,260	6.42%
Investec Asset Management	44,119,377	5.69%
BlackRock Investment Management	39,969,798	5.16%

To the knowledge of management, none of the above shareholders hold voting rights which are different from those held by Gold Fields other shareholders.

The table below shows the significant changes in the percentage of ownership by Gold Fields major shareholders, to the knowledge of Gold Fields management, during the past three fiscal years.

<b>Beneficial owner</b>	<b>December 31, 2012</b>	<b>Beneficial ownership as of December 31, 2013 (%)</b>	<b>December 31, 2014</b>
Investec Asset Management (Pty) Ltd.	6.74	9.48	6.85
Public Investment Corporation Limited	4.20	8.14	8.97
First Eagle Investment Management, L.L.C	6.92	7.81	8.18

**Related Party Transactions**

None of the directors, officers or major shareholders of Gold Fields or, to the knowledge of Gold Fields management, their families, had any interest, direct or indirect, in any transaction during the last three fiscal years or in any proposed transaction which has affected or will materially affect Gold Fields or its investment interests or subsidiaries, other than as stated below.

***Indemnity Agreement***

Each of Gold Fields, GFO, Gold Fields Holdings Company (BVI) Limited and Sibanye Gold, or the Guarantors, have entered into the Indemnity Agreement in favor of Sibanye Gold, in order to indemnify Sibanye Gold, with effect from the date on which the Spin-off took place, against any loss caused to Sibanye Gold in circumstances where Sibanye Gold is required to make a payment to noteholders or the trustee of the Notes by virtue of its guarantee of the Notes (whether such loss is made prior to or after the date on which the Spin-off takes effect or whether the circumstances giving rise to such loss arose prior to or after such date). The Indemnity Agreement will remain in place for as long as Sibanye Gold's guarantee obligations under the Notes remain in place, which is the redemption date of the Notes unless Sibanye Gold is released as a guarantor by the trustee of the Notes.



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For further information on the Indemnity Agreement, see [Additional Information](#) [Material Contracts](#) [Indemnity Agreement](#) .

Gold Fields believes that the above transactions with related parties have been conducted on terms at least as favorable to it as arm's length terms; however, in certain circumstances, such as related party loans, the transactions were not at arm's length as the loans were unsecured, interest-free and had no fixed terms of repayment.

None of the directors or officers of Gold Fields or any associate of such director or officer is currently or has been at any time during the past three fiscal years materially indebted to Gold Fields.

**Table of Contents****ITEM 8: FINANCIAL INFORMATION**

Reference is made to Item 18 for a list of all financial statements filed as part of this annual report. For information on legal proceedings, please refer to Information on the Company Legal Proceedings and Investigations.

**Dividends and Dividend Policy**

The following table sets forth the dividends announced and paid per share in respect of Gold Fields ordinary shares for the periods indicated:

	June 30, 2008		June 30, 2009		June 30, 2010		December 31, 2010		December 31, 2011		December 31, 2012		December 31, 2013		December 31, 2014 <sup>(1)</sup>	
	(\$)	(Rand)	(\$)	(Rand)	(\$)	(Rand)	(\$)	(Rand)	(\$)	(Rand)	(\$)	(Rand)	(\$)	(Rand)	(\$)	(Rand)
Prior year s final dividend	0.13	0.95	0.16	1.20	0.10	0.80	0.10	0.70	0.10	0.70	0.30	2.30	0.08	0.75	0.02	0.22
Interim dividend	0.09	0.65	0.03	0.30	0.07	0.50			0.14	1.00	0.20	1.60			0.02	0.20
Total dividend	0.22	1.60	0.19	1.50	0.17	1.30	0.10	0.70	0.24	1.70	0.50	3.90	0.08	0.75	0.04	0.42

Note:

(1) A final dividend of R0.20 per share was announced on February 12, 2015 and paid on March 9, 2015. Gold Fields dividend policy is to pay a dividend of between 25% and 35% of normalized earnings.

**Significant Changes**

Please refer to Operating and Financial Review and Prospects Recent Developments .

**Table of Contents****ITEM 9: THE OFFER AND LISTING****Listing Details**

The principal non-United States trading market for the ordinary shares of Gold Fields is the JSE on which they trade under the symbol GFI. The ordinary shares of Gold Fields are also listed on the SWX Swiss Exchange. Gold Fields International Depositary Shares are listed on Euronext Brussels. As of December 31, 2014, 14,648 record holders of Gold Fields ordinary shares, holding an aggregate of 240,517,515 ordinary shares (31.02%), were listed as having addresses in South Africa. As of December 31, 2014, 429 record holders of Gold Fields ordinary shares, holding an aggregate of 425,363,807 ordinary shares (54.86%), were listed as having addresses in the United States.

Gold Fields ADSs currently trade in the United States on the NYSE under the symbol GFI. ADRs representing the ADSs are issued by The Bank of New York Mellon, as Depositary. Each ADS represents one ordinary share. Gold Fields ADRs are also listed on the NASDAQ Dubai.

**JSE Trading History**

The tables below show the high and low closing prices in Rand and the average daily volume of trading activity on the JSE for Gold Fields ordinary shares for the last five fiscal years.

The following table sets out ordinary share trading information on a yearly basis for the last five fiscal years, as reported by I-Net Bridge, a South African financial information service:

Year ended	Ordinary share price		Average daily trading volume
	High	Low	
	<i>(Rand per ordinary share)</i>		<i>(number of ordinary shares)</i>
June 30, 2010	114.74	83.30	2,678,274
December 31, 2010	125.90	94.90	2,095,245
December 31, 2011	143.00	95.60	2,172,942
December 31, 2012	131.31	96.00	2,304,320
December 31, 2013	109.85	31.40	3,524,334
December 31, 2014	53.09	32.35	2,211,070
through April 7, 2015	67.45	44.30	2,366,330

The following table sets out ordinary share trading information on a quarterly basis for the periods indicated, as reported by I-Net Bridge:

Quarter ended	Ordinary share price		Average daily trading volume
	High	Low	
	<i>(Rand per ordinary share)</i>		<i>(number of ordinary shares)</i>
March 31, 2013	109.85	69.45	3,926,840
June 30, 2013	70.14	47.61	4,568,471
September 30, 2013	65.91	46.09	3,083,403
December 31, 2013	48.86	31.40	2,554,967
March 31, 2014	45.95	32.35	3,083,403
June 30, 2014	44.85	36.90	1,960,297

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September 30, 2014	51.44	39.81	2,296,969
December 31, 2014	53.09	35.99	2,260,043
March 31, 2015	67.45	52.20	2,409,328



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The following table sets out ordinary share trading information on a monthly basis for each of the last six months, as reported by I-Net Bridge:

Month ended	Ordinary share price		Average daily trading volume
	High	Low	
	<i>(Rand per ordinary share)</i>		<i>(number of ordinary shares)</i>
October 31, 2014	45.43	36.40	1,844,956
November 30, 2014	49.97	35.99	2,191,724
December 31, 2014	53.09	46.17	2,805,712
January 31, 2015	67.45	52.20	2,513,416
February 28, 2015	67.40	49.94	2,239,973
March 31, 2015	54.65	44.30	2,463,931

On April 7, 2015, the closing price of the ordinary shares on the JSE was 51.84.

**New York Stock Exchange Trading History**

The tables below show the high and low closing prices in U.S. dollars and the average daily volume of trading activity on the NYSE for the last five fiscal years.

The following table sets out ADS trading information on a yearly basis for the last five fiscal years, as reported by Bloomberg:

Year ended	ADS price		Average daily trading volume
	High	Low	
	<i>(\$ per ADS)</i>		<i>(number of ADSs)</i>
June 30, 2010	15.82	10.99	5,907,096
December 31, 2010	18.49	11.08	4,889,081
December 31, 2011	18.55	13.80	4,007,009
December 31, 2012	16.92	11.32	3,994,433
December 31, 2013	12.49	3.02	5,566,292
December 31, 2014	4.84	3.00	4,970,039
through April 7, 2015	4.47	4.22	2,882,459

The following table sets out ADS trading information on a quarterly basis for the periods indicated, as reported by Bloomberg:

Quarter ended	ADS price		Average daily trading volume
	High	Low	
	<i>(\$ per ADS)</i>		<i>(number of ADSs)</i>
March 31, 2013	12.49	7.75	4,550,302
June 30, 2013	7.70	4.70	5,579,904
September 30, 2013	6.52	4.57	6,697,829
December 31, 2013	4.88	3.02	5,389,510
March 31, 2014	4.36	3.00	5,916,167
June 30, 2014	4.32	3.47	3,062,742
September 30, 2014	4.84	3.62	5,025,206

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December 31, 2014	4.55	3.15	5,844,217
March 31, 2015	5.97	3.66	5,642,608

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The following table sets out ADS trading information on a monthly basis for each of the last six months, as reported by Bloomberg:

Month ended	ADS price		Average daily trading volume (number of ADSs)
	High	Low	
October 31, 2014	4.11	3.19	5,023,491
November 30, 2014	4.55	3.15	6,244,746
December 31, 2014	4.53	3.96	6,348,709
January 31, 2015	5.96	4.65	7,692,315
February 28, 2015	5.97	4.26	5,130,625
March 31, 2015	4.39	3.66	4,221,405

On April 7, 2015, the closing price of Gold Fields ADSs quoted on the NYSE was U.S.\$4.22.

**JSE Limited**

The JSE was formed in 1887. The JSE provides facilities for the buying and selling of a wide range of securities, including equity and corporate debt securities and warrants in respect of securities, as well as Krugerrands.

The JSE is a self-regulating organization operating under the ultimate supervision of the Ministry of Finance, through the Financial Services Board and its representative, the Registrar of Stock Exchanges. Following the introduction of the Stock Exchanges Control Amendment Act No. 54 of 1995, or the Stock Exchange Act, which provides the statutory framework for the deregulation of the JSE, the JSE's rules were amended with effect from November 8, 1995. These amendments removed the restrictions on corporate membership and allowed stockbrokers to form limited liability corporate entities. Members were, for the first time, also required to keep client funds in trust accounts separate from members' own funds. Further rules to complete the deregulation of the JSE, as envisaged by the Stock Exchange Act, were promulgated during 1996 to permit members of the JSE to trade either as agents or as principals in any transaction in equities and to allow members to negotiate freely the brokerage commissions payable on agency transactions in equities. With effect from 1996, screen trading commenced on the JSE. The Securities Services Act No. 36 of 2004 came into effect on January 18, 2005. This act consolidates and amends the laws relating to the regulation and control of exchanges and securities trading, the regulation and control of central securities depositories and the custody and administration of securities and the prohibition of insider trading.

The actual float available for public trading is significantly smaller than the aggregate market capitalization because of the large number of long-term holdings by listed holding companies in listed subsidiaries and associates, the existence of listed pyramid companies and cross-holdings between listed companies.

South Africa was included in the Morgan Stanley Capital International Emerging Markets Free Index and the International Finance Corporation Investable Index in March and April 1995, respectively. South Africa has a significant representation in these emerging market indices.

The JSE has established a project named Share Transactions Totally Electronic, or STRATE, which has involved the dematerialization of share certificates in a central securities depository and the introduction of contractual, rolling, electronic settlement in order to increase the speed, certainty and efficiency of settlement and to fall into line with international practice. Gold Fields joined STRATE on October 1, 2001. Investors are given the choice of either holding their securities in dematerialized form in the central securities depository or retaining their share certificates. Shareholders who elect to retain their share certificates are not able to trade their shares on the JSE, although they may trade their shares off-market. Settlement of dematerialized shares traded electronically on the JSE is made five days after each trade (T+5).

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**ITEM 10: ADDITIONAL INFORMATION**

**General**

Gold Fields is a public company registered in South Africa under the Companies Act, which limits the liability of its shareholders, and is governed by its memorandum of incorporation, the Companies Act and the JSE Listings Requirements. Gold Fields' registration number is 1968/004880/06.

On April 8, 2009, South Africa passed the Companies Act, which came into force on May 1, 2011. At the annual general meeting held on May 14, 2012, Gold Fields adopted a new memorandum of incorporation, or the Gold Fields MOI, to replace its memorandum of association and articles of association adopted under the previous Companies Act. Gold Fields amended the Gold Fields MOI at its annual general meeting on May 9, 2013. The amended Gold Fields MOI conforms to the requirements of the Companies Act and the amended JSE Listings Requirements.

Clause 4 of the Gold Fields MOI provides that Gold Fields has the powers and capacity of a natural person and is not subject to any special conditions.

**Dividends and Payments to Shareholders**

Gold Fields may make distributions (including the payment of dividends) from time to time in accordance with provisions of the Companies Act, the JSE Listings Requirements and the Gold Fields MOI. In terms of the Companies Act, a company may only make a distribution (including the payment of any dividend) if:

it reasonably appears that the company will satisfy the solvency and liquidity test immediately after completing the proposed distribution;

the board of the company, by resolution, has acknowledged that it has applied the solvency and liquidity test and reasonably concluded that the company will satisfy the solvency and liquidity test immediately after completing the proposed distribution. In terms of the Companies Act, a company satisfies the solvency and liquidity test at a particular time if, considering all reasonably foreseeable financial circumstances of the company at that time:

the assets of the company, fairly valued, equal or exceed the liabilities of the company, as fairly valued; and

it appears that the company will be able to pay its debts as they become due in the ordinary course of business for a period of:

12 months after the date on which the test is considered; or

in the case of a distribution (including the payment of dividends), 12 months following that distribution.

Subject to the above requirements, the directors of Gold Fields may from time to time declare a dividend or any other distribution to shareholders in proportion to the number of shares held by them.

The Company must hold all monies due to the shareholders in trust indefinitely, subject to the laws of prescription. The Company shall be entitled at any time to delegate its obligations in respect of unclaimed dividends, or other unclaimed distributions, to any one of the Company's bankers.

**Voting Rights**

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Every shareholder of Gold Fields, or representative of a shareholder, who is present at a shareholders meeting has one vote on a show of hands, irrespective of the number of shares he or she holds or represents,

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provided that a representative of a shareholder shall, irrespective of the number of shareholders he or she represents, have only one vote. At a shareholders meeting, a resolution put to the vote shall be decided on a show of hands, unless a poll is demanded by not less than five persons having the right to vote on that matter, a person or persons entitled to exercise not less than one tenth of the total voting rights entitled to vote on that matter or the chairperson. Every Gold Fields shareholder is, on a poll, entitled to one vote per ordinary share held. Neither the Companies Act nor the Gold Fields MOI provide for cumulative voting.

A shareholder entitled to attend and vote at a shareholders meeting shall be entitled to appoint a proxy to attend, participate in, speak and vote at such shareholders meeting in the place of such shareholder. The proxy need not be a shareholder. However, the proxy may not delegate the authority granted to him or her as a proxy.

### **Issue of Additional Shares**

In accordance with the provisions of the JSE Listings Requirements and the Gold Fields MOI, the Board shall not have the power to issue authorized shares other than:

the issue of capitalization shares or the offer of a cash payment in lieu of awarding capitalization shares;

issues in respect of a rights offer; and

issues which do not require the approval of shareholders in terms of the Companies Act or the JSE Listings Requirements without shareholder approval.

In accordance with the provisions of the Companies Act:

an issue of shares must be approved by a special resolution of the shareholders of a company if the shares are issued to a director or officer of the company or any other person related or inter-related to the company, save for certain exceptions, including an issue pursuant to an employee share scheme; and

an issue of shares in a transaction requires approval of the shareholders by special resolution if the voting power of the shares that are issued as a result of the transaction will be equal to or exceed 30% of the voting power of all the shares held by shareholders immediately before the transaction.

### **Issues for Cash**

In accordance with the provisions of the JSE Listings Requirements and the Gold Fields MOI, shareholders may either convey a:

special authority to issue shares for cash on terms that are specifically approved by shareholders in a shareholders meeting in respect of a particular issue, or a Specific Issue for Cash; or

general authority to issue shares for cash on terms generally approved by shareholders in a shareholders meeting by granting the Board the authority to issue a specified number of securities for cash, which authority will be valid until the next annual general meeting or for fifteen months from the date on which the resolution was passed, whichever period is shorter, or a General Issue for Cash.

In terms of the JSE Listings Requirements, a company may only undertake:

a Specific Issue for Cash or a General Issue for Cash on the basis that a 75% majority of votes cast by shareholders at a shareholders meeting must approve the granting of such authority to the directors;

a General Issue for Cash is subject to satisfactory compliance with certain requirements, including:

the shares that are the subject of a General Issue for Cash may not exceed 15% of the company's listed shares; and

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the maximum discount at which shares may be issued is 10% of the weighted average traded price of such shares measured over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the shares.

### **Pre-emptive Rights**

The Companies Act, the JSE Listings Requirements and the Gold Fields MOI require that any new issue of shares by Gold Fields must first be offered to existing shareholders in proportion to their shareholding in the Company, unless, amongst other things, the issuance to new shareholders is:

the necessary shareholder approvals have been obtained;

a capitalization issue, an issue for an acquisition of assets (including another company) or an amalgamation or merger is to be undertaken; or

the shares are to be issued in terms of option or conversion rights.

### **Transfer of Shares**

The transfer of any Gold Fields certificated shares will be implemented in accordance with the provisions of the Companies Act, using the then common form of transfer. Dematerialized shares, which have been traded on the JSE, are transferred on the STRATE system and delivered five business days after each trade. The transferor of any share is deemed to remain the holder of that share until the name of the transferee is entered in Gold Fields' register for that share. Since Gold Fields shares are traded through STRATE, only shares that have been dematerialized may be traded on the JSE. Accordingly, Gold Fields shareholders who hold shares in certificated form will need to dematerialize their shares in order to trade on the JSE.

### **Disclosure of Beneficial Interest in Shares**

The Companies Act requires a registered holder of Gold Fields shares who is not the beneficial owner of such shares to disclose to Gold Fields, within five business days of the end of every month during which a change has occurred in the beneficial ownership, the identity of the beneficial owner and the number and class of securities held on behalf of the beneficial owner. Moreover, Gold Fields may, by notice in writing, require a person who is a registered shareholder, or whom Gold Fields knows or has reasonable cause to believe has a beneficial interest in Gold Fields ordinary shares, to confirm or deny whether or not such person holds the ordinary shares or beneficial interest and, if the ordinary shares are held for another person, to disclose to Gold Fields the identity of the person on whose behalf the ordinary shares are held. Gold Fields may also require the person to give particulars of the extent of the beneficial interest held during the three years preceding the date of the notice. Gold Fields is obligated to establish and maintain a register of the disclosures described above and to publish in its annual financial statements a list of the persons who hold a beneficial interest equal to or in excess of 5% of the total number of ordinary shares issued by Gold Fields, together with the extent of those beneficial interests.

### **General Meetings of Shareholders**

The shareholders and/or directors may convene Gold Fields shareholders meetings in accordance with the requirements of the Companies Act and the Gold Fields MOI. Gold Fields is obligated to hold an annual general meeting for each fiscal year prior to 15 months after the date of the last annual general meeting.

Shareholders meetings, including annual general meetings, require at least 15 business days' notice in writing of the place, day and time of the meeting to shareholders.

Business may be transacted at any shareholders meeting only while a quorum of shareholders is present. The quorum for the commencement of a shareholders meeting shall be sufficient persons present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised, but the shareholders meeting may not begin unless, in addition, at least three shareholders entitled to vote are present at the meeting.





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The annual general meeting deals with and disposes of all matters prescribed by the Gold Fields MOI and the Companies Act, including:

the presentation of the directors' report, the audited financial statements for the immediately preceding financial year and the audit committee report;

the election of directors; and

the appointment of an auditor and an audit committee.

### **Accounting Records and Financial Statements**

Gold Fields is required to keep the accounting records and books of accounts as are necessary to present the state of affairs of the Company and to explain the financial position of the company as prescribed by the Companies Act.

The directors shall from time to time determine at what times and places and under what conditions, subject to the requirements of the Companies Act, shareholders are entitled to inspect and take copies of certain documents, including the Gold Fields MOI, accounting records required to be maintained by the Company and annual financial statements. Apart from the shareholders, no other person shall be entitled to inspect any of the documents of the Company (other than the share register) unless expressly authorized by the directors or in accordance with the Promotion of Access to Information Act, No 2 of 2000, as amended.

The directors of Gold Fields will cause to be prepared annual financial statements and an annual report as required by the Companies Act and the JSE Listings Requirements. Gold Fields will send by mail to the registered address of every shareholder a copy of the annual report and annual financial statements. Not later than three months after the first six months of its financial year, Gold Fields will mail to every shareholder an interim report for the previous six month period.

### **Amendments to Gold Fields Memorandum of Incorporation**

The Gold Fields shareholders may, by the passing of a special resolution in accordance with the provisions of the Companies Act and the Gold Fields MOI, amend the Gold Fields MOI, including:

the creation of any class of shares;

the variation of any preferences, rights, limitations and other terms attaching to any class of shares;

the conversion of one class of shares into one or more other classes;

an increase in Gold Fields' authorized share capital;

a consolidation of Gold Fields' equity securities;

a sub-division of Gold Fields' equity securities; and/or

the change of Gold Fields name.

**Variation of Rights**

All or any of the rights, privileges or conditions attached to Gold Fields ordinary shares may be varied by a special resolution of Gold Fields passed in accordance with the provisions of the Companies Act and the Gold Fields MOI.

**Distribution of Assets on Liquidation**

In the event of a voluntary or compulsory liquidation, dissolution or winding-up, the assets remaining after payment of all the debts and liabilities of Gold Fields, including the costs of liquidation, shall be dealt with by a

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liquidator who may, with the sanction of a special resolution, among other things, divide among the shareholders any part of the assets of Gold Fields, and may vest any part of the assets of Gold Fields as the liquidator deems fit in trust for the benefit of shareholders. The division of assets is not required to be done in accordance with the legal rights of shareholders of Gold Fields. In particular, any class may be given preferential or special rights or may be partly or fully excluded.

### **Employee Share Scheme**

The Companies Act permits the establishment of employee share schemes, whether by means of a trust or otherwise, for the purpose of offering participation therein solely to employees, including salaried directors, officers and other persons closely involved in the business of the company or a subsidiary of the company, either by means of the issue of shares in the company or by the grant of options for shares in the company.

### **Purchase of Shares**

Gold Fields or any subsidiary of Gold Fields may, if authorized by special resolution by way of a general approval, acquire ordinary shares in the capital of Gold Fields in accordance with the Companies Act and the JSE Listings Requirements, provided amongst other things that:

the number of its own ordinary shares acquired by Gold Fields in any one financial year shall not exceed 20% of the ordinary shares in issue at the date on which this resolution is passed;

this authority shall lapse on the earlier of the date of the next annual general meeting or the date 15 months after the date on which the special resolution is passed;

the Board has resolved to authorize the acquisition and that Gold Fields and its subsidiaries, or the Group, will satisfy the solvency and liquidity test immediately after the acquisition and that since the test was done there have been no material changes to the financial position of the Group;

the price paid per ordinary share may not be greater than 10% above the weighted average of the market value of the ordinary shares for the five business days immediately preceding the date on which an acquisition is made;

the number of shares acquired by subsidiaries of Gold Fields shall not exceed 10% in the aggregate of the number of issued shares in Gold Fields.

### **Borrowing Powers**

In terms of the provisions of Section 19(1) of the Companies Act, read together with Clause 4 of the Gold Fields MOI, the borrowing powers of the Company are unlimited.

### **Non-South African Shareholders**

There are no limitations imposed by South African law or by the Memorandum of Incorporation of Gold Fields on the rights of non-South African shareholders to hold or vote Gold Fields ordinary shares.

### **Rights of Minority Shareholders and Directors Duties**

The Companies Act provides instances in which a minority shareholder may seek relief from the courts if he, she or it has been unfairly prejudiced by the company.

In South Africa, a director of a company, when acting in that capacity, must exercise the powers and perform the functions of a director:

in good faith and for a proper purpose;

in the best interests of the company; and

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with the degree of care, skill and diligence that may reasonably be expected of a person:

carrying out the same functions in relation to the company as those carried out by that director; and

having the general knowledge, skill and experience of that director.

**Material Contracts**

***Additional Black Economic Empowerment Transactions***

On August 5, 2010, Gold Fields announced a series of empowerment transactions to meet its 2014 Black Economic Empowerment equity ownership requirements. On November 2, 2010, the shareholders of Gold Fields approved these transactions at the General Meeting which included the establishment of an ESOP, the issue of approximately 600,000 Gold Fields shares to a broad-based BEE consortium, or BEECO, and BEECO's subscription for a 10% holding in South Deep with a phase in participation over 20 years. On November 19, 2010, Gold Fields issued 13,525,394 shares to the ESOP, housed and administered by the Gold Fields Thusano Share Trust, thereby commencing the implementation of the ESOP transaction. The remaining empowerment transactions have been completed.

***U.S.\$1 billion Notes Issue***

See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources U.S.\$1 billion Notes Issue .

***La Cima revolving senior secured credit facility***

See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources La Cima revolving senior secured credit facility .

***Amendment and Restatement Agreement relating to the Senior Revolving Loan Facilities Agreement originally dated December 22, 2010***

See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources U.S.\$70 million Ghana Senior Secured Revolving Credit Facility .

***U.S.\$1,510 million Term Loan and Revolving Credit Facility***

See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources U.S.\$1,510 million Term Loan and Revolving Credit Facility .

***R1,500 million Nedbank Revolving Credit Facility***

See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources R1,500 million Nedbank Revolving Credit Facility .

***R1.0 billion Long-Term Revolving Credit Facilities***

See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources R1.0 billion Long-Term Revolving Credit Facilities .

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***Management and Other Compensatory Plans and Arrangements***

See Directors, Senior Management and Employees Long-term Cash Incentive Plan , Directors, Senior Management and Employees The Gold Fields Limited 2012 Share Plan , Directors, Senior Management and Employees The Gold Fields Limited 2005 Share Plan , Directors, Senior Management and Employees Shares Set Aside for Share Plans and Directors, Senior Management and Employees Executive Directors Terms of Employment .

***Indemnity Agreement***

Pursuant to the Indemnity Agreement entered into between the guarantors of the Notes, or the Guarantors, and Sibanye Gold, the Guarantors (other than Sibanye Gold) agreed to hold Sibanye Gold harmless from and against any and all liabilities and expenses which may be incurred by Sibanye Gold under or in connection with the Notes, including any payment obligations by Sibanye Gold to the noteholders or the trustee of the Notes pursuant to the guarantee of the Notes, all on the terms and subject to the conditions contained therein. The Indemnity Agreement will remain in place for as long as Sibanye Gold's guarantee obligations under the Notes remain in place, which is the redemption date of the Notes unless Sibanye Gold is released as a guarantor by the trustee of the Notes. See Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources U.S.\$1 billion Notes Issue .

***Deposit Agreement***

Gold Fields has an American Depositary Receipt facility. In connection with this facility, Gold Fields is party to a Deposit Agreement, dated as of February 2, 1998, as amended and restated as of May 21, 2002 among Gold Fields, The Bank of New York (now known as The Bank of New York Mellon, or BNYM), as Depositary, and all owners and holders from time to time of American Depositary Receipts issued thereunder.

This summary is subject to and qualified in its entirety by reference to the Deposit Agreement, including the form of ADRs attached thereto. Terms used in this section and not otherwise defined will have the meanings set forth in the Deposit Agreement. Copies of the Deposit Agreement are available for inspection at the Corporate Trust Office of the Depositary, located at 101 Barclay Street, New York, New York 10286. The Depositary's principal executive office is located at One Wall Street, New York, New York 10286.

***American Depositary Receipts***

Each Gold Fields ADS represents ownership interests in one Gold Fields ordinary share and the rights attributable to one Gold Fields ordinary share that Gold Fields will deposit with one of the custodians, which currently are Standard Bank of South Africa, First National Bank of South Africa and Société Générale. Each Gold Fields ADR also represents securities, cash or other property deposited with BNYM but not distributed to holders of Gold Fields ADRs.

As BNYM will actually be the holder of the underlying ordinary shares, Gold Fields will not treat you as one of its shareholders. As a holder of ADSs, you will have ADR holder rights. A Deposit Agreement among Gold Fields, BNYM and you, as a Gold Fields ADR holder, sets out the ADR holders' rights and obligations of BNYM, as depositary. New York state law governs the Deposit Agreement and the ADRs evidencing the Gold Fields ADSs.

You may hold ADRs either directly or indirectly through your broker or financial institution. If you hold ADRs directly, you are an ADR holder. This description assumes you hold your ADRs directly. If you hold the ADRs indirectly, you must rely on the procedures of your broker or financial institution to assert the rights of ADR holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

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**Share Dividends and Other Distributions**

*How will you receive dividends and other distributions on the ordinary shares?*

BNYM will pay to you the cash dividends or other distributions it or the custodian receives on the ordinary shares or other deposited securities, after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your Gold Fields ADSs represent.

*Cash:*

BNYM will convert any cash dividend or distribution Gold Fields pays on the ordinary shares, other than any dividend or distribution paid in U.S. dollars, into U.S. dollars. If that is not possible on a reasonable basis, or if any approval from any government is needed and cannot be obtained, the Deposit Agreement allows BNYM to distribute the foreign currency only to those ADS holders to whom it is possible to do so or to hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest.

Before making a distribution, BNYM will deduct any withholding taxes that must be paid under applicable laws. It will distribute only whole U.S. dollars and U.S. cents and will round any fractional amounts to the nearest whole cent. If the exchange rates fluctuate during a time when BNYM cannot convert the foreign currency, you may lose some or all of the value of the distribution.

*Ordinary shares:*

BNYM will distribute new ADRs representing any ordinary shares Gold Fields distributes as a dividend or free distribution, if Gold Fields requests that BNYM make this distribution and if Gold Fields furnishes BNYM promptly with satisfactory evidence that it is legal to do so. BNYM will only distribute whole ADRs. It will sell ordinary shares, which would require it to issue a fractional ADS and distribute the net proceeds to the holders entitled to those ordinary shares. If BNYM does not distribute additional cash or ADSs, each ADS will also represent the new ordinary shares.

*Right to purchase additional ordinary shares:*

If Gold Fields offers holders of securities any rights, including rights to subscribe for additional ordinary shares, BNYM may take actions necessary to make these rights available to you. Gold Fields must first instruct BNYM to do so and furnish it with satisfactory evidence that it is legal to do so. If Gold Fields does not furnish this evidence and/or give these instructions, and BNYM determines that it is practical to sell the rights, BNYM may sell the rights and allocate the net proceeds to holders' accounts. BNYM may allow rights that are not distributed or sold to lapse. In that case, you will receive no value for them.

If BNYM makes rights available to you, upon instruction from you it will exercise the rights and purchase the ordinary shares on your behalf. BNYM will then deposit the ordinary shares and deliver ADSs to you. It will only exercise rights if you pay BNYM the exercise price and any charges the rights require you to pay. U.S. securities laws may restrict the sale, deposit, cancellation and transfer of the ADSs issued after exercise of rights. In this case, BNYM may deliver the ADSs under a separate restricted deposit agreement, which will contain the same provisions as the Deposit Agreement, except for changes needed to put the restrictions in place. BNYM will not offer you rights unless those rights and the securities to which the rights relate are either exempt from registration or have been registered under the Securities Act of 1933 with respect to a distribution to you.

*Other distributions:*

BNYM will send to you anything else Gold Fields distributes on deposited securities by any means BNYM thinks is legal, fair and practical. If it cannot make the distribution in that way, BNYM may decide to sell what



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Gold Fields distributed for example by public or private sale and distribute the net proceeds, in the same way as it does with cash, or it may decide to hold what Gold Fields distributed, in which case the ADRs will also represent the newly distributed property.

BNYM is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADR holder. Gold Fields will have no obligation to take any other action to permit the distribution of ADSs, ordinary shares, rights or anything else to ADS holders. This means that you may not receive the distribution Gold Fields makes on its ordinary shares or any value for them if it is illegal or impractical for Gold Fields to make them available to you.

### **Deposit, Withdrawal and Cancellation**

#### ***How does the Depositary issue ADSs?***

BNYM will deliver the ADSs that you are entitled to receive in the offer against deposit of the underlying ordinary shares. BNYM will deliver additional ADSs if you or your broker deposit ordinary shares with the custodian. You must also deliver evidence satisfactory to BNYM of any necessary approvals of the governmental agency in South Africa, if any, which is responsible for regulating currency exchange at that time. If required by BNYM, you must in addition deliver an agreement transferring your rights as a shareholder to receive dividends or other property. Upon payment of its fees and of any taxes or charges, BNYM will register the appropriate number of ADSs in the names you request and will deliver the ADRs at its Corporate Trust Office to the persons you request.

#### ***How do ADS holders cancel an ADS and obtain ordinary shares?***

You may submit a written request to withdraw ordinary shares and turn in your ADRs evidencing your ADSs at the Corporate Trust Office of BNYM. Upon payment of its fees and of any taxes or charges, such as stamp taxes or stock transfer taxes, BNYM will deliver the deposited securities underlying the ADSs to an account designated by you at the office of the custodian. At your request, risk and expense, BNYM may deliver at its Corporate Trust Office any dividends or distributions with respect to the deposited securities represented by the ADSs, or any proceeds from the sale of any dividends, distributions or rights, which may be held by BNYM.

### **Record Dates**

Whenever any distribution of cash or rights, change in the number of ordinary shares represented by ADSs or notice of a meeting of holders of ordinary shares or ADSs is made, BNYM will fix a record date for the determination of the owners entitled to receive the benefits, rights or notice.

### **Voting of Deposited Securities**

#### ***How do you vote?***

If you are an ADS holder on a record date fixed by BNYM, you may exercise the voting rights of the same class of securities as the ordinary shares represented by your ADSs, but only if Gold Fields asks BNYM to ask for your instructions. Otherwise, you will not be able to exercise your right to vote unless you withdraw the ordinary shares.

However, you may not know about the meeting enough in advance to withdraw the ordinary shares. If Gold Fields asks for your instructions, BNYM will notify you of the upcoming meeting and arrange to deliver certain materials to you. The materials will (1) include all information included with the meeting notice sent by Gold Fields to BNYM, (2) explain how you may instruct BNYM to vote the ordinary shares or other deposited securities underlying your ADSs as you direct if you vote by mail or by proxy and (3) include a voting instruction card and any other information required under South African law that Gold Fields and BNYM will

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prepare. For instructions to be valid, BNYM must receive them on or before the date specified in the instructions. BNYM will try, to the extent practical, subject to applicable law and the provisions of the by-laws of Gold Fields, to vote or have its agents vote the underlying shares as you instruct. BNYM will only vote, or attempt to vote, as you instruct. However, if BNYM does not receive your voting instructions, it will give a proxy to vote your ordinary shares to a designated representative of Gold Fields, unless Gold Fields informs BNYM that either: (1) it does not want the proxy issued, (2) substantial opposition exists or (3) the matter materially and adversely affects the rights of holders of ordinary shares.

Gold Fields cannot assure that you will receive the voting materials in time to ensure that you can instruct BNYM to vote your ordinary shares. In addition, BNYM and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise your right to vote and there may be nothing you can do if your ordinary shares are not voted as you requested.

**Inspection of Transfer Books**

BNYM will keep books for the registration and transfer of ADRs. These books will be open at all reasonable times for inspection by you, provided that you are inspecting the books for a purpose related to Gold Fields or the Deposit Agreement or the ADRs.

**Reports and Other Communications**

BNYM will make available for your inspection at its Corporate Trust Office any reports or communications, including any proxy material, received from Gold Fields, as long as these materials are received by BNYM as the holder of the deposited securities and generally available to Gold Fields shareholders. At Gold Fields' written request, BNYM will also send copies of reports, notices and communications to you.

**Fees and Expenses**

BNYM, as Depositary, will charge any party depositing or withdrawing ordinary shares or any party surrendering ADRs or to whom ADRs are issued:

<b>For:</b>	<b>Gold Fields ADS holders must pay:</b>
each issuance of a Gold Fields ADS, including as a result of a distribution of ordinary shares or rights or other property or upon exercise of a warrant to purchase an ADS	\$5.00 or less per 100 Gold Fields ADSs or portion thereof
each distribution of securities distributed to holders of Gold Fields ordinary shares which are distributed by BNYM to Gold Fields ADR holders	any fees that would be payable if the securities had been ordinary shares and those ordinary shares had been deposited for the issuance of ADSs
each cancellation of a Gold Fields ADS, including if the Deposit Agreement terminates	\$5.00 or less per 100 Gold Fields ADSs or portion thereof
each cash distribution pursuant to the Deposit Agreement	not more than \$0.02 per ADS (or portion thereof)
annual depositary services	not more than \$0.02 per ADS (or portion thereof) paid annually, provided that this fee will not be charged if the \$0.02 fee for cash distributions described above was charged during the calendar year

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<b>For:</b>	<b>Gold Fields ADS holders must pay:</b>
transfer and registration of ordinary shares on the Gold Fields share register from your name to the name BNYM or its agent when you deposit or withdraw ordinary shares	registration or transfer fees
conversion of foreign currency to U.S. dollars	expenses of BNYM
cable, telex and facsimile transmission expenses, if expressly provided in the Deposit Agreement	expenses of BNYM
as necessary	certain taxes and governmental charges BNYM or the custodian has to pay on any Gold Fields ADS or ordinary share underlying a Gold Fields ADS

In fiscal 2014, BNYM paid U.S.\$1.3 million to Gold Fields as reimbursement for costs incurred over the year in connection with the ADR program.

**Payment of Taxes**

You will be responsible for any taxes or other governmental charges payable on your ADRs or on the deposited securities underlying your ADRs. BNYM may deduct the amount of any taxes owed from any payments to you. It may also restrict or refuse the transfer of your Gold Fields ADSs or restrict or refuse the withdrawal of your underlying deposited securities until you pay any taxes owed on your Gold Fields ADSs or underlying securities. It may also sell deposited securities to pay any taxes owed. You will remain liable if the proceeds of the sale are not enough to pay the taxes. If BNYM sells deposited securities, it will, if appropriate, reduce the number of Gold Fields ADSs held by you to reflect the sale and pay to you any proceeds, or send to you any property, remaining after it has paid the taxes.

**Reclassifications, Recapitalizations and Mergers**

If Gold Fields:

changes the par value of any of the Gold Fields ordinary shares;

reclassifies, splits or consolidates any of the Gold Fields ordinary shares;

distributes securities on any of the Gold Fields ordinary shares that are not distributed to you; or

recapitalizes, reorganizes, merges, consolidates, sells its assets, or takes any similar action, then: the cash, ordinary shares or other securities received by BNYM will become new deposited securities under the Deposit Agreement, and each Gold Fields ADS will automatically represent the right to receive a proportional interest in the new deposited securities; and BNYM may and will, if Gold Fields asks it to, distribute some or all of the cash, ordinary shares or other securities it received. It may also issue new Gold Fields ADSs or ask you to surrender your outstanding Gold Fields ADSs in exchange for new Gold Fields ADSs identifying the new deposited securities.

**Amendment and Termination of the Deposit Agreement**

*How may the Deposit Agreement be amended?*

Gold Fields may agree with BNYM to amend the Deposit Agreement and the Gold Fields ADRs without your consent for any reason. If the amendment adds or increases fees or charges, except for taxes and governmental charges, or prejudices an important right of Gold Fields ADS holders, it will only become effective



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30 days after BNYM notifies you of the amendment. At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the agreement as amended. However, no amendment will impair your right to receive the deposited securities in exchange for your Gold Fields ADSs.

### ***How may the Deposit Agreement be terminated?***

BNYM will terminate the Deposit Agreement if Gold Fields asks it to do so, in which case it must notify you at least 30 days before termination. BNYM may also terminate the agreement after notifying you if BNYM informs Gold Fields that it would like to resign and Gold Fields does not appoint a new depositary bank within 90 days.

If any Gold Fields ADSs remain outstanding after termination, BNYM will stop registering the transfer of Gold Fields ADSs, will stop distributing dividends to Gold Fields ADS holders, and will not give any further notices or do anything else under the Deposit Agreement other than:

collect dividends and distributions on the deposited securities;

sell rights and other property offered to holders of deposited securities; and

deliver ordinary shares and other deposited securities upon cancellation of Gold Fields ADSs.

At any time after one year after termination of the Deposit Agreement, BNYM may sell any remaining deposited securities by public or private sale. After that, BNYM will hold the money it received on the sale, as well as any cash it is holding under the Deposit Agreement, for the pro rata benefit of the Gold Fields ADS holders that have not surrendered their Gold Fields ADSs. It will not invest the money and has no liability for interest. BNYM's only obligations will be to account for the money and cash. After termination, Gold Fields' only obligations will be with respect to indemnification of, and to pay specified amounts to, BNYM.

### **Your Right to Receive the Ordinary Shares Underlying Your Gold Fields ADSs**

You have the right to cancel your Gold Fields ADSs and withdraw the underlying ordinary shares at any time except:

due to temporary delays caused by BNYM or Gold Fields closing its transfer books, the transfer of ordinary shares being blocked in connection with voting at a shareholders meeting, or Gold Fields paying dividends;

when you or other ADR holders seeking to withdraw ordinary shares owe money to pay fees, taxes and similar charges; or

when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to Gold Fields ADSs or to the withdrawal of ordinary shares or other deposited securities.

This right of withdrawal may not be limited by any provision of the Deposit Agreement.

### **Limitations on Obligations and Liability to Gold Fields ADS Holders**

The Deposit Agreement expressly limits the obligations of Gold Fields and BNYM. It also limits the liability of Gold Fields and BNYM. Gold Fields and BNYM:

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are only obligated to take the actions specifically set forth in the Deposit Agreement without negligence or bad faith;

are not liable if either of them is prevented or delayed by law, any provision of the Gold Fields by-laws or circumstances beyond their control from performing their obligations under the agreement;

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are not liable if either of them exercises, or fails to exercise, discretion permitted under the agreement;

have no obligation to become involved in a lawsuit or proceeding related to the ADSs or the Deposit Agreement on your behalf or on behalf of any other party unless they are indemnified to their satisfaction; and

may rely upon any advice of or information from any legal counsel, accountants, any person depositing ordinary shares, any Gold Fields ADS holder or any other person whom they believe in good faith is competent to give them that advice or information. In the Deposit Agreement, Gold Fields and BNYM agree to indemnify each other under specified circumstances.

### **Requirements for Depositary Actions**

Before BNYM will deliver or register the transfer of a Gold Fields ADS, make a distribution on a Gold Fields ADS, or permit withdrawal of ordinary shares, BNYM may require:

payment of taxes, including stock transfer taxes or other governmental charges, and transfer or registration fees charged by third parties for the transfer of any ordinary shares or other deposited securities, as well as the fees and expenses of BNYM;

production of satisfactory proof of the identity of the person presenting ordinary shares for deposit or Gold Fields ADSs upon withdrawal, and of the genuineness of any signature; and

compliance with regulations BNYM may establish consistent with the Deposit Agreement, including presentation of transfer documents.

BNYM may refuse to deliver, transfer, or register transfer of Gold Fields ADSs generally when the transfer books of BNYM are closed or at any time if BNYM or Gold Fields thinks it advisable to do so.

### **Pre-Release of Gold Fields ADSs**

In certain circumstances, subject to the provisions of the Deposit Agreement, BNYM may deliver Gold Fields ADSs before deposit of the underlying ordinary shares. This is called a pre-release of Gold Fields ADSs. BNYM may also deliver ordinary shares prior to the receipt and cancellation of pre-released Gold Fields ADSs (even if those Gold Fields ADSs are canceled before the pre-release transaction has been closed out). A pre-release is closed out as soon as the underlying ordinary shares are delivered to BNYM. BNYM may receive Gold Fields ADSs instead of the ordinary shares to close out a pre-release. BNYM may pre-release Gold Fields ADSs only under the following conditions:

before or at the time of the pre-release, the person to whom the pre-release is being made must represent to BNYM in writing that it or its customer, as the case may be, owns the ordinary shares or Gold Fields ADSs to be deposited;

the pre-release must be fully collateralized with cash or collateral that BNYM considers appropriate; and

BNYM must be able to close out the pre-release on not more than five business days' notice.

The pre-release will be subject to whatever indemnities and credit regulations BNYM considers appropriate. In addition, BNYM will limit the number of Gold Fields ADSs that may be outstanding at any time as a result of pre-release.

### **Governing Law**

The Deposit Agreement is governed by the law of the State of New York.



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### **South African Exchange Control Limitations Affecting Security Holders**

*The discussion below relates to exchange controls in force as of the date of this annual report. These controls are subject to change at any time without notice. It is not possible to predict whether existing exchange controls will be abolished, continued or amended by the South African government in the future. Investors are urged to consult a professional adviser as to the exchange control implications of their particular investments.*

Acquisitions of shares or assets of South African companies by non-South African purchasers solely for a cash consideration equal to the fair value of the shares, will generally be permitted by the SARB pursuant to South African exchange control regulations. An acquisition of shares or assets of a South African company by a non-South African purchaser may be refused by the SARB in other circumstances, such as if the consideration for the acquisition is shares in a non-South African company or if the acquisition is financed by a loan from a South African lender. Denial of SARB approval for an acquisition of shares or assets of a South African company may result in the transaction not being able to be completed. Subject to this limitation, there are no restrictions on equity investments in South African companies and a foreign investor may invest freely in the ordinary shares and ADSs of Gold Fields.

There are no exchange control restrictions on the remittance in full of dividends declared out of trading profits to non-residents of the Common Monetary Area (comprising South Africa, the Kingdoms of Lesotho and Swaziland and the Republic of Namibia) by Gold Fields.

Under South African exchange control regulations, the ordinary shares and ADSs of Gold Fields are freely transferable outside South Africa between persons who are not residents of the Common Monetary Area. Additionally, where ordinary shares are sold on the JSE on behalf of shareholders of Gold Fields who are not residents of the Common Monetary Area, the proceeds of such sales will be freely exchangeable into foreign currency and remittable to them. Any share certificates held by non-resident Gold Fields shareholders will be endorsed with the words non-resident. The same endorsement, however, will not be applicable to ADSs of Gold Fields held by non-resident shareholders.

### **Taxation**

#### ***Certain South African Tax Considerations***

The discussion in this section sets forth the material South African tax consequences of the purchase, ownership and disposition of Gold Fields ordinary shares or ADSs under current South African law. Changes in the law may alter the tax treatment of Gold Fields ordinary shares or ADSs, possibly on a retroactive basis.

The following summary is not a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of Gold Fields ordinary shares or ADSs and does not cover tax consequences that depend upon your particular tax circumstances. In particular, the following summary addresses tax consequences for holders of ordinary shares or ADSs who are not residents of, or who do not carry on business in, South Africa and who hold ordinary shares or ADSs as capital assets (that is, for investment purposes). For the purposes of the income tax treaty between South Africa and the United States, or the Treaty, and South African tax law, a United States resident that owns Gold Fields ADSs will be treated as the owner of the Gold Fields ordinary shares represented by such ADSs. Gold Fields recommends that you consult your own tax adviser about the consequences of holding Gold Fields ordinary shares or ADSs, as applicable, in your particular situation.

#### ***Withholding Tax on Dividends***

It should be noted that the 15% withholding tax on dividends declared by South African resident companies to non-resident shareholders or non-resident ADS holders was introduced with effect from April 1, 2012. Generally, under the Treaty, the withholding tax is limited to 5% of the gross amount of the dividends if the beneficial owner of the shares is a company holding directly at least 10% of the voting stock of the company paying the dividends and to 15% of the gross amount of the dividends in all other cases.

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*Income Tax and Capital Gains Tax*

Non-resident holders of ordinary shares or ADSs will not be subject to income or capital gains tax in South Africa, with respect to the disposal of those ordinary shares or ADSs, on the basis that the Shares do not relate to any immovable property held in South Africa, unless the non-resident carried on business through a permanent establishment in South Africa, and the profits are realized in the ordinary course of that business.

*Securities Transfer Tax*

No Securities Transfer Tax, or STT, is payable in South Africa with respect to the issue of a security.

STT is charged at a rate of 0.25% on the taxable amount of the transfer of every security issued by a company or a close corporation incorporated in South Africa, or a company incorporated outside South Africa but listed on an exchange in South Africa, subject to certain exemptions.

The word "transfer" is broadly defined and includes the transfer, sale, assignment or cession or disposal in any other manner of a security. The cancellation or redemption of a security is also regarded as a transfer unless the company is being liquidated. However, the issue of a security that does not result in a change in beneficial ownership is not regarded as a transfer.

STT is levied on the taxable amount of a security. The taxable amount of a listed security is the greater of the consideration for the security declared by the transferee or the closing price of that security. The taxable amount of an unlisted security is the greater of the consideration given for the acquisition of the security or the market value of the unlisted security. In the case of a transfer of a listed security, either the member or the participant or the person to whom the security is transferred is liable for the tax. The tax must be paid within a period of 14 days from the transfer. The liability for tax with respect to the transfer of listed securities lies with the party facilitating the transfer or the recipient of the security.

The liability for STT with respect to the transfer of unlisted securities is that of the company that issued the unlisted security. The STT must be paid by the company issuing the unlisted security within two months from the date of the transfer of such security.

*U.S. Federal Income Tax Considerations*

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS DOCUMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY GOLD FIELDS IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY GOLD FIELDS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following discussion summarizes the material U.S. federal income tax consequences of the acquisition, ownership and disposition of ordinary shares and ADSs by a U.S. Holder. As used herein, the term "U.S. Holder" means a beneficial owner of ordinary shares or ADSs that is for U.S. federal income tax purposes:

a citizen or resident of the United States;

a corporation created or organized under the laws of the United States or any State within the United States; or

otherwise subject to U.S. federal income tax on a net income basis in respect of the ordinary shares or ADSs.

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The U.S. federal income tax treatment of a partner in an entity treated as a partnership for U.S. federal income tax purposes that holds ordinary shares or ADSs will depend upon the status of the partner and the activities of the partnership. If you are an entity treated as a partnership for U.S. federal income tax purposes, you should consult your tax adviser concerning the U.S. federal income tax consequences to your partners of the acquisition, ownership and disposition of ordinary shares or ADSs by you.

This summary only applies to U.S. Holders that hold ordinary shares or ADSs as capital assets. This summary is based upon:

the current tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, and existing and proposed regulations thereunder;

current U.S. Internal Revenue Service practice and applicable U.S. court decisions; and

the income tax treaty between the United States and South Africa  
all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

This summary assumes that the obligations of the Depositary under the Deposit Agreement and any related agreements will be performed in accordance with their terms.

This summary is of a general nature and does not address all U.S. federal income tax consequences that may be relevant to you in light of your particular situation. For example, this summary does not apply to:

investors that own (directly or indirectly) 10% or more of Gold Fields' voting stock;

financial institutions;

insurance companies;

investors liable for the alternative minimum tax or the net investment tax;

individual retirement accounts and other tax-deferred accounts;

tax-exempt organizations;

dealers in securities or currencies;

investors that hold ordinary shares or ADSs as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes; or

investors whose functional currency is not the U.S. dollar.

Gold Fields does not believe that it should be treated as, and does not expect to become, a PFIC for U.S. federal income tax purposes, but Gold Fields' possible status as a PFIC must be determined annually and therefore may be subject to change. If Gold Fields were to be treated as a PFIC, U.S. Holders of ordinary shares or ADSs would be required (i) to pay a special U.S. addition to tax on certain distributions and gains on sale and (ii) to pay tax on any gain from the sale of ordinary shares or ADSs at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain. Additionally, dividends paid by Gold Fields would not be eligible for the special reduced rate of tax described below under "Taxation of Dividends". You should consult your own tax advisers regarding the potential application of the PFIC regime.

**The summary of U.S. federal income tax consequences set out below is for general information only. You are urged to consult your tax advisers as to the particular tax consequences to you of acquiring, owning and disposing of the ordinary shares or ADSs, including your eligibility for the benefits of the income tax treaty between the United States and South Africa, the applicability and effect of state, local, foreign and other tax laws and possible changes in tax law.**

**Table of Contents***U.S. Holders of ADSs*

For U.S. federal income tax purposes, a U.S. Holder of ADSs will be treated as the owner of the corresponding number of underlying ordinary shares held by the depository for the ADSs, and references to ordinary shares in the following discussion refer also to ADSs representing the ordinary shares.

*Taxation of Dividends*

Distributions paid out of Gold Fields' current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally be taxable to you as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions that exceed Gold Fields' current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of your basis in the ordinary shares and thereafter as capital gain. However, we do not maintain calculations of our earnings and profits in accordance with U.S. federal income tax accounting principles. You should therefore assume that any distribution by us with respect to the shares will constitute ordinary dividend income. You should consult your own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from us. For purposes of determining limitations on any foreign tax credits, dividends paid by Gold Fields will generally constitute passive income.

Dividends paid by Gold Fields generally will be taxable to non-corporate U.S. Holders at the special reduced rate normally applicable to long-term capital gains, provided that either Gold Fields qualifies for the benefits of the income tax treaty between the United States and South Africa, or the ADSs are considered to be readily tradable on the NYSE. You will be eligible for this reduced rate only if you are an individual, and have held the ordinary shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date.

For U.S. federal income tax purposes, the amount of any dividend paid in Rand will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date the dividends are received by you or the depository (in the case of ADSs). If you or the depository, as the case may be, convert dividends received in Rand into U.S. dollars on the day they are received, you generally will not be required to recognize foreign currency gain or loss in respect of this dividend income.

*Effect of South African Withholding Taxes*

As discussed in *Certain South African Tax Considerations - Withholding Tax on Dividends*, under current law, South Africa imposes a withholding tax of 15% on dividends paid by Gold Fields. A U.S. Holder will generally be entitled, subject to certain limitations, to a foreign tax credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for South African income taxes withheld by Gold Fields.

U.S. Holders that receive payments subject to this withholding tax will be treated, for U.S. federal income tax purposes, as having received the amount of South African taxes withheld by Gold Fields, and as then having paid over the withheld taxes to the South African taxing authorities. As a result of this rule, the amount of dividend income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of dividends may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from Gold Fields with respect to the payment.

For purposes of the foreign tax credit limitation, foreign source income is classified in one of two baskets, and the credit for foreign taxes on income in any basket is limited to U.S. federal income tax allocable to that income. Dividends paid by Gold Fields generally will constitute foreign source income in the passive income basket. If a U.S. Holder receives a dividend from Gold Fields that qualifies for the reduced rate described above under *Taxation of Dividends*, the amount of the dividend taken into account in calculating the foreign tax credit limitation will in general be limited to the gross amount of the dividend, multiplied by the reduced rate.

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divided by the highest rate of tax normally applicable to dividends. In certain circumstances, a U.S. Holder may be unable to claim foreign tax credits (and may instead be allowed deductions) for foreign taxes imposed on a dividend if the U.S. Holder has not held the Shares for at least 16 days in the 31-day period beginning 15 days before the ex-dividend date.

U.S. Holders that are accrual basis taxpayers, and who do not otherwise elect, must translate South African taxes into U.S. dollars at a rate equal to the average exchange rate for the taxable year in which the taxes accrue, while all U.S. Holders must translate taxable dividend income into U.S. dollars at the spot rate on the date received. This difference in exchange rates may reduce the U.S. dollar value of the credits for South African taxes relative to the U.S. Holder's U.S. federal income tax liability attributable to a dividend. However, cash basis and electing accrual basis U.S. Holders may translate South African taxes into U.S. dollars using the exchange rate in effect on the day the taxes were paid. Any such election by an accrual basis U.S. Holder will apply for the taxable year in which it is made and all subsequent taxable years, unless revoked with the consent of the IRS.

You should consult your tax advisor concerning the foreign tax credit implications of the payment of South African withholding taxes.

*Taxation of a Sale or Other Disposition*

Your tax basis in an ordinary share will generally be its U.S. dollar cost. The U.S. dollar cost of an ordinary share purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of ordinary shares traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis taxpayer (or an accrual basis taxpayer that so elects), on the settlement date for the purchase. Such an election by an accrual basis taxpayer must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

Upon a sale or other disposition of ordinary shares or ADSs, other than an exchange of ADSs for ordinary shares and vice versa, you will generally recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the amount realized and your adjusted tax basis in the ordinary shares or ADSs. This capital gain or loss will be long-term capital gain or loss if your holding period in the ordinary shares or ADSs exceeds one year. However, regardless of your actual holding period, any loss may be treated as long-term capital loss to the extent you receive a dividend that qualifies for the reduced rate described above under *Taxation of Dividends* and also exceeds 10% of your basis in the ordinary shares. Any gain or loss will generally be U.S. source.

The amount realized on a sale or other disposition of ordinary shares for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or disposition. On the settlement date, you will recognize U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of ordinary shares traded on an established securities market that are sold by a cash basis taxpayer (or an accrual basis taxpayer that so elects), the amount realized will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognized at that time.

Foreign currency received on the sale or other disposition of an ordinary share will have a tax basis equal to its U.S. dollar value on the settlement date. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase ordinary shares or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

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Deposits and withdrawals of ordinary shares by U.S. Holders in exchange for ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes. Your tax basis in withdrawn ordinary shares will be the same as your tax basis in the ADSs surrendered, and your holding period for the ordinary shares will include the holding period of the ADSs.

To the extent you incur Securities Transfer Tax in connection with a transfer or withdrawal of ordinary shares as described under *Certain South African Tax Considerations* Securities Transfer Tax above, such securities transfer tax will not be a creditable tax for U.S. foreign tax credit purposes.

### *Backup Withholding and Information Reporting*

Payments of dividends and other proceeds with respect to ordinary shares or ADSs by U.S. persons will be reported to you and to the IRS as may be required under applicable regulations. Backup withholding may apply to these payments if you fail to provide an accurate taxpayer identification number or certification of exempt status or fail to report all interest and dividends required to be shown on your U.S. federal income tax returns. Some holders are not subject to backup withholding. You should consult your tax adviser as to your qualification for an exemption from backup withholding and the procedure for obtaining an exemption.

### *Foreign Financial Asset Reporting*

U.S. taxpayers that own certain foreign financial assets, including equity of foreign entities, with an aggregate value in excess of \$50,000 at the end of the taxable year or \$75,000 at any time during the taxable year (or, for certain individuals living outside the United States and married individuals filing joint returns, certain higher thresholds) may be required to file an information report with respect to such assets with their tax returns. Gold Fields' ordinary shares and ADSs are expected to constitute foreign financial assets subject to these requirements unless they are held in an account at a financial institution (in which case, the account may be reportable if maintained by a foreign financial institution). You should consult your tax advisor regarding the application of the rules relating to foreign financial asset reporting.

## **Documents on Display**

Gold Fields files annual and special reports and other information with the SEC. You may read and copy any reports or other information on file at the SEC's public reference room at the following location:

100 F Street, N.E.

Washington, D.C. 20549

Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC filings are also available to the public from commercial document retrieval services. Gold Fields' SEC filings may also be obtained electronically via the EDGAR system on the website maintained by the SEC at <http://www.sec.gov>.

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**ITEM 11: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Gold Fields is exposed to market risks, including foreign currency, commodity price and interest rate risk associated with underlying assets, liabilities and anticipated transactions. Following periodic evaluation of these exposures, Gold Fields may enter into derivative financial instruments to manage some of these exposures. As part of its strategy, however, Gold Fields does not generally hedge against the risk of changes in the price of gold. See [Commodity Price Sensitivity](#) [Commodity Price Hedging Policy](#).

Gold Fields has policies in areas such as counterparty exposure, hedging practices and prudential limits which have been approved by Gold Fields Board of Directors. Management of financial risk is centralized at Gold Fields treasury department, which acts as the interface between Gold Fields operations and counterparty banks. The treasury department manages financial risk in accordance with the policies and procedures established by the Gold Fields Board of Directors and Executive Committee. Gold Fields Audit Committee has approved dealing limits for money market, foreign exchange and commodity transactions, which Gold Fields treasury department is required to adhere to. Among other restrictions, these limits describe which instruments may be traded and demarcate open position limits for each category as well as indicating counterparty credit-related limits. The dealing exposure and limits are checked and controlled each day and reported to the Chief Financial Officer.

**Foreign Currency Sensitivity**

**General**

In the ordinary course of business, Gold Fields enters into transactions, such as gold and concentrate sales, denominated in foreign currencies, primarily U.S. dollars. In addition, Gold Fields has investments and indebtedness in various foreign currencies, primarily U.S. and Australian dollars. Although this exposes Gold Fields to transaction and translation exposure from fluctuations in foreign currency exchange rates, Gold Fields does not generally hedge this exposure, although it may do so in specific circumstances, such as foreign currency commitments, financing projects or acquisitions. Also, Gold Fields on occasion undertakes currency hedging to take advantage of favorable short-term fluctuations in exchange rates when management believes exchange rates are at unsustainably high levels.

**Foreign Currency Hedging Experience**

Gold Fields uses various derivative instruments to protect its exposure to adverse movements in foreign currency exchange rates.

On October 1, 2014, South Deep entered into a U.S.\$/Rand zero-cost collar for \$7.5 million per month for a period of six months starting October 2014. A floor of R11.2 and an average cap over the period of R12.0567 was achieved. At December 31, 2014, the fair value of the collar was nil.

Gains and losses on financial instruments are disclosed in detail under [Operating and Financial Review and Prospects](#) [Results of Operations](#) [\(Loss\)/gain on financial instruments](#).

**Foreign Currency Contract Position**

As of December 31, 2014, there were no foreign currency contract positions other than the abovementioned which is not considered material.



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### **Foreign Currency Sensitivity Analysis**

Gold Fields' revenues and costs are very sensitive to the Rand/U.S. dollar and Australian dollar/U.S. dollar exchange rates because revenues are generated using a gold price denominated in U.S. dollars, while costs of the South African and Australian operations are incurred principally in Rand and Australian dollars, respectively. Depreciation of the Rand and Australian dollar against the U.S. dollar results in lower operating costs when they are translated into U.S. dollars, thereby increasing the operating margin of the South African and Australian operations. Conversely, appreciation of the Rand and Australian dollar results in higher operating costs when translated into U.S. dollars, thereby decreasing the operating margins at the South African and Australian operations. The impact on profitability of changes in the value of the Rand and Australian dollar against the U.S. dollar can be substantial.

A sensitivity analysis of the mark-to-market valuation has not been performed as there were no significant foreign currency contracts as of December 31, 2014.

### **Commodity Price Sensitivity**

#### **General**

##### ***Gold and copper***

The market price of gold and to a lesser extent copper have a significant effect on the results of operations of Gold Fields, the ability of Gold Fields to pay dividends and undertake capital expenditures, and the market price of Gold Fields' ordinary shares. Gold and copper prices have historically fluctuated widely and are affected by numerous industry factors over which Gold Fields does not have any control. See "Risk Factors" Changes in the market price for gold, and to a lesser extent copper, which in the past have fluctuated widely, affect the profitability of Gold Fields' operations and the cash flows generated by those operations and "Operating and Financial Review and Prospects" Revenues. The aggregate effect of these factors on the gold and copper prices, all of which are beyond the control of Gold Fields, is impossible for Gold Fields to predict.

##### ***Oil***

The market price of oil has a significant effect on the results of the offshore operations of Gold Fields. The offshore operations consume large quantities of diesel in the running of their mining fleets. Oil prices have historically fluctuated widely and are affected by numerous factors over which Gold Fields does not have any control.

### **Commodity Price Hedging Policy**

##### ***Gold and copper***

Generally, Gold Fields does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for future gold and copper production. On an exceptional basis, Gold Fields may consider gold and copper hedging arrangements in one or more of the following circumstances:

to protect cash flows at times of significant capital expenditure;

for specific debt-servicing requirements; and

to safeguard the viability of higher cost operations.

See "Information on the Company" Strategy.



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To the extent that it enters into commodity hedging arrangements, Gold Fields seeks to use different counterparty banks consisting of local and international banks to spread risk. None of the counterparties is affiliated with, or a related party of, Gold Fields.

### ***Oil***

Generally Gold Fields does not enter into derivatives or other hedging arrangements to establish a price in advance for future oil consumption. However, where oil prices are expected to increase in the short- to medium- term, Gold Fields may consider hedging the oil price in order to protect itself against the adverse cost effects of a material increase in the oil price.

### **Commodity Price Hedging Experience**

#### ***Gold***

No gold derivative instruments were entered into during fiscal 2014 and no gold derivative instruments have been entered into since fiscal 2007.

#### ***Copper***

No contracts were entered into during fiscal 2012, 2013 and 2014.

### ***Oil***

From time to time, various subsidiaries of Gold Fields enter into call options to fix the price of specified quantities of diesel fuel. During fiscal 2013 and 2014, the following options were entered into:

On May 1, 2013, St. Ives Gold Mining Company (Pty) Ltd entered into a Singapore Gasoil 10ppm cash settled swap transaction for 7,500 barrels per month effective from June 1, 2013 until March 31, 2014 at a fixed price of \$115.00 per barrel.

On September 10, 2014, Gold Fields Australia (Pty) Limited entered into a Singapore Gasoil 10ppm cash settled swap transaction contract for a total of 136,500 barrels, effective September 15, 2014 until March 31, 2015 at a fixed price of \$115.00 per barrel. The 136,500 barrels are based on 50 per cent of usage for the seven month period September 2014 to March 2015. Brent Crude at the time of the transaction was \$99.10 per barrel.

On November 26, 2014, Gold Fields Australia (Pty) Limited entered into further Singapore Gasoil 10ppm cash settled swap transaction contracts. A contract for 63,000 barrels for the period January March 2015 was committed at a fixed price of \$94.00 per barrel, and a further 283,500 barrels was committed at a price of \$96.00 per barrel for the period April December 2015. Brent Crude at the time of the transaction was \$78.50 per barrel.

No further contracts were entered into during fiscal 2014.

### **Commodity Price Contract Position**

The following contract was outstanding as of December 31, 2014:

Australian diesel hedge 430,500 barrels with a negative fair value of \$10.3 million.

**Table of Contents****Interest Rate Sensitivity****General**

As of December 31, 2014, Gold Fields' indebtedness amounted to \$1 910.9 million. Gold Fields generally does not undertake any specific action to cover its exposure to interest rate risk, although it may do so in specific circumstances. For a discussion of Gold Fields' credit facilities and other borrowings outstanding as of December 31, 2014, including the interest rates applicable to them, see Operating and Financial Review and Prospects Credit Facilities and Other Capital Resources.

**Interest Rate Sensitivity Analysis**

\$919.6 million of Gold Fields interest bearing debt outstanding as of December 31, 2014 was exposed to interest rate fluctuations. This debt is normally rolled for periods between one and three months and is therefore exposed to the rate changes in this period.

\$703.0 million of the total debt was exposed to changes in LIBOR while \$216.6 million was exposed to the Prime Rate and JIBAR. The following table indicates the change to finance expense had LIBOR and the Prime Rate and JIBAR differed as indicated.

	<b>Change in finance expense for a nominal change in interest rate, change as of December 31, 2014</b>					
	<i>(\$ million, except for percentages)</i>					
	(1.5)%	(1.0)%	(0.5)%	0.5%	1.0%	1.5%
Sensitivity to interest rates	(1.5)%	(1.0)%	(0.5)%	0.5%	1.0%	1.5%
Sensitivity to LIBOR interest rate	(11.8)	(7.9)	(3.9)	3.9	7.9	11.8
Sensitivity to Prime and JIBAR	(3.4)	(2.3)	(1.1)	1.1	2.3	3.4
Change in finance expense	(15.2)	(10.2)	(5.0)	5.0	10.2	15.2

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**ITEM 12: DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**

Not applicable.

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**PART II**

**ITEM 13: DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**

Not applicable.

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**ITEM 14: MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS  
AND USE OF PROCEEDS**

Not applicable.

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**ITEM 15: CONTROLS AND PROCEDURES**

(a) Disclosure Controls and Procedures:

Gold Fields has carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer of Gold Fields, of the effectiveness of the design and operation of Gold Fields' disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this annual report. Based upon that evaluation, Gold Fields' Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2014, Gold Fields' disclosure controls and procedures were effective.

(b) Management's Report on Internal Control over Financial Reporting:

Gold Fields' management is responsible for establishing and maintaining adequate internal control over financial reporting. The Securities Exchange Act of 1934 defines internal control over financial reporting in Rule 13a-15(f) and 15d-15(f) as a process designed by, or under the supervision of, the company's principal executive and principal financial officers, and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Gold Fields' management assessed the effectiveness of its internal control over financial reporting as of December 31, 2014. In making this assessment, Gold Fields' management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (1992), or COSO, in Internal Control-Integrated Framework. Based upon its assessment, Gold Fields' management concluded that, as of December 31, 2014, its internal control over financial reporting is effective based upon those criteria.

KPMG Inc., or KPMG, an independent registered public accounting firm that audited the consolidated financial statements included in this annual report on Form 20-F, has issued an attestation report on the effectiveness of Gold Fields' internal control over financial reporting as of December 31, 2014.

(c) Attestation Report of the Registered Public Accounting Firm:

See report of KPMG Inc., an Independent Registered Public Accounting Firm, on page F-1.

(d) Changes in Internal Control Over Financial Reporting:



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There has been no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during fiscal 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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**ITEM 16A: AUDIT COMMITTEE FINANCIAL EXPERT**

The Board of Directors has determined that Gold Fields' Audit Committee does not have an audit committee financial expert, as defined in the rules promulgated by the Securities and Exchange Commission. Although a person with such qualifications does not serve on the Audit Committee, the Board of Directors believes that the members of the Audit Committee collectively possess the knowledge and experience to oversee and assess the performance of Gold Fields' management and auditors, the quality of Gold Fields' disclosure controls, the preparation and evaluation of Gold Fields' financial statements and Gold Fields' financial reporting. Gold Fields' Board of Directors also believes that the members of the Audit Committee collectively possess the understanding of audit committee functions necessary to diligently execute their responsibilities. For biographical information on each member of the Audit Committee, see Directors, Senior Management and Employees Non-executive Directors .

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**ITEM 16B: CODE OF ETHICS**

Gold Fields has adopted a Company Code of Ethics, or the Code, which applies to all directors and employees, the text of which can be accessed on Gold Fields website at [www.goldfields.co.za](http://www.goldfields.co.za).

**Table of Contents****ITEM 16C: PRINCIPAL ACCOUNTANT FEES AND SERVICES**

KPMG served as Gold Fields' principal accountant. Set forth below are the fees for audit and other services rendered by KPMG for fiscal 2012, 2013 and 2014.

	2012	Year ended December 31, 2013	2014
		<i>(U.S.\$ million)</i>	
Audit fees	3.8	3.4	3.2
Audit-related fees	1.2	0.3	0.3
Tax fees			
All other fees	0.1		0.1
Total	5.1	3.7	3.6

Audit fees include fees for audit services rendered for Gold Fields' annual consolidated financial statements filed with regulatory organizations.

Audit-related fees include fees for related services by the principal accountant that are reasonably related to the performance of the audit or review of the registrant's financial statements.

Tax fees include fees for tax compliance, tax advice, tax planning and other tax-related services.

All other fees consist of fees for all other services not included in any of the other categories noted above.

All of the above fees were pre-approved by the Audit Committee.

**Audit Committee's Policies and Procedures**

In accordance with the Securities and Exchange Commission rules regarding auditor independence, the Audit Committee has established Policies and Procedures for Audit and Non-Audit Services Provided by an Independent Auditor. The rules apply to Gold Fields and its consolidated subsidiaries engaging any accounting firms for audit services and the auditor who audits the accounts filed with the Securities and Exchange Commission, or the external auditor, for permissible non-audit services.

When engaging the external auditor for permissible non-audit services (audit-related services, tax services, and all other services), pre-approval is obtained prior to the commencement of the services.

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**ITEM 16D: EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES**

Not applicable.

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**ITEM 16E: PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS**

None.

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**ITEM 16F: CHANGE IN REGISTRANT S CERTIFYING ACCOUNTANT**

Not applicable.

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**ITEM 16G: CORPORATE GOVERNANCE**

Gold Fields' home country corporate governance practices are regulated by the Listing Requirements of the JSE, or the JSE Listing Requirements. The following is a summary of the significant ways in which Gold Fields' home country corporate governance standards and its corporate governance practices differ from those followed by domestic companies under the NYSE Listing Standards.

The NYSE Listing Standards require that the non-management directors of U.S. listed companies meet at regularly scheduled executive sessions without management. The JSE Listing Requirements do not require such meetings of listed company non-executive directors. Gold Fields' non-management directors do however meet regularly without management.

The NYSE Listing Standards require U.S. listed companies to have a nominating/corporate governance committee composed entirely of independent directors. The JSE Listing Requirements also require the appointment of such a committee, and stipulate that all members of this committee must be non-executive directors, the majority of whom must be independent. Gold Fields has a Nominating and Governance Committee which currently comprises three non-executive directors, all of whom are independent under the NYSE Listing Standards and the JSE Listing Requirements which is chaired by the Chairman of Gold Fields, as required by the JSE Listing Requirements.

The NYSE Listing Standards require U.S. listed companies to have a compensation committee composed entirely of independent directors. The JSE Listing Requirements merely require the appointment of such a committee. Gold Fields has appointed a Remuneration Committee, currently comprising four board members, all of whom are independent under both the JSE Listing Requirements and the NYSE Listing Standards.

The NYSE Listings Standards require U.S. listed companies to have an audit committee composed entirely of independent directors. The South African Companies Act requires that the audit committee be approved by shareholders on an annual basis at a company's annual general meeting. The JSE Listings Requirements also require an audit committee composed entirely of independent directors. Gold Fields has appointed an Audit Committee, currently comprised of three board members, all of whom are non-executive and independent, as defined under both the JSE Listings Requirements and the NYSE Listing Requirements.



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**ITEM 16H: MINE SAFETY DISCLOSURE**

Not applicable.

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**PART III**

**ITEM 17: FINANCIAL STATEMENTS**

Gold Fields has responded to Item 18 in lieu of responding to this item.

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**ITEM 18: FINANCIAL STATEMENTS**

The following financial statements of Gold Fields Limited are filed as part of this annual report.

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**INDEX TO FINANCIAL STATEMENTS**

**Gold Fields Limited**

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<u>Schedule 1 Valuation and Qualifying Accounts</u>	S-1

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**ITEM 19: EXHIBITS**

The following instruments and documents are included as Exhibits to this annual report.

<b>No.</b>	<b>Exhibit</b>
1.1	Memorandum of Association of Gold Fields (incorporated by reference to Exhibit 1.1 to the registration statement on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on May 6, 2002)
1.2	Articles of Association of Gold Fields (incorporated by reference to Exhibit 1.2 to the registration statement on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on May 6, 2002)
1.3	Amended Articles of Association of Gold Fields (incorporated by reference to Exhibit 1.3 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on December 7, 2007)
2.1	Memorandum of Incorporation of Gold Fields (included in Exhibits 1.1 and 1.2)
2.2	Deposit Agreement among Gold Fields, Gold Fields Limited (f/k/a/Driefontein Consolidated Limited), The Bank of New York, as depositary, and the owners and beneficial owners from time to time of American Depositary Receipts, dated as of February 2, 1998, as amended and restated as of May 21, 2002 (incorporated by reference to Exhibit 2.3 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on October 24, 2002)
2.3	Form of American Depositary Receipt (included in Exhibit 2.2)
2.4	Amended Memorandum of Incorporation of Gold Fields (included in Exhibit 1.3)
2.5	Trust Deed among Orogen, as issuer; Gold Fields Limited, GFIMSA, GFO, and GFH, as guarantors; and Citicorp Trustee Company Limited, as trustee, dated October 7, 2010 in relation to the U.S.\$1 billion Note Issue (incorporated by reference to Exhibit 2.8 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on December 2, 2010)
2.6	Amended Memorandum of Incorporation of Gold Fields, adopted by Special Resolution on May 14, 2012 (incorporated by reference to Exhibit 2.6 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on May 14, 2013)
4.1	The Gold Fields Limited 2005 Non-Executive Share Plan, adopted November 17, 2005 (incorporated by reference to Exhibit 4.24 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on December 22, 2005)
4.2	The Gold Fields Limited 2005 Share Plan, adopted November 17, 2005 (incorporated by reference to Exhibit 4.25 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on December 22, 2005)
4.3	The Gold Fields Limited 2012 Share Plan, dated May 14, 2012 (incorporated by reference to Exhibit 4.6 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on May 14, 2013)
4.4	Agreement between Nicholas J. Holland and Gold Fields Group Services (Pty) Ltd, dated March 6, 2009 and effective March 1, 2009 (incorporated by reference to Exhibit 4.29 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on December 3, 2009)

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<b>No.</b>	<b>Exhibit</b>
4.5	Agreement between Nicholas J. Holland and Gold Fields Ghana Holdings (BVI) Limited, dated March 9, 2009 and effective March 1, 2009 (incorporated by reference to Exhibit 4.30 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on December 3, 2009)
4.6	Agreement between Nicholas J. Holland and Gold Fields Orogen Holding Company (BVI), dated March 6, 2009 and effective March 1, 2009 (incorporated by reference to Exhibit 4.31 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on December 3, 2009)
4.7	Agreement between Nicholas J. Holland and Gold Fields Group Services (Pty) Ltd, dated April 9, 2010 and effective April 1, 2010 (incorporated by reference to Exhibit 4.29 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on December 2, 2010)
4.8	Agreement between Nicholas J. Holland and Gold Fields Ghana Holdings (BVI) Limited, dated April 9, 2010 and effective April 1, 2010 (incorporated by reference to Exhibit 4.30 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on December 2, 2010)
4.9	Agreement between Nicholas J. Holland and Gold Fields Orogen Holding Company (BVI), dated April 9, 2010 and effective April 1, 2010 (incorporated by reference to Exhibit 4.31 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on December 2, 2010)
4.10	U.S.\$200 million Revolving Senior Secured Credit Facility Agreement between The Bank of Nova Scotia, Scotiabank Peru S.A.A., Scotiabank Europe Plc and La Cima, dated December 16, 2014
4.11	Credit Facilities Agreement between Barclays Bank Plc, GFI Joint Venture Holdings (Proprietary) Limited, GFO, Gold Fields Orogen Holding (BVI) and the Original Guarantors (listed in Schedule 1), dated November 28, 2012, as amended and restated as of January 30, 2013 pursuant to a Syndication and Amendment Agreement (incorporated by reference to Exhibit 4.25 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on May 14, 2013)
4.12	Indemnity Agreement among Gold Fields Orogen Holding (BVI) Limited, Gold Fields, GFO, Gold Fields Holdings Company (BVI) Limited and Sibanye Gold, in respect of Sibanye Gold's obligations under the Notes, dated December 20, 2012 (incorporated by reference to Exhibit 4.26 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on May 14, 2013)
4.13	Revolving Credit Facility Agreement among Nedbank Limited, GFI Joint Venture Holdings (Proprietary) Limited, GFO and the Original Guarantors (listed in Schedule 1), dated March 1, 2013 (incorporated by reference to Exhibit 4.28 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on May 14, 2013)
4.14	Rand 500,000,000 Revolving Credit Facility Agreement between FirstRand Bank Limited, GFI Joint Venture Holdings (Pty) Limited, GFO and the Original Guarantors (listed in Schedule 1), dated June 14, 2013 (incorporated by reference to Exhibit 4.29 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on April 25, 2014)
4.15	Rand 500,000,000 Revolving Credit Facility Agreement between Standard Bank of South Africa Limited, GFI Joint Venture Holdings (Pty) Limited, GFO and the Original Guarantors (listed in Schedule 1), dated December 20, 2013 (incorporated by reference to Exhibit 4.30 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on April 25, 2014)

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<b>No.</b>	<b>Exhibit</b>
4.16	Agreement between Paul A. Schmidt and Gold Fields Group Services (Pty) Ltd, dated November 24, 2009 and effective November 6, 2009 (incorporated by reference to Exhibit 4.33 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on December 3, 2009)
4.17	Agreement between Paul A. Schmidt and Gold Fields Ghana Holdings (BVI) Limited, dated November 24, 2009 and effective November 6, 2009 (incorporated by reference to Exhibit 4.34 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on December 3, 2009)
4.18	Agreement between Paul A. Schmidt and Gold Fields Orogen Holding Company (BVI), dated November 24, 2009 and effective November 6, 2009 (incorporated by reference to Exhibit 4.35 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on December 3, 2009)
4.19	First Addendum to the Employment Contract made and entered into between Gold Fields Group Services (Pty) Ltd and Paul A. Schmidt, dated April 1, 2010 (incorporated by reference to Exhibit 4.40 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on December 2, 2010)
4.20	First Addendum to the Employment Contract made and entered into between Gold Fields Ghana Holdings (BVI) Limited and Paul A. Schmidt, dated April 1, 2010 (incorporated by reference to Exhibit 4.41 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on December 2, 2010)
4.21	First Addendum to the Employment Contract made and entered into between Gold Fields Orogen Holding Company (BVI) and Paul A. Schmidt, dated April 1, 2010 (incorporated by reference to Exhibit 4.42 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on December 2, 2010)
8.1	Amended list of subsidiaries of the registrant
12.1	Certification of Chief Executive Officer
12.2	Certification of Chief Financial Officer
13.1	Certification of Chief Executive Officer
13.2	Certification of Chief Financial Officer
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

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**SIGNATURES**

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

**GOLD FIELDS LIMITED**

/s/ Nicholas J. Holland  
Name: Nicholas J. Holland  
Title: Chief Executive Officer  
Date: April 14, 2015



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**The Board of Directors and Stockholders**

Gold Fields Limited:

We have audited the accompanying consolidated balance sheets of Gold Fields Limited and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, changes in shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2014. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule, Schedule I Valuation and Qualifying Accounts. We also have audited Gold Fields Limited's internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Gold Fields Limited's management is responsible for these consolidated financial statements and financial statement schedule, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting appearing in Item 15 of the Form 20-F. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule and an opinion on Gold Fields Limited's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Gold Fields Limited and subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2014, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein. Also in our opinion, Gold Fields Limited maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

/s/ KPMG Inc.

Johannesburg, South Africa

April 14, 2015

**Table of Contents****Gold Fields Limited****Consolidated Statements of Operations**

(\$ in millions unless otherwise noted)

	Fiscal Year Ended December 31,		
	2014	2013	2012
<b>REVENUES</b>			
Product sales	2,868.8	2,906.3	3,530.6
<b>COSTS AND EXPENSES</b>			
Production costs (exclusive of depreciation and amortization)	1,808.1	1,819.9	1,862.6
Depreciation and amortization	677.3	568.5	425.8
Corporate expenditure	27.3	39.4	38.2
Employee termination costs	42.2	35.5	6.1
Exploration expenditure	36.2	77.9	135.3
Feasibility and evaluation costs		68.0	103.5
Loss/(profit) on disposal of property, plant and equipment	1.3	(10.2)	(0.2)
Asset impairments and write-offs	14.0	215.3	41.6
Royalties	86.1	90.5	116.8
Accretion expense on provision for environmental rehabilitation	15.4	10.4	13.9
	2,707.9	2,915.2	2,743.6
<b>OTHER (EXPENSES)/INCOME</b>			
Interest and dividends	4.2	8.5	16.3
Finance expense	(80.8)	(72.4)	(55.6)
Loss on financial instruments	(11.5)	(0.3)	(0.4)
Foreign exchange gains/(losses)	8.4	7.3	(13.8)
Profit on disposal of investments and subsidiaries	78.0	17.8	27.6
Impairment of investments	(6.8)	(10.3)	(10.5)
Other expenses	(44.2)	(104.2)	(37.9)
	(52.7)	(153.6)	(74.3)
<b>INCOME/(LOSS) BEFORE TAX, IMPAIRMENT OF INVESTMENT IN EQUITY INVESTEE, SHARE OF EQUITY INVESTEES LOSSES AND DISCONTINUED OPERATIONS</b>			
	108.2	(162.5)	712.7
Income and mining tax expense	(121.6)	(105.7)	(359.4)
<b>(LOSS)/INCOME BEFORE IMPAIRMENT OF INVESTMENT IN EQUITY INVESTEE, SHARE OF EQUITY INVESTEES LOSSES AND DISCONTINUED OPERATIONS</b>			
	(13.4)	(268.2)	353.3
Impairment of investment in equity investee	(7.4)		
Share of equity investees losses, net of tax	(4.4)	(18.4)	(63.1)
<b>(Loss)/income from continuing operations</b>			
	(25.2)	(286.6)	290.2
Income from discontinued operations, net of tax		20.5	362.3
<b>Net (loss)/income</b>			
	(25.2)	(266.1)	652.5
Net income/(loss) attributable to noncontrolling interests	2.0	(18.2)	(1.8)
- Continuing operations	2.0	(18.2)	(1.9)
- Discontinued operations			0.1
Net (loss)/income attributable to Gold Fields shareholders	(27.2)	(247.9)	654.3
- Continuing operations	(27.2)	(268.4)	292.1
- Discontinued operations		20.5	362.2
<b>BASIC (LOSS)/EARNINGS PER SHARE (\$)</b>			
- Continuing operations	(0.04)	(0.36)	0.40

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- Discontinued operations		0.03	0.50
<b>DILUTED (LOSS)/EARNINGS PER SHARE (\$)</b>			
- Continuing operations	<b>(0.04)</b>	(0.36)	0.40
- Discontinued operations		0.03	0.50
<b>WEIGHTED AVERAGE NUMBER OF SHARES USED IN THE</b>			
<b>- COMPUTATION OF BASIC (LOSS)/EARNINGS PER SHARE</b>			
- Continuing operations	<b>769,141,871</b>	742,606,726	727,459,457
- Discontinued operations		742,606,726	727,459,457
<b>- COMPUTATION OF DILUTED (LOSS)/EARNINGS PER SHARE</b>			
- Continuing operations	<b>769,141,871</b>	742,606,726	730,723,950
- Discontinued operations		742,606,726	730,723,950
<b>DIVIDEND PER SHARE (\$)</b>	<b>0.04</b>	0.08	0.50

The accompanying notes are an integral part of these consolidated financial statements

**Table of Contents****Gold Fields Limited****Consolidated Statements of Comprehensive Income**

(\$ in millions unless otherwise noted)

	Fiscal Year Ended December 31,		
	2014	2013	2012
<b>Net (loss)/income</b>	<b>(25.2)</b>	(266.1)	652.5
<b>Other comprehensive loss, net of tax</b>	<b>(368.4)</b>	(746.5)	(190.6)
Changes in fair value of listed investments	<b>6.0</b>	1.6	14.5
Mark-to-market adjustment of listed investments <sup>1</sup>	<b>6.9</b>	(1.3)	18.7
Realized gain on disposal of listed investments <sup>2</sup>	<b>(1.8)</b>	(7.4)	(14.7)
Impairment of listed investments <sup>3</sup>	<b>0.9</b>	10.3	10.5
Foreign currency translation adjustment	<b>(374.4)</b>	(748.1)	(205.1)
<b>Comprehensive (loss)/income</b>	<b>(393.6)</b>	(1,012.6)	461.9
<b>Comprehensive (loss)/income attributable to:</b>			
Gold Fields shareholders	<b>(395.6)</b>	(994.4)	424.6
Noncontrolling interests	<b>2.0</b>	(18.2)	37.3
	<b>(393.6)</b>	(1,012.6)	461.9

(1) Includes deferred tax of \$nil (2013: \$1.7 million and 2012: \$1.0 million).

(2) This amount has been reclassified to and included in the profit on disposal of investments and subsidiaries line in the Consolidated Statement of Operations.

(3) This amount has been reclassified to and included in the impairment of investments line in the Consolidated Statement of Operations.

The accompanying notes are an integral part of these consolidated financial statements

**Table of Contents****Gold Fields Limited****Consolidated Balance Sheets**

(\$ in millions unless otherwise noted)

	December 31, 2014	December 31, 2013
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	458.0	325.0
Assets held for sale	31.0	47.0
Receivables	226.5	272.6
Inventories	373.3	402.7
Short-term deferred income and mining taxes	6.9	29.0
<b>Total current assets</b>	<b>1,095.7</b>	<b>1,076.3</b>
Property, plant and equipment, net	4,453.3	4,933.0
Goodwill	756.3	845.5
Deferred income and mining taxes	10.9	22.6
Inventories	148.1	109.0
Non-current investments	286.5	268.9
<b>Total assets</b>	<b>6,750.8</b>	<b>7,255.3</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
Accounts payable and provisions	498.5	445.0
Short-term deferred income and mining taxes	10.3	16.0
Interest payable	11.2	12.4
Royalties, income and mining taxes payable	58.2	34.6
Short-term loans and current portion of long-term loans	140.2	121.5
<b>Total current liabilities</b>	<b>718.4</b>	<b>629.5</b>
Long-term loans	1,770.7	1,938.6
Deferred income and mining taxes	252.9	309.3
Provision for environmental rehabilitation	300.1	269.2
Long-term incentive plan	8.3	
Other non-current liabilities	9.1	10.9
<b>Total liabilities</b>	<b>3,059.5</b>	<b>3,157.5</b>
<b>COMMITMENTS AND CONTINGENCIES - see notes 21 and 22</b>		
<b>SHAREHOLDERS EQUITY</b>		
Share capital December 31, 2014 - 1,000,000,000 (December 31, 2013 - 1,000,000,000) authorized ordinary shares of 50 South African cents each. Shares issued December 31, 2014: 771,416,491 (December 31, 2013: 767,160,263)	63.0	62.9
Additional paid-in capital	4,465.0	4,439.0
Retained earnings	684.1	741.1
Accumulated other comprehensive loss	(1,617.4)	(1,249.0)
Gold Fields shareholders equity	3,594.7	3,994.0
Noncontrolling interests	96.6	103.8

<b>Total equity</b>	<b>3,691.3</b>	4,097.8
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>6,750.8</b>	7,255.3

The accompanying notes are an integral part of these consolidated financial statements

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**Table of Contents****Gold Fields Limited****Consolidated Statements of Changes in Shareholders' Equity**

(\$ in millions unless otherwise noted)

	Number of ordinary shares issued	Share capital	Additional paid-in capital	Retained earnings	Accumulated other comprehensive (loss)/income	Gold Fields shareholders' equity	Noncontrolling interests	Total
<b>BALANCE - DECEMBER 31, 2011</b>	723,735,186	<b>59.0</b>	<b>5,374.6</b>	<b>772.5</b>	<b>(423.3)</b>	<b>5,782.8</b>	<b>69.5</b>	<b>5,852.3</b>
Net income/(loss)				654.3		654.3	(1.8)	652.5
Dividends declared				(364.2)		(364.2)	(8.5)	(372.7)
Share-based compensation			77.7			77.7		77.7
Exercise of employee share options	5,801,627	2.0				2.0		2.0
Purchase of noncontrolling interests				(8.3)		(8.3)	0.1	(8.2)
Other comprehensive (loss)/income <sup>1</sup>					(229.7)	(229.7)	39.1	(190.6)
Receipt of funds from noncontrolling interests							27.7	27.7
<b>BALANCE - DECEMBER 31, 2012</b>	729,536,813	<b>61.0</b>	<b>5,452.3</b>	<b>1,054.3</b>	<b>(653.0)</b>	<b>5,914.6</b>	<b>126.1</b>	<b>6,040.7</b>
Net loss				(247.9)		(247.9)	(18.2)	(266.1)
Dividends declared				(61.2)		(61.2)	(1.1)	(62.3)
Sibanye Gold spin-off			(1,184.2)		150.5	(1,033.7)		(1,033.7)
Share-based compensation			45.1			45.1		45.1
Exercise of employee share options	8,905,790	0.4				0.4		0.4
Purchase of noncontrolling interests				(4.1)		(4.1)	(8.7)	(12.8)
Transactions with noncontrolling interests							(1.1)	(1.1)
Acquisition of Barrick Yilgarn assets	28,717,660	1.5	125.8			127.3		127.3
Other comprehensive loss					(746.5)	(746.5)		(746.5)
Receipt of funds from noncontrolling interests							6.8	6.8
<b>BALANCE - DECEMBER 31, 2013</b>	767,160,263	<b>62.9</b>	<b>4,439.0</b>	<b>741.1</b>	<b>(1,249.0)</b>	<b>3,994.0</b>	<b>103.8</b>	<b>4,097.8</b>
Net (loss)/income				(27.2)		(27.2)	2.0	(25.2)
Dividends declared				(29.8)		(29.8)	(10.7)	(40.5)
Share-based compensation			26.0			26.0		26.0
Exercise of employee share options	4,256,228	0.1				0.1		0.1
Disposal of noncontrolling interests							(0.5)	(0.5)
Other comprehensive loss					(368.4)	(368.4)		(368.4)
Receipt of funds from noncontrolling interests							2.0	2.0
<b>BALANCE - DECEMBER 31, 2014</b>	771,416,491	<b>63.0</b>	<b>4,465.0</b>	<b>684.1</b>	<b>(1,617.4)</b>	<b>3,594.7</b>	<b>96.6</b>	<b>3,691.3</b>

(1) Noncontrolling interests of other comprehensive (loss)/income relates to foreign exchange.

The accompanying notes are an integral part of these consolidated financial statements





**Table of Contents****Gold Fields Limited****Consolidated Statements of Changes in Shareholders' Equity (continued)**

(\$ in millions unless otherwise noted)

The following is a reconciliation of the components of accumulated other comprehensive (loss)/ income for the periods presented:

	Share of equity investee s other comprehensive income	Mark-to-market of listed investments	Foreign exchange translation	Accumulated other comprehensive (loss)/income
<b>BALANCE - DECEMBER 31, 2011</b>	<b>(14.4)</b>	<b>(21.6)</b>	<b>(387.2)</b>	<b>(423.2)</b>
Other comprehensive income/(loss) before reclassifications		18.7	(244.3)	(225.6)
Mark-to-market of listed investments		18.7		18.7
Foreign exchange translation			(244.3)	(244.3)
Other comprehensive loss reclassified to statement of operations		(4.2)		(4.2)
Realized gain on disposal of listed investments		(14.7)		(14.7)
Impairment of listed investments		10.5		10.5
Net current year other comprehensive income/(loss)		14.5	(244.3)	(229.8)
<b>BALANCE - DECEMBER 31, 2012</b>	<b>(14.4)</b>	<b>(7.1)</b>	<b>(631.5)</b>	<b>(653.0)</b>
Other comprehensive loss before reclassifications		(1.3)	(748.1)	(749.4)
Mark-to-market of listed investments		(1.3)		(1.3)
Foreign exchange translation			(748.1)	(748.1)
Other comprehensive income reclassified to statement of operations		2.9		2.9
Realized gain on disposal of listed investments		(7.4)		(7.4)
Impairment of listed investments		10.3		10.3
Net current year other comprehensive income/(loss)		1.6	(748.1)	(746.5)
Reclassification from accumulated other comprehensive (loss)/income - Sibanye Gold spin-off			150.5	150.5
<b>BALANCE - DECEMBER 31, 2013</b>	<b>(14.4)</b>	<b>(5.5)</b>	<b>(1,229.1)</b>	<b>(1,249.0)</b>
Other comprehensive income/(loss) before reclassifications		6.9	(374.4)	(367.5)
Mark-to-market of listed investments		6.9		6.9
Foreign exchange translation			(374.4)	(374.4)
Other comprehensive loss reclassified to statement of operations		(0.9)		(0.9)
Realized gain on disposal of listed investments		(1.8)		(1.8)
Impairment of listed investments		0.9		0.9
Net current year other comprehensive income/(loss)		6.0	(374.4)	(368.4)
<b>BALANCE - DECEMBER 31, 2014</b>	<b>(14.4)</b>	<b>0.5</b>	<b>(1,603.5)</b>	<b>(1,617.4)</b>

The accompanying notes are an integral part of these consolidated financial statements

**Table of Contents****Gold Fields Limited****Consolidated Statements of Cash Flows**

(\$ millions unless otherwise noted)

	<b>Fiscal Year Ended December 31,</b>		
	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATIONS</b>			
Net (loss)/income from continuing operations	(25.2)	(286.6)	290.2
Reconciled to net cash provided by operations:			
- Share of equity investees' profits	4.4	18.4	63.1
- Impairment of investment in equity investee	7.4		
- Deferred income and mining taxes	(12.6)	(59.4)	5.5
- Profit on disposal of investments and subsidiaries	(78.0)	(17.8)	(27.6)
- Impairment of investments	6.8	10.3	10.5
- Asset impairments and write-offs	14.0	215.3	41.6
- Depreciation and amortization	677.3	568.5	425.8
- Loss/(profit) on disposal of property, plant and equipment	1.3	(10.2)	(0.2)
- Share-based compensation	26.0	40.5	45.5
- Long-term incentive plan expense	8.7		
- Accretion expense on provision for environmental rehabilitation	15.4	10.4	13.9
- Other	(6.1)	(2.6)	(10.5)
- Cash portion of share of equity investee loss	(3.6)	(18.4)	(50.1)
Changes in operating assets and liabilities:			
- Receivables	26.6	140.7	(109.2)
- Inventories	(22.5)	(11.0)	(81.6)
- Accounts payable and provisions	77.7	(121.3)	110.7
- Royalties, income and mining taxes payable	26.2	(142.5)	22.8
<b>NET CASH PROVIDED BY CONTINUING OPERATIONS</b>	<b>743.8</b>	<b>334.3</b>	<b>750.4</b>
<b>NET CASH PROVIDED BY DISCONTINUED OPERATIONS</b>		<b>30.9</b>	<b>409.5</b>
<b>NET CASH PROVIDED BY OPERATIONS</b>	<b>743.8</b>	<b>365.2</b>	<b>1,159.9</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment	(480.5)	(543.7)	(943.4)
Finance expense capitalized	(24.2)	(18.3)	(13.0)
Proceeds on disposal of property, plant and equipment	4.9	10.4	1.4
Barrick Yilgarn asset purchase		(135.0)	
Investment in the Far South East Project			(110.0)
Investment in the Mankayan Project - Bezant Resources		(10.0)	
Proceeds on disposal of Chucapaca	81.0		
Purchase of listed investments	(4.4)	(3.5)	(0.8)
Proceeds on sale of listed investments	6.4	35.0	65.4
Investment in environmental trust funds	(7.1)	(15.4)	(3.3)
<b>NET CASH UTILIZED IN INVESTING ACTIVITIES - CONTINUING OPERATIONS</b>	<b>(423.9)</b>	<b>(680.5)</b>	<b>(1,003.7)</b>
<b>NET CASH UTILIZED IN INVESTING ACTIVITIES - DISCONTINUED OPERATIONS</b>		<b>(54.9)</b>	<b>(381.8)</b>
<b>NET CASH UTILIZED IN INVESTING ACTIVITIES</b>	<b>(423.9)</b>	<b>(735.4)</b>	<b>(1,385.5)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long and short-term loans raised	463.9	3,177.7	936.3
Long and short-term loans repaid	(591.8)	(2,971.3)	(975.9)
Increase in noncontrolling interests funding	2.0	6.8	27.7
Purchase of noncontrolling interests		(12.8)	(10.8)
Dividends paid to Company shareholders	(29.8)	(61.2)	(364.2)
Dividends paid to noncontrolling interests	(10.6)	(1.1)	(11.5)

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Payment to South African Equity interests in South Deep	(1.9)	(2.2)	(2.5)
Ordinary shares issued		0.8	2.0
Cash transferred on spin-off of Sibanye Gold		(106.4)	
<b>NET CASH (UTILIZED IN)/PROVIDED BY FINANCING ACTIVITIES - CONTINUING OPERATIONS</b>	<b>(168.2)</b>	<b>30.3</b>	<b>(398.9)</b>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES - DISCONTINUED OPERATIONS</b>		<b>39.0</b>	<b>514.7</b>
<b>NET CASH (UTILIZED IN)/PROVIDED BY FINANCING ACTIVITIES</b>	<b>(168.2)</b>	<b>69.3</b>	<b>115.8</b>
<b>EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS</b>	<b>(18.7)</b>	<b>(29.7)</b>	<b>21.4</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>133.0</b>	<b>(330.6)</b>	<b>(88.4)</b>
<b>CASH AND CASH EQUIVALENTS - beginning of the year</b>	<b>325.0</b>	<b>655.6</b>	<b>744.0</b>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<b>458.0</b>	<b>325.0</b>	<b>655.6</b>

The accompanying notes are an integral part of these consolidated financial statements

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**Gold Fields Limited**

**Notes to the Consolidated Financial Statements**

**(\$ in millions unless otherwise noted)**

**1 GENERAL**

Gold Fields Limited (formerly Driefontein Consolidated Limited, or Driefontein, the Company or the Group) was originally incorporated in South Africa and listed on the JSE Securities Exchange S.A. ( JSE ) during 1968 as East Driefontein Gold Mining Company Limited. Following a merger with West Driefontein Gold Mining Company Limited, it was renamed Driefontein on June 15, 1981. On May 10, 1999, Driefontein completed a business combination, with another South African company listed on the JSE, Gold Fields Limited ( Old Gold Fields ). Old Gold Fields evolved through a series of transactions in 1998, whereby it acquired substantially all of the gold mining assets and interests previously held by Gold Fields of South Africa Limited, Gencor Limited, New Wits Limited and certain other shareholders in the companies owning the assets and interests. These assets and interests included publicly traded gold mining companies, mineral rights and service agreements. Driefontein, the surviving entity, was renamed Gold Fields Limited, and Old Gold Fields was renamed GFL Mining Services Limited, effective from that date. The Group is engaged in gold mining and related activities, including exploration, extraction, processing and smelting. Gold bullion, the Group's principal product, is currently produced in South Africa, Ghana and Australia and sold in South Africa and internationally. The Group also produces copper/gold concentrate in Peru, which is sold internationally.

On November 29, 2012, Gold Fields announced the creation of a new South African gold mining company through the listing and subsequent unbundling of its 100% owned subsidiary, Sibanye Gold Limited ( Sibanye Gold ), formerly known as GFI Mining South Africa Proprietary Limited, which holds the KDC and Beatrix gold mines as well as various service companies. The separation of Sibanye Gold from Gold Fields is referred to as the Spin-off. The board of directors of Gold Fields, or the Board, passed the resolution necessary to implement the Spin-off on December 12, 2012 and the Spin-off was completed on February 18, 2013. Refer to notes 3(a) and 9.1.

**2 SIGNIFICANT ACCOUNTING POLICIES**

The following are accounting policies used by the Group which have been consistently applied for all periods presented:

- (a) **USE OF ESTIMATES:** The preparation of the consolidated financial statements in conformity with United States generally accepted accounting principles, or U.S. GAAP, requires the Group's management to make estimates and assumptions about current and future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience, current and expected economic conditions, and in some cases actuarial techniques. Actual results ultimately may differ from those estimates.

The more significant areas requiring the use of management estimates and assumptions relate to mineral reserves that are the basis of future cash flow estimates and unit-of-production depreciation, depletion and amortization calculations; environmental, reclamation and closure obligations; estimates of recoverable gold and other materials in heap leach pads; asset impairments (including impairments of goodwill, long-lived assets, investments, gold in process, and stockpiles); other employee benefit liabilities (including valuation of share-based compensation and deferred compensation); valuation allowances for deferred tax assets; unrecognized tax benefits; reserves for contingencies and litigation; the fair value of assets acquired and liabilities assumed in business combinations and the fair value and accounting treatment of financial instruments.

**Table of Contents****Gold Fields Limited****Notes to the Consolidated Financial Statements**

(\$ in millions unless otherwise noted)

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

- (b) **CONSOLIDATION:** The Group's financial statements include the financial statements of the Group, and its subsidiaries, and its share of results of investments in associates. A company in which the Group has, directly or indirectly, through subsidiary undertakings, a controlling interest is classified as a subsidiary undertaking. In addition, the Company reviews its relationships with other entities to assess if the Company is the primary beneficiary of a variable interest entity. If the determination is made that the Company is the primary beneficiary, then that entity is consolidated from the date that the Company was deemed to have become the primary beneficiary. The results of subsidiaries acquired or disposed of are included in the Group statements from the effective dates of acquisition or excluded from such statements as from the effective dates of disposal. Investments in companies which the Company does not control, but where it has the ability to exercise significant influence or joint control over their operating and financial policies, are accounted for by the equity method.

Inter-company transactions and balances are eliminated on consolidation. Gains or losses that arise from a change in the Group's interest in subsidiaries or equity method investees are recognized in equity.

- (c) **GOODWILL:** The Group accounts for its business acquisitions under the acquisition method of accounting. The total value of the consideration paid for acquisitions is allocated to the underlying net assets acquired, based on their respective estimated fair values determined by using internal or external valuations. Any excess between the purchase price and the fair value of the attributable net assets of subsidiaries and associates at the date of acquisition is capitalized as goodwill.

Goodwill is not amortized; however it is subject to an annual assessment for impairment. The Company evaluates the carrying amount of goodwill to determine whether current events and circumstances indicate that such carrying amount may no longer be recoverable. To accomplish this, the Company compares the estimated fair values of its reporting units to their carrying amounts. If the carrying value of the reporting unit exceeds its estimated fair value, the Company compares the implied fair value of the reporting unit's goodwill to its carrying amount, and any excess of the carrying value over the fair value is charged to earnings. The Company's fair value estimates are based on numerous assumptions and it is possible that actual fair values will be significantly different from the estimates, as actual future quantities of recoverable minerals, gold and other commodity prices, production levels and operating costs of production and capital are each subject to significant risks and uncertainties.

- (d) (i) **FOREIGN CURRENCY TRANSACTIONS:** Foreign currency transactions are recorded at the prevailing exchange rate at the date of the transaction. Monetary assets and liabilities designated in foreign currencies are translated at the exchange rate ruling at period end. Gains and losses arising from these translations are recognized in net income or loss.

- (ii) **FOREIGN ENTITIES:** The Group's foreign entities are regarded as those entities that are considered to be self-sustaining. The balance sheets and statements of operations of foreign subsidiaries are translated on the following basis:

Assets and liabilities are translated at the prevailing exchange rate at period end. Statement of operations items are translated at the average exchange rate for the period. Exchange differences on translation are accounted for in shareholders' equity. These differences are recognized in net income or loss upon realization of the underlying foreign entity.

- (iii) **FUNCTIONAL CURRENCY:** The functional currency of the Group's South African operations is the South African Rand, of its Australian operations is the Australian dollar, of its Ghanaian operations and of its Peruvian operation is the U.S. dollar. The translation differences arising as a

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**Gold Fields Limited**

**Notes to the Consolidated Financial Statements**

**(\$ in millions unless otherwise noted)**

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

result of converting the South African Rand and the Australian dollar to U.S. dollars (reporting currency) are included as a separate component of Accumulated Other Comprehensive Income.

**(e) PROPERTY, PLANT AND EQUIPMENT**

(i) **MINING ASSETS:** Mining assets, including mine development costs and mine plant facilities, are recorded at cost.

At the Group's surface mines, when it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, costs incurred to develop the property are capitalized as incurred until saleable minerals are extracted from the mine and are amortized using the units-of-production method over the estimated life of the ore body based on estimated recoverable ounces or pounds mined from proven and probable reserves. These costs include costs to further delineate the ore body and remove overburden to initially expose the ore body. Subsequent mine development costs are treated as variable production costs.

At the Group's underground mines, the Group capitalizes all underground development costs to access specific ore blocks or other areas of the mine where such costs will provide future economic benefits as a result of establishing proven and probable reserves associated with a specific block or area of operations, even after the reef horizon may have been intersected with the development of the first specific ore block or area of the mine. All costs associated with the development of a specific underground block or area are capitalized until saleable minerals are extracted from that specific block or area. At the Group's underground mines, these costs include the cost of shaft sinking and access, the costs of building access ways, lateral development, drift development, ramps, box cuts and other infrastructure development.

The costs incurred to access specific ore blocks or areas of the mine, which only provide an economic benefit over the period during which that ore block or area is being mined, are attributed to earnings using the units-of-production method where the denominator is estimated recoverable ounces of gold contained in proven and probable reserves within that ore block or area. Capitalized costs that provide an economic benefit over the entire mine life, such as the initial primary shaft in an underground complex, will continue to be attributed to earnings using the units-of-production method, where the denominator is the estimated recoverable ounces of gold contained in total accessible proven and probable reserves. Accessible proven and probable reserves, also referred to as "above infrastructure proven and probable reserves", relate to mineralization which is located at a level at which an operation currently has infrastructure sufficient to allow mining operations to occur.

Interest on borrowings incurred in respect of assets requiring a substantial period of time to prepare for their intended use is capitalized to the date on which the assets are substantially completed and ready for their intended use.

(ii) **LAND:** Land is shown at cost and is not depreciated.

(iii) **MINERAL INTERESTS:** Mineral interests represent mineral and surface use rights for parcels of land owned by the Group. Mineral interests and other tangible assets include acquired mineral use rights in production, development and exploration stage properties. The amount capitalized related to mineral interests represents its fair value at the time it was acquired, either as an individual asset purchase or as part of a business combination.

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(\$ in millions unless otherwise noted)

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Production stage* mineral interests represent mineral interests in operating properties that contain proven and probable reserves. *Development stage* mineral interests represent interests in properties under development that contain proven and probable reserves. *Exploration stage* mineral interests represent interests in properties that are believed to potentially contain (i) *other mineralized material* such as inferred material within pits, measured, indicated and inferred material with insufficient drill spacing to qualify as proven and probable reserves; and inferred material in close proximity to proven and probable reserves; (ii) *around-mine exploration potential* such as inferred material not immediately adjacent to existing reserves and mineralization but located within the immediate mine infrastructure; (iii) *other mine-related exploration potential* that is not part of measured, indicated or inferred material and is comprised mainly of material outside of the immediate mine area; or (iv) *greenfield exploration potential* that is not associated with any other *production, development or exploration stage* property as described above. The Group's mineral use rights are enforceable regardless of whether proven or probable reserves have been established. In certain limited situations, the nature of a use right changes from an exploration right to mining right upon the establishment of proven and probable reserves. The Group has the ability and intent to renew mineral use rights where the existing term is not sufficient to recover all identified and valued proven and probable reserves and/or undeveloped mineral interests.

- (iv) **AMORTIZATION AND DEPRECIATION OF MINING ASSETS:** Mining assets, mine development and evaluation costs, and mine plant facilities are amortized over the life of mine using the units-of-production method, based on estimated above infrastructure proven and probable ore reserves. Proven and probable ore reserves reflect estimated quantities of economically recoverable reserves, which can be recovered in future from known mineral deposits. At the Group's South African operations, its amortization and depreciation calculations are generally based on the Group's most recent life-of-mine plan and annual above-infrastructure reserve declarations as approved by the Company's Board. However, if management becomes aware of significant changes in its above-infrastructure reserves ahead of the scheduled updates, management would update its amortization and depreciation calculations and then subsequently notify the Company's Board. A similar approach is followed at the Group's operations in Ghana and Peru, due to the longer-life of the primary ore body. At the Group's other international operations, such as Australia, the Group's amortization and depreciation calculations are updated on a more regular basis during the year for all known changes in proven and probable reserves. The nature and life-span of the ore body, and the on-going information gathered in connection with the ore body, facilitates these more frequent updates.
- (v) **AMORTIZATION OF MINERAL INTERESTS:** Mineral interests associated with production stage mineral interests are amortized over the life-of-mine using the units-of-production method in order to match the amortization with the expected underlying future cash flows. Mineral interests associated with development and exploration stage mineral interests are not amortized until such time as the underlying property is converted to the production stage.
- (vi) **DEPRECIATION OF NON-MINING ASSETS:** Other non-mining assets are recorded at cost and depreciated on a straight-line basis over their expected useful lives as follows:

Vehicles	20.0%
Computers	33.3%
Furniture and Equipment	10.0%

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**Gold Fields Limited**

**Notes to the Consolidated Financial Statements**

**(\$ in millions unless otherwise noted)**

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

(vii) **MINING EXPLORATION:** Expenditure on exploration activities is expensed as incurred. Such expenditure includes the costs incurred for purposes of upgrading resources from one category to another or for purposes of upgrading resources to proven and probable reserves, even when in close proximity to the Company's development and production stage properties. When it has been determined that a property can be economically developed as a result of establishing proven and probable reserves, costs incurred prospectively to develop the property are capitalized as mine development costs.

(viii) **IMPAIRMENT:** The Group reviews and tests the carrying amounts of long-lived assets, which include development costs, when events or changes in circumstances suggest that the carrying amount may not be recoverable. For impairment purposes, assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. The lowest level at which such cash flows are generated is generally at an individual operating mine, even if the individual operating mine is included in a larger mine complex.

If there are indications that an impairment may have occurred, the Group prepares estimates of expected future cash flows for each group of assets. Expected future cash flows are based on a probability-weighted approach applied to potential outcomes and reflect:

estimated sales proceeds from the production and sale of recoverable ounces of gold contained in proven and probable reserves;

expected gold prices and currency exchange rates (considering historical and current prices, price trends and related factors);

expected future operating costs and capital expenditures to produce proven and probable gold reserves based on approved life-of-mine plans that assume current plant capacity, but exclude the impact of inflation; and

expected cash flows associated with value beyond proven and probable reserves, which include the expected cash outflows required to develop and extract the value beyond proven and probable reserves.

The impairment analysis first compares the total estimated cash flows on an undiscounted basis to the carrying amount of the asset, including goodwill, if any. If the undiscounted cash flows are less than the carrying amount of the asset, a second step is performed. The Group records a reduction of a group of assets to fair value as a charge to earnings if discounted expected future cash flows are less than the carrying amount. The Group estimates fair value by discounting the expected future cash flows using a discount factor, adjusted for inflation, that reflects the risk-free rate of interest for a term consistent with the period of expected cash flows.

Management's estimate of future cash flows is subject to risk and uncertainties. It is therefore reasonably possible that changes could occur which may affect the recoverability of the Group's mining assets.

(f) **INCOME TAXES:** Deferred taxation is calculated on the comprehensive basis using the balance sheet (assets and liabilities) approach. Deferred tax liabilities and assets are recognized by applying expected tax rates to the temporary differences existing at each reporting date between the tax values and their carrying amounts. These temporary differences are expected to result in taxable or deductible amounts in determining taxable profits for future periods when the carrying amount of the asset is recovered or





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**Gold Fields Limited**

**Notes to the Consolidated Financial Statements**

**(\$ in millions unless otherwise noted)**

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

the liability is settled. The effect on deferred tax of any changes in tax rates is recognized in net income or loss during the period in which the change occurs.

The principal temporary differences arise from depreciation on property, plant and equipment, provisions, unutilized capital allowances and tax losses carried forward. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if it is more likely than not that such assets will not be realized.

The Group recognizes interest and penalties on income taxes, if any, in net income or loss as part of income tax expense.

Gold Fields recognizes the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

- (g) **NON-CURRENT INVESTMENTS:** Non-current investments comprise (i) investments in listed companies which are classified as available-for-sale and are accounted for at fair value, with unrealized holding gains and losses excluded from earnings and reported as a separate component of shareholders' equity; and (ii) investments in unlisted companies which are carried at their original cost with adjustments for write-downs where appropriate and the fair value approximates their carrying value; (iii) monies in environmental trust fund which are carried at amortized cost; and (iv) equity method investments. Realized gains and losses are included in the determination of net income or loss.

Unrealized losses are included in the determination of net income or loss where it is determined that a decline, other than a temporary decline, in the value of the investment has occurred.

- (h) **MATERIALS CONTAINED IN HEAP LEACH PADS:** The recovery of gold from certain oxide ores is best achieved through the heap leaching process. Under this method, ore is placed on leach pads where it is permeated with a chemical solution, which dissolves the gold contained in the ore. The resulting pregnant solution is further processed in a leach plant where the gold in solution is recovered. For accounting purposes, value is added to leach pads based on current mining costs, including applicable depreciation and amortization relating to mining operations. Value is removed from the leach pad as ounces are recovered in circuit at the leach plant based on the average cost per recoverable ounce of gold on the leach pad.

The engineering estimates of recoverable gold on the heap leach pads are calculated from quantities of ore placed on the pads (measured tonnes added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery percentage (based on the leach process and the ore type). In general, the leach pad production cycles project recoveries of approximately 50% to 70% of the placed recoverable ounces in the first year of leaching, declining each year thereafter until the leaching process is completed.

Although the quantities of recoverable gold placed on the leach pads are reconciled by comparing the grades of ore placed on the pads to the quantities of gold actually recovered (metallurgical balancing), the nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is constantly monitored and engineering estimates are refined based on actual results over time. Variations between actual and estimated quantities resulting

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**Gold Fields Limited**

**Notes to the Consolidated Financial Statements**

**(\$ in millions unless otherwise noted)**

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

from changes in assumptions and estimates that do not result in write-downs to market are accounted for on a prospective basis. The ultimate recovery of gold from the pad will not be known until the leaching process is terminated.

The current portion of leach pad inventories is determined based on engineering estimates of the quantities of gold at the reporting date that are expected to be recovered during the next 12 months.

- (i) **INVENTORIES:** Inventories are valued at the lower of cost and market value. The Group's inventories comprise consumable stores, gold-in-process, gold bullion, ore stockpiles and mineral rights and are accounted for as follows:

**Consumable stores:** Consumable stores are valued at average cost, after appropriate provision for surplus and slow moving items.

**Gold-in-process:** Gold in-process inventories at the international operations represent materials that are currently in the process of being converted to a saleable product. Conversion processes vary depending on the nature of the ore and the specific mining operation, but include mill in-circuit, leach in-circuit, flotation and column cells, and carbon in-pulp inventories. In-process material is measured based on assays of the material fed to process and the projected recoveries of the respective plants.

In-process inventories are valued at the average cost of the material fed to process attributable to the source material coming from the mine, stockpile or leach pad plus the in-process conversion costs, including applicable depreciation relating to the process facility, incurred to that point in the process.

**Gold bullion:** Gold bullion inventories represent saleable gold ore or gold bullion and are valued at the average cost of the respective in-process inventories incurred prior to the refining process, plus refining costs.

**Concentrates:** Concentrate inventories represent concentrate available for shipment. The concentrate inventory is valued at the average cost, including an allocated portion of amortization. Costs are added to and removed from the concentrate inventory based on tons of concentrate and are valued at the lower of average cost and market value. Management's determination of the gold and copper concentrate content and quantity depends on assay and laboratory results for the metal content and survey for the quantities.

**Stockpiles:** Stockpiles represent coarse ore that has been extracted from the mine that is available for further processing. Stockpiles are measured by estimating the number of tons (via truck counts and/or in-pit surveys of the ore before stockpiling) added and removed from the stockpile, the number of contained ounces (based on assay data) and the recovery percentage (based on the process for which the ore is destined). Stockpile tonnages are verified by periodic surveys. Stockpiles are valued based on mining costs incurred up to the point of stockpiling the ore, including applicable depreciation and amortization relating to mining operations. Value is added to a stockpile based on the current mining cost per ton plus applicable depreciation and amortization and removed at the average cost per recoverable ounce of gold in the stockpile.

**Mineral rights:** Mineral rights not linked to any specific operation are valued at the lower of cost and market value.

- (j) **FINANCIAL INSTRUMENTS:** Financial instruments carried on the balance sheet include cash and cash equivalents, investments, receivables, derivative financial instruments, accounts payable and accrued liabilities. The particular recognition method for each financial instrument item is disclosed in its respective significant accounting policy description.

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**Gold Fields Limited**

**Notes to the Consolidated Financial Statements**

**(\$ in millions unless otherwise noted)**

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

- (k) **HEDGING:** All derivatives are recognized on the balance sheet at their fair value, unless they meet the criteria for the normal purchases normal sale exemption. On the date a derivative contract is entered into, the Group designates the derivative as (1) a hedge of the fair value of a recognized asset or liability (fair value hedge), (2) a hedge of a forecasted transaction (cash flow hedge), or (3) a hedge of a net investment in a foreign entity. Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting.

Hedging activities are conducted in accordance with guidelines established by the Audit Committee which allow for the use of various hedging instruments.

Changes in the fair value of a derivative that is highly effective, and that is designated and qualifies as a fair value hedge, are recorded in net income or loss, along with the change in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Changes in the fair value of a derivative that is highly effective, and that is designated and qualifies as a cash flow hedge, are recognized directly in shareholders' equity. Amounts deferred in shareholders' equity are included in net income or loss in the same period during which the hedged firm commitment or forecasted transaction affects net income or loss.

Recognition of derivatives which meet the criteria for the normal purchases normal sales exception is deferred until settlement. Under these contracts, the Group must deliver a specified quantity of gold at a future date at a specified price to the contracted counter-party.

Hedges of net investment in foreign entities are accounted for similarly to cash flow hedges. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in net income or loss, under the caption entitled gains and losses on financial instruments. The fair value recognized on the balance sheet is included under the caption financial instruments.

The Group formally documents all relationships between hedging instruments and hedged items at inception, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking derivatives designed as hedges to specific assets and liabilities or to specific firm commitments or forecasted transactions. The Group also formally assesses, both at the hedge inception date and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

- (l) **CASH AND CASH EQUIVALENTS:** Cash and cash equivalents comprise cash on hand, demand deposits and investments in money market instruments. These are all highly liquid investments with a maturity of three months or less at the date of purchase. The carrying amount of cash and cash equivalents is stated at cost which approximates fair value.

- (m) **TRADE RECEIVABLES:** Trade receivables are carried at anticipated realizable value. Estimates are made for doubtful debts based on a review of all outstanding amounts at period end. Irrecoverable amounts are written off during the period in which they are identified.

- (n) **PROVISIONS:** Provisions are recognized when information is available prior to the issuance of the financial statements which indicates that it is probable that an asset has been impaired or a liability had been incurred at the date of the financial statements and the amount can be reasonably estimated.

- (o)

**REHABILITATION COSTS:** ASC 410 applies to legal obligations associated with the retirement of a long-lived asset that result from the acquisition, construction, development and/or the normal operation of a long-lived asset.

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(\$ in millions unless otherwise noted)

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

Under ASC 410 the Group records the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the Group correspondingly capitalizes the cost by increasing the carrying value of the related long-lived asset. Over time, the liability is increased (accretion) to reflect an interest element considered in its initial measurement at fair value, and the capitalized cost is amortized over the useful life of the related asset. Upon settlement of the liability, the Group will record a gain or loss if the actual cost incurred differs from the liability recorded.

Environmental liabilities, other than rehabilitation costs which relate to liabilities from specific events, are expensed as incurred.

- (p) **ENVIRONMENTAL TRUST FUNDS:** Contributions are made to the Group's trust funds, created in accordance with statutory requirements, to fund the estimated cost of pollution control, rehabilitation and mine closure at the end of the life of the Group's South African and Ghanaian mines. Contributions are determined on the basis of the estimated environmental obligation over the life of the mine. Income earned on monies paid to environmental trust funds is accounted for as investment income. The funds contributed to the trusts plus growth in the trust funds are included under investments on the balance sheet.

**(q) EMPLOYEE BENEFITS**

- (i) **PENSION AND PROVIDENT FUNDS:** In South Africa, the Group operates a defined contribution retirement plan and contributes to a number of industry based defined contribution retirement plans. The retirement plans are funded by payments from employees and the Group.

Contributions to defined contribution funds are recognized in net income or loss as incurred.

- (ii) **POST-RETIREMENT HEALTH CARE COSTS:** Medical coverage is provided through a number of schemes. Post-retirement health care in respect of existing employees is recognized as an expense over the remaining service lives of the relevant employees.

The Group has an obligation to provide medical benefits to certain of its pensioners and dependents of ex-employees. These liabilities are unfunded and have been provided in full, calculated on an actuarial basis.

Valuation of these obligations is carried out annually by independent actuaries using appropriate mortality tables, long-term estimates of increases in medical costs and appropriate discount rates.

- (iii) **SHARE-BASED COMPENSATION PLANS:** Compensation costs recognized in fiscal 2014, 2013 and 2012 include: a) compensation cost for all share-based payments granted prior to, but not yet vested as of July 1, 2005, based on the grant-date fair value estimated in accordance with the original provisions of ASC 718, Accounting for Stock- Based Compensation, and b) compensation cost for all share-based payments granted subsequent to June 30, 2005, based on the grant-date fair value estimated in accordance with the provisions of ASC 718, Stock-Based Compensation.

- (iv) **LONG-TERM INCENTIVE PLAN:** The Group operates a long-term incentive plan. The vesting of the awards is based on total shareholder return and free cash flow margin. These are accounted for as follows: a) the total shareholder return portion

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is treated as a share-based compensation plan. Compensation costs for all share-based payments are based on the fair value estimated in accordance with the provisions of ASC 718, Stock-Based Compensation; b) the free

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**Gold Fields Limited**

**Notes to the Consolidated Financial Statements**

**(\$ in millions unless otherwise noted)**

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

cash flow margin portion is treated as a deferred compensation plan. Compensation costs are accrued over the period of service when management considers the achievement of the performance condition probable in accordance with the provisions of ASC 710, Deferred Compensation.

- (r) **REVENUE RECOGNITION:** Revenue arising from gold and by-product sales is recognized when the risks and rewards of ownership and title pass to the buyer under the terms of the applicable contract, the pricing is fixed and determinable and collectability is reasonably assured. Sales revenue excludes value-added tax but includes the net profit and losses arising from hedging transactions, which are designated as normal sales contracts.

Contracts for the sale of copper concentrate are provisionally priced - that is, the selling price is subject to final adjustment at the end of a period normally ranging from 30 to 90 days after delivery to the customer, based on market prices at the relevant quotation points stipulated in the contract.

Revenue on provisionally priced copper concentrate sales is recorded on the date of shipment, net of refining and treatment charges, using the forward London Metal Exchange price to the estimated final pricing date, adjusted for the specific terms of the relevant agreement. Variations between the price used to recognize revenue and the actual final price received can be caused by changes in prevailing copper and gold prices and result in an embedded derivative. The host contract is the receivable from the sale of copper concentrate at the forward London Metal Exchange price at the time of sale. The embedded derivative, which does not qualify for hedge accounting, is marked-to-market each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included as a component of revenue while the contract itself is recorded in accounts receivable.

- (s) **DIVIDEND INCOME:** Dividends are recognized when the right to receive payment is established.

(t) **INTEREST INCOME:** Interest is recognized on a time proportion basis taking account of the principal outstanding and the effective rate to maturity on the accrual basis.

- (u) **DIVIDENDS DECLARED:** Dividends proposed are recognized only when the dividends are declared. Dividends are payable in South African Rand.

- (v) **SEGMENT REPORTING:** The Group is a gold mining company operating geographically in South Africa, Ghana, Australia and Peru. The business segments comprise geographical operations based on locations and operating units.

- (w) **EARNINGS/(LOSS) PER SHARE:** is calculated based on the net income/(loss) divided by the weighted average number of common shares in issue during the period. Diluted earnings/(loss) per share is presented when the inclusion of potential ordinary shares has a dilutive effect on earnings/ (loss) per share.

- (x) **DISCONTINUED OPERATIONS:** A discontinued operation is a component of the Group that either has been disposed of, or that is classified as held for sale, and: (i) represents a separate major line of business or geographical area of operations that can be clearly distinguished from the rest of the Group in terms of operations and cash flows; or (ii) is part of a single coordinated plan to dispose



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of a separate major line of business or geographical area of operations. Generally, a major line of business is a segment or business unit. Results from discontinued operations until the date of disposal are presented separately as a single amount in the consolidated statements of operations together with any gain or loss from disposal. Results from operations qualifying as discontinued operations as of the balance

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(\$ in millions unless otherwise noted)

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

sheet date for the latest period presented, that have previously been presented as results from continuing operations, are re-presented as results from discontinued operations for all periods presented. The financial information of discontinued operations is excluded from the respective captions in the consolidated statements of operations, cash flows and related notes for all years presented.

- (y) **ASSETS HELD FOR SALE:** Assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable.
- (z) **COMMITMENTS AND CONTINGENCIES:** Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.
- (aa) **RECLASSIFICATIONS:** For the 2012 and 2013 fiscal years, the following items have been reclassified to conform to current year presentation: (i) Royalties have been reclassified from other (expenses)/income to costs and expenses on the consolidated statements of operations; and (ii) Finance expense capitalized has been reclassified from cash flows from operations to cash flows from investing activities on the consolidated statements of cash flows. Management does not believe these reclassifications materially impact the 2012 and 2013 financial statements.

**RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS****Liabilities**

During February 2013, the Accounting Standard Codification, or the ASC guidance related to liabilities: obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date was updated. The update requires an entity to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed as the sum of the amount the entity agreed to pay on the basis of its arrangement among its co-obligors and any additional amount the entity expects to pay on behalf of its co-obligors. The update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The new standard is to be applied prospectively but retrospective application is permitted. The Company implemented the provisions of ASU 2013-04 as of January 1, 2014. The updated guidance did not impact Gold Fields' financial statements.

**Income Taxes**

During July 2013, the ASC guidance related to income taxes: presentation of an unrecognized tax benefit when a net operating loss carry forward, a similar tax loss, or a tax credit carry forward exists was updated. The update requires an unrecognized tax benefit, or a portion of an unrecognized tax benefit, to be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carry forward, a similar tax loss, or a tax credit carry forward. The update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The new standard is to be applied prospectively but retrospective application is permitted. The Company implemented the provisions of ASU 2013-11 as of January 1, 2014. The updated guidance did not impact Gold Fields' financial statements.

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(\$ in millions unless otherwise noted)

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)****RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED****Revenue**

During May 2014, the ASC guidance related to revenue from contracts with customers was updated. The update requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should also disclose sufficient quantitative and qualitative information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The new standard is effective for annual reporting periods beginning after December 15, 2016. Gold Fields will implement the provisions of ASU 2014-09 as of January 1, 2017. Gold Fields does not expect that the updated guidance will materially impact its financial statements.

**Discontinued operations**

During April 2014, the ASC guidance related to reporting discontinued operations and disclosures of disposals of components of an entity was updated. The update changes the requirements for reporting discontinued operations and limits discontinued operations reporting to disposals of components of an entity that represent strategic shifts that have a major effect on an entity's operations and financial results. The new standard is effective for any disposals of components of a company in annual reporting periods beginning after December 15, 2014. Gold Fields will implement the provisions of ASU 2014-08 as of January 1, 2015. Gold Fields does not expect that the updated guidance will impact its financial statements.

**3. ACQUISITION AND DISPOSAL OF BUSINESSES****(a) Sibanye Gold Spin-off**

On February 18, 2013, Gold Fields completed the separation of its wholly-owned subsidiary, Sibanye Gold (formerly known as GFI Mining South Africa, or GFIMSA), which includes the KDC and Beatrix mining operations. The Spin-off was achieved by way of Gold Fields making a distribution on a pro rata basis of one Sibanye Gold ordinary share for every one Gold Fields share (whether held in the form of shares, American depositary receipts, or ADRs, or international depositary receipts) to Gold Fields shareholders, registered as such in Gold Fields register at close of business on February 15, 2013, in terms of section 46 of the South African Companies Act and section 46 of the South African Income Tax Act. The Board of Gold Fields passed the resolution necessary to implement the Spin-off on December 12, 2012. Sibanye Gold shares listed on the JSE, and on the NYSE on February 11, 2013. As of February 18, 2013, or the Spin-off Date, Gold Fields and Sibanye Gold were independent, publicly traded companies with separate public ownership, boards of directors and management. Refer note 9.1.

**(b) Yilgarn South assets**

On October 1, 2013, Gold Fields completed the acquisition of the Granny Smith, Lawlers and Darlot gold mines (collectively the Yilgarn South assets) in Western Australia, from Barrick Gold Corporation. Gold Fields acquired the assets for a total net consideration of \$262.3 million after adjustments for working capital and employee entitlements. In accordance with the sale and purchase agreement, Gold Fields elected

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(\$ in millions unless otherwise noted)

**3. ACQUISITION AND DISPOSAL OF BUSINESSES (continued)**

to satisfy half of the consideration by delivering 28.7 million of its common shares (which was based on the 5-day volume-weighted average price for the ADR s trading on the NYSE prior to closing). The balance of \$135.0 million (less a \$30.0 million deposit paid on signing of the agreement) was paid from cash resources held by Gold Fields in Australia.

Taking control of the acquired mines enabled the Group to increase its production profile in Australia and to obtain cost efficiencies through the integration of the Lawlers and the existing Agnew gold mines.

In the three months to December 31, 2013, the Yilgarn South assets contributed revenue of \$151.3 million and loss after tax was \$4.1 million. The loss after tax was mainly due to transaction costs of \$27.4 million. The disclosure of other information required by ASC 805-10-50-2 is impracticable as financial information for the acquired assets and liabilities under U.S. GAAP was not available prior to the acquisition date.

The following summarises the major classes of consideration transferred, and the recognised amount of assets acquired and liabilities assumed at the acquisition date.

<b>Consideration transferred</b>	<b>\$ million</b>
Equity instruments (28.7 million ordinary shares)	127.3
Cash	135.0
<b>Total consideration</b>	<b>262.3</b>

The fair value of the ordinary shares issued was based on the listed share price of the Company at October 1, 2013 of R44.8 per share.

<b>Identified assets acquired and liabilities assumed</b>	<b>\$ million</b>
Property plant and equipment	348.0
Inventories	40.8
Prepayments	0.6
Finance lease liability	(4.3)
Provision for environmental rehabilitation	(55.0)
Trade and other payables	(46.7)
Leave pay accrual	(21.1)
<b>Total identifiable net assets acquired</b>	<b>262.3</b>

The Group incurred acquisition related costs of \$27.4 million in respect of stamp duty on the transferred assets, due diligence and legal costs. These costs have been included under other costs in the consolidated statement of operations.

There were no changes to the provisional purchase price allocation performed at the time of acquisition of the Yilgarn South assets.

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**3. ACQUISITION AND DISPOSAL OF BUSINESSES (continued)****(c) Sale of Yanfolila**

On July 2, 2014, Gold Fields sold its 85% interest in the Yanfolila exploration project in Mali to London-listed Hummingbird Resources (Hummingbird) for \$21.1 million in the form of 21,258,503 Hummingbird shares, resulting in Hummingbird being accounted for as an equity accounted investee. This sale resulted in a profit of \$5.1 million being recognized under profit on disposal of investments and subsidiaries in the consolidated statement of operations. Refer note 14(d) for disclosure on the investment in Hummingbird.

**(d) Sale of Chucapaca**

On August 19, 2014, Gold Fields sold its 51% stake in Canteras del Hallazgo S.A.C (CDH), the company that manages the Chucapaca exploration project in southern Peru, to Compañía de Minas Buenaventura S.A.A. (Buenaventura). Buenaventura is Peru's largest publicly traded, precious metals mining company and previously owned 49% in CDH. The proceeds were \$81.0 million and a 1.5% net smelter royalty on future sales of gold, copper and silver produced in the current Chucapaca concession. No value was attributed to the 1.5% net smelter royalty in calculating the sales price due to the uncertainty associated with realizing any future royalties given that the Chucapaca project is still in the exploration phase. This sale resulted in a profit of \$72.8 million being recognized under profit on disposal of investments and subsidiaries in the consolidated statement of operations. Refer note 9.2.

**4. ASSET IMPAIRMENTS AND WRITE-OFFS**

	Fiscal Year Ended December 31,		
	2014	2013	2012
<b>Materials contained on heap leach pad</b>	<b>1.3</b>	61.3	19.2
Stockpiles <sup>1</sup>		16.1	
Consumables <sup>1</sup>	<b>1.3</b>	2.4	
Heap leach inventory <sup>2</sup>		42.8	19.2
<b>Property, plant and equipment</b>	<b>12.7</b>	122.3	14.5
Yanfolila <sup>3</sup>		29.7	
Heap leach assets <sup>2</sup>		20.2	10.1
Tarkwa expansion project <sup>4</sup>		4.6	
Property, plant and equipment - other <sup>5</sup>	<b>12.7</b>	14.8	4.4
Damang - asset group <sup>6</sup>		53.0	
<b>Other</b>		31.7	7.9
Tarkwa expansion project <sup>4</sup>		22.2	
Non-refundable option payment to Bezant <sup>7</sup>		9.5	
Biox - property, plant and equipment <sup>8</sup>			7.9
<b>Total asset impairments and write-offs</b>	<b>14.0</b>	215.3	41.6

- (1) Market value write-down of consumables at Lawlers (2013: stockpiles and consumables at Tarkwa and Damang).
- (2) Write-down of inventory to market value due to the cessation of the heap leach operations as well as the write off of related assets at Tarkwa in fiscal 2013 (2012: cessation of heap leach operations at St Ives).



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**4. ASSET IMPAIRMENTS AND WRITE-OFFS (continued)**

- (3) Following the Group's decision during fiscal 2013 to dispose of non-core projects, Yanfolila was classified as held for sale and, accordingly, valued at the lower of fair value less cost to sell or carrying value which resulted in an impairment of US\$29.7 million during fiscal 2013. During fiscal 2014, Gold Fields sold its 85% interest in the Yanfolila project for \$21.1 million (refer note 3(c)).
- (4) Write-off of assets due to the abandonment of the Tarkwa expansion project at Tarkwa in fiscal 2013.
- (5) Write-off of redundant assets at South Deep, St Ives and Agnew (2013: Tarkwa, Cerro Corona and Agnew and 2012: Impairment of heavy mining machinery in Ghana).
- (6) As the undiscounted cash flows for Damang were less than its carrying value in fiscal 2013, the fair value of Damang was calculated using a combination of the market (comparable resource transactions) and the income (present value techniques) methods. The impairment was mainly due to the decrease in the gold price which impacted the life of mine plan.

The key assumptions used in the calculation were as follows:

- Real discount rate - 8%
- Gold price per ounce - \$1,300
- Resource valuation per ounce - \$26
- 2013 life of mine years - 6

The fair value calculation was very sensitive to the gold price assumption and an increase or decrease in the gold price could materially change the fair value.

- (7) The US\$9.5 million non-refundable option payment was written off due to the fact that Gold Fields relinquished the Mankayan option in connection with the Guinaoang property ahead of the January 31, 2014 expiry date.
- (8) The Group impaired its patented technology in fiscal 2012, known as the Biox process, which is used for the pretreatment of refractory ores and concentrates prior to gold recovery through conventional cyanide leaching techniques. The Group sold its Biox technology in 2013.

**5. FINANCE EXPENSE**

	Fiscal Year Ended December 31,		
	2014	2013	2012
Interest expense	(105.0)	(90.7)	(68.6)
Capitalized interest	24.2	18.3	13.0
<b>Total finance expense</b>	<b>(80.8)</b>	<b>(72.4)</b>	<b>(55.6)</b>

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**6. OTHER EXPENSES**

	2014	Fiscal Year Ended December 31,	
		2013	2012
Stamp duty and other costs on the acquisition of the Yilgarn South assets (refer note 3 (b))		27.4	
Facility charges <sup>1</sup>		23.5	
Regulatory legal fees <sup>2</sup>	7.1	11.1	
Other	37.1	42.2	37.9
<b>Total other costs</b>	<b>44.2</b>	<b>104.2</b>	<b>37.9</b>

- (1) Facility charges on cancellation of the \$1 billion and \$500 million facilities associated with the spin-off of Sibanye Gold in fiscal 2013.
- (2) Legal fees paid as a result of the Gold Fields Board examination and regulatory investigation relating to the South Deep Black Economic Empowerment transaction.

**7. INCOME AND MINING TAX EXPENSE**

	2014	Fiscal Year Ended December 31,	
		2013	2012
<b>Current income taxes</b>			
South Africa	(0.6)	(16.1)	(14.5)
Ghana	(31.1)	(40.6)	(170.6)
Australia	(41.8)	(42.1)	(64.1)
Peru	(60.7)	(66.3)	(104.7)
<b>Current income and mining taxes</b>	<b>(134.2)</b>	<b>(165.1)</b>	<b>(353.9)</b>
<b>Deferred income taxes</b>			
South Africa	(13.2)	14.2	24.2
Ghana	13.5	68.3	(36.8)
Australia	1.5	1.0	(4.8)
Peru	10.8	(24.1)	11.9
<b>Deferred income and mining taxes benefit/(expense)</b>	<b>12.6</b>	<b>59.4</b>	<b>(5.5)</b>
<b>Total income and mining taxes</b>	<b>(121.6)</b>	<b>(105.7)</b>	<b>(359.4)</b>

The Company's pre-tax income/(loss) from continuing operations before impairment of investments in equity investees, share of equity investees share of losses and discontinued operations comprise:



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	Fiscal Year Ended December 31,		
	2014	2013	2012
South Africa	(110.9)	(348.7)	(169.5)
Ghana	46.5	(96.9)	441.6
Australia	117.9	111.0	156.5
Peru	109.0	153.4	259.6
British Virgin Islands	(54.3)	18.7	24.5
	<b>108.2</b>	(162.5)	712.7

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(\$ in millions unless otherwise noted)

**7. INCOME AND MINING TAX EXPENSE (continued)**

	Fiscal Year Ended December 31,		
	2014	2013	2012
South African mining tax on mining income, an income tax, is determined on a formula basis which takes into account the profit and revenue from mining operations during the period. Non-mining income is taxed at a standard rate. Deferred tax is provided at the estimated mining tax rate that will apply when the temporary differences reverse. The applicable tax rates are:			
South Africa			
Maximum mining statutory rate	34.0%	34.0%	34.0%
Non-mining income standard tax rate	28.0%	28.0%	28.0%
Non-mining companies	28.0%	28.0%	28.0%
Ghana	35.0%	35.0%	35.0%
Australia	30.0%	30.0%	30.0%
Peru	30.0%	30.0%	30.0%
Major items causing the Group's income tax provision to differ from the South African mining statutory rate were:			
Tax on (loss)/income before tax, impairment of investments in equity investees, share of equity investees' losses and discontinued operations at South African mining statutory rate	(36.8)	55.3	(242.3)
Rate adjustment to reflect company tax rates	1.7	25.5	17.1
Valuation allowance raised against deferred tax assets <sup>1</sup>	(38.3)	(1.1)	
Reversal of valuation allowance previously raised against deferred tax assets <sup>2</sup>			58.2
Non deductible expenditure <sup>3</sup>	(18.0)	(56.1)	(12.5)
Non taxable profit on disposal of investments and subsidiaries	23.4		
Non deductible exploration and feasibility and evaluation costs	(9.6)	(47.2)	(74.4)
Non deductible share-based compensation	(6.2)	(11.5)	(12.9)
Non deductible interest expense	(24.4)	(25.3)	(24.8)
Deferred tax adjustment on changes in tax rates at the South African (2013 and 2012) and Ghanaian operations in 2012		(4.4)	(65.4)
Prior year adjustment to Cerro Corona deferred tax <sup>4</sup>		(29.5)	
Deferred taxation raised on unremitted earnings <sup>5</sup>	(7.0)		
Prior year under provision	(4.1)		
Other	(2.3)	(11.4)	(2.5)
<b>Income and mining tax expense</b>	<b>(121.6)</b>	<b>(105.7)</b>	<b>(359.4)</b>

- (1) During fiscal year ended December 31, 2014, the Group raised a valuation allowance against unredeemed capital expenditure and net operating losses. In making this determination, the Group analyzed, amongst other things, the recent history of earnings and cashflows, forecasts of future earnings, the nature and timing of future deductions and benefits represented by deferred tax assets and the cumulative earnings for the last three years.
- (2) During fiscal year ended December 31, 2012, the Group reversed a portion of the valuation allowance against unredeemed capital expenditure and net operating losses to the extent that there is sufficient future taxable income. In making this determination, the Group analyzed, amongst other things, the

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(\$ in millions unless otherwise noted)

**7. INCOME AND MINING TAX EXPENSE (continued)**

recent history of earnings and cashflows, forecasts of future earnings, the nature and timing of future deductions and benefits represented by deferred tax assets and the cumulative earnings for the last three years.

- (3) The December 31, 2014: \$18.0 million (December 31, 2013: \$56.1 million and December 31, 2012: \$12.5 million) non-deductible expenditure comprises mainly \$1.8 million (December 31, 2013: \$13.3 million and December 31, 2012: \$6.0 million) of impairments, \$nil (December 31, 2013: \$8.0 million and December 31, 2012: \$nil) of facility charges, \$2.0 million (December 31, 2013: \$8.2 million and December 31, 2012: \$nil) of legal and consulting fees, \$nil (December 31, 2013: \$5.1 million and December 31, 2012: \$nil) of stamp duty on the Yilgarn South assets acquisition and \$7.0 million (December 31, 2013: \$9.4 million and December 31, 2012: \$12.8 million) of various Peruvian non-deductible expenses. There were no other individually significant amounts included in this line item.

- (4) In connection with the preparation of the consolidated financial statements for the year ended December 31, 2013, the Group identified an understatement in the calculation of its deferred tax liabilities related to its Cerro Corona operations in Peru. Deferred tax amounting to \$29.5 million was incorrectly recognised in prior years on the basis differences related to foreign nonmonetary assets and liabilities that are remeasured from the local currency into the functional currency. As a result, the deferred tax liability at December 31, 2012 was understated by \$29.5 million.

The Group applied SEC Staff Accounting Bulletin (SAB) No. 108, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements. SAB No. 108 states that registrants must quantify the impact of correcting all misstatements on all periods presented, including both the carryover (iron curtain method) and reversing (rollover method) effects of prior-year misstatements on the current-year financial statements, and by evaluating the misstatement measured under each method in light of quantitative and qualitative factors.

In accordance with accounting guidance presented in ASC 250-10 and SEC Staff Accounting Bulletin No. 99, Materiality, the Group assessed the materiality of the misstatement and concluded that it was not material to Group's current-year financial statements, taken as a whole.

Under SAB No. 108, prior-year misstatements may be corrected in the current-year provided that such correction does not result in a material misstatement to the current-year financial statements. Correcting current-year financial statements for such immaterial errors does not require previously filed reports to be amended. The Group corrected the misstatement in the consolidated financial statements for the year ended December 31, 2013 as an out-of-period adjustment of \$29.5 million.

- (5) Provision has been made for foreign taxes that may result from future remittances of undistributed earnings of foreign subsidiaries, where the Group is unable to assert that the undistributed earnings will be permanently reinvested.

In all other cases, no provision is made for the income tax effect that may arise on the remittance of unremitted earnings by certain foreign subsidiaries. It is management's intention that these earnings will be permanently reinvested into future capital projects, maintenance capital and ongoing working capital funding requirements. In the event that the Group repatriated these earnings, income taxes and withholding taxes may be incurred. The determination of such taxes is subject to various complex calculations and, accordingly, the Group has determined that it is impractical to estimate the amount of deferred tax liability on such unremitted earnings.

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(\$ in millions unless otherwise noted)

**7. INCOME AND MINING TAX EXPENSE (continued)**

	December 31, 2014	December 31, 2013
Deferred income and mining tax liabilities and assets on the balance sheet as of December 31, 2014 and 2013 relate to the following:		
<b>Deferred income and mining tax liabilities</b>		
Mining assets	971.4	1,054.5
Investments held by environmental trust funds	2.7	2.7
Inventory	22.7	18.2
Other	18.1	19.5
<b>Gross deferred income and mining tax liabilities</b>	<b>1,014.9</b>	<b>1,094.9</b>
Provisions, including rehabilitation accruals	(118.8)	(103.7)
Tax losses	(162.8)	(159.8)
Unredeemed capital expenditure	(867.6)	(883.8)
Other	(7.1)	(4.1)
<b>Gross deferred income and mining tax assets</b>	<b>(1,156.3)</b>	<b>(1,151.4)</b>
Valuation allowance for deferred tax assets	386.8	330.2
<b>Total deferred income and mining tax assets</b>	<b>(769.5)</b>	<b>(821.2)</b>
<b>Total deferred income and mining tax liabilities</b>	<b>245.4</b>	<b>273.7</b>
Less: short-term portion of deferred income and mining tax liabilities	(10.3)	(16.0)
Less: short-term portion of deferred income and mining tax assets	6.9	29.0
Long-term portion of deferred income and mining taxes	242.0	286.7
Classified as:		
Long-term liabilities	(252.9)	(309.3)
Long-term assets	10.9	22.6
	<b>(242.0)</b>	<b>(286.7)</b>

The classification of deferred income and mining tax liabilities or assets as current or non-current is based on the related liability or asset creating the deferred tax. Deferred taxes not related to a specific liability or asset are classified based on the estimated period of reversal.

The Group has established a valuation allowance for certain deferred tax assets where cumulative losses require a valuation allowance, or where management believes that they will not be realized based on projections as of December 31, 2014 and December 31, 2013. The valuation allowance relates primarily to net operating loss carry-forwards for the entities below, except for GFI Joint Venture Holdings, or GFJIVH, and Gold Fields Operations, or GFO, which also include unredeemed capital expenditure.

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	December 31, 2014	December 31, 2013
Orogen Investments SA (Luxembourg)	36.8	41.0
Gold Fields Arctic Platinum Oy	18.3	23.2
GFI Joint Venture Holdings	305.3	266.0
Gold Fields Operations	26.4	
	386.8	330.2

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(\$ in millions unless otherwise noted)

**7. INCOME AND MINING TAX EXPENSE (continued)**

As at December 31, 2014 and December 31, 2013 the Group had unredeemed capital expenditure available for deduction against future mining income at its operations as follows:

	Tax Rate	December 31, 2014		December 31, 2013	
		Gross	Net	Gross	Net
<b>Unredeemed capital expenditure:</b>					
Gold Fields Operations	30%	656.9	197.0	692.3	207.7
GFI Joint Venture Holdings <sup>1</sup>	30%	1,822.6	546.8	1,779.9	534.0
Gold Fields La Cima <sup>2</sup>	30%	352.5	105.8	450.9	135.3
Abosso Gold Fields Limited	35%	51.3	18.0	19.3	6.8
		<b>2,883.3</b>	<b>867.6</b>	2,942.4	883.8

- (1) During 2014, the South African Revenue Services ( SARS ) issued a Finalisation of Audit Letter ( the Audit Letter ) stating that SARS had disallowed US\$1,108.8 million of GFIJVH s recognised capital allowance of US\$1,822.6 million. The company has not received an assessment from SARS disallowing the US\$1,108.8 million and the company believes it is more likely than not it has a defensible position over this matter.

Gold Fields has recognised a full valuation allowance against the net deferred tax asset relating to GFIJVH.

- (2) The estimated capital allowances do not have an expiration date. Gold Fields La Cima, or La Cima, currently has no tax losses available for utilization against future profits.

	Tax Rate	December 31, 2014		December 31, 2013	
		Gross	Net	Gross	Net
<b>Calculated tax losses:</b>					
Gold Fields Operations <sup>1</sup>	30%	283.0	84.9	301.1	90.4
Gold Fields Joint Venture Holdings <sup>1</sup>	30%	20.9	6.3		
Gold Fields Group Services (Pty) Limited <sup>1</sup>	28%	0.8	0.2	8.2	2.3
Abosso Gold Fields <sup>2</sup>	35%	46.5	16.3	7.2	2.6
Orogen Investments SA (Luxembourg) <sup>3</sup>	29.2%	126.0	36.8	140.4	41.2
Gold Fields Arctic Platinum Oy <sup>4</sup>	24.5%	74.7	18.3	94.8	23.3
		<b>551.9</b>	<b>162.8</b>	551.7	159.8

- (1) These future deductions may be utilized against income generated by the individual tax entity concerned and do not expire unless the tax entity ceases to commercially operate for a period longer than one year. Under South African mining tax ring-fencing legislation, each tax entity is treated separately and as such these deductions can only be utilized by the tax

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entities in which the deductions have been generated.

- (2) Tax losses may be carried forward for five years. These losses expire on a first-in-first-out basis.
- (3) The tax losses can only be used to offset future interest income generated by Orogen and can be carried forward indefinitely.
- (4) Tax losses may be carried forward for ten years. These losses expire on a first-in first-out basis.

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(\$ in millions unless otherwise noted)

**7. INCOME AND MINING TAX EXPENSE (continued)**

<b>Tax years open for assessments</b>	
South Africa <sup>1</sup>	<b>2010 - 2014</b>
Ghana <sup>2</sup>	<b>All years open</b>
Australia <sup>3</sup>	<b>2010 - 2014</b>
Peru <sup>4</sup>	<b>2010 - 2014</b>

- (1) The South African Tax legislation allows the Revenue Authorities to reopen assessments issued for a period of up to three years after the assessments were issued.
- (2) The Ghanaian Tax Authorities have the right to examine and, if necessary, amend the income tax determined by the relevant Group entity for any year without limitation to the years which may be reassessed.
- (3) The Australian Tax Authorities have the right to examine and, if necessary, amend the income tax determined by the relevant Group entity in the last four years, as from the date the tax returns have been filed.
- (4) The Peruvian Tax Authorities have the right to examine and, if necessary, amend the income tax determined by the relevant Group entity in the last four years, as from the date the tax returns have been filed.

It is possible that the Group will receive assessments during the next twelve months, which may have an effect on unrecognised tax benefits. The Group cannot estimate the amounts of possible changes as a result of an assessment.

**8. (LOSS)/EARNINGS PER SHARE**

	Fiscal Year Ended December 31,		
	2014	2013	2012
<b>BASIC (LOSS)/EARNINGS PER SHARE</b>			
Net (loss)/income attributable to Gold Fields shareholders			
- Continuing operations	(27.2)	(268.4)	292.1
- Discontinued operations *		20.5	362.2
	(27.2)	(247.9)	654.3
<b>Weighted average number of shares - continuing operations</b>			
Shares outstanding - beginning of year	767,160,263	729,536,813	723,735,186
Weighted average number of shares issued	1,981,608	13,069,913	3,724,271
Weighted average number of shares issued at the end of the year	769,141,871	742,606,726	727,459,457
<b>Basic (loss)/earnings per share</b>			
- Continuing operations	(0.04)	(0.36)	0.40
- Discontinued operations *		0.03	0.50



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**8. (LOSS)/EARNINGS PER SHARE (continued)****\* Basic earnings per share from discontinued operations**

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders from discontinued operations of \$nil (fiscal 2013: \$20.5 million and fiscal 2012: \$362.2 million) by the weighted average number of ordinary shares in issue in fiscal 2014 of 769,141,871 (fiscal 2013: 742,606,726 and fiscal 2012: 727,459,457).

	Fiscal Year Ended December 31,		
	2014	2013	2012
<b>DILUTED (LOSS)/EARNINGS PER SHARE</b>			
Net (loss)/income attributable to Gold Fields shareholders			
- Continuing operations	(27.2)	(268.4)	292.1
- Discontinued operations *		20.5	362.2
	(27.2)	(247.9)	654.3
<b>Weighted average number of shares - continuing operations</b>			
Weighted average number of shares issued at the end of the year	769,141,871	742,606,726	727,459,457
Effect of dilutive securities <sup>1</sup>			3,264,493
	769,141,871	742,606,726	730,723,950
<b>Diluted (loss)/earnings per share</b>			
- Continuing operations	(0.04)	(0.36)	0.40
- Discontinued operations *		0.03	0.50

**\* Diluted earnings per share from discontinued operations**

Diluted earnings per share is calculated on the basis of profit attributable to ordinary shareholders from discontinued operations of \$nil (fiscal 2013: \$20.5 million and fiscal 2012: \$362.2 million) and 769,141,871 shares, being the diluted number of ordinary shares in issue in fiscal 2014 (fiscal 2013: 742,606,726 and fiscal 2012: 730,723,950).

- (1) Dilutive securities comprise the dilutive effect of share options. Refer note 18 for details of share option schemes. In fiscal 2014 and 2013, due to the loss from continuing operations, the effect of dilutive securities was not considered in the dilutive earnings per share calculation.

**9. DISCONTINUED OPERATIONS AND DISPOSALS****9.1 Discontinued operations**

On February 18, 2013, Gold Fields completed the separation of its wholly-owned subsidiary, Sibanye Gold (formerly known as GFI Mining South Africa, or GFIMSA), which includes the KDC and Beatrix mining operations. The Spin-off was achieved by way of Gold Fields making a distribution on a pro rata basis of one Sibanye Gold ordinary share for every one Gold Fields share (whether held in the form of shares, American depositary receipts, or ADRs, or international depositary receipts) to Gold Fields shareholders, registered as such in Gold Fields

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register at close of business on February 15, 2013, in terms of section 46 of the South African Companies Act and section 46 of the South African Income Tax Act. The Board of Gold Fields passed the resolution necessary to implement the Spin-off on December 12, 2012. Sibanye Gold

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**9.1 Discontinued operations (continued)**

shares listed on the JSE, and on the NYSE on February 11, 2013. As of February 18, 2013, or the Spin-off Date, Gold Fields and Sibanye Gold were independent, publicly traded companies with separate public ownership, boards of directors and management.

The distribution was a spin-off to Gold Fields shareholders and was accordingly accounted for at the historical carrying amount of the net assets of Sibanye Gold. The total distribution amounted to \$1,033.7 million.

The distribution met the requirements of a discontinued operation, since the operations and cash flows of Sibanye Gold have been eliminated from the on-going operations of the Group as a result of the distribution and Gold Fields did not have any significant continuing involvement in the operation of Sibanye Gold after the distribution, and has been presented as such in these financial statements. Below is a summary of the results of the discontinued operation as well as the related assets and liabilities distributed.

	Fiscal Year Ended December 31,	
	2013	2012
Product sales	310.7	2,021.2
Costs and expenses	(285.7)	(1,737.8)
Income before tax and share of equity investee s profits	25.0	283.4
Income and mining tax expense	(5.4)	67.5
Income before share of equity investee s profits	19.6	350.9
Share of equity investee s profits	0.9	11.4
<b>Net income</b>	<b>20.5</b>	<b>362.3</b>
Property, plant and equipment, net	1,987.3	
Non-current investments	187.0	
Current assets	285.4	
Current liabilities	(234.8)	
Non-current liabilities	(1,191.2)	
Net carrying value	1,033.7	
Net asset value distributed	(1,033.7)	
<b>Profit on distribution</b>		

**9.2 Disposal of Chucapaca**

During fiscal 2014, Gold Fields sold its 51% interest in Canteras del Hallazgo (entity that housed the Chucapaca exploration project in Peru) to Compañía de Minas Buenaventura S.A.A. Refer note 3(d).

Below is a summary of Chucapaca s assets and liabilities sold in 2014:

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	December 31, 2014
Net assets disposed of	8.7
Noncontrolling interest	0.5
Cash received	81.0
<b>Profit on disposal</b>	<b>72.8</b>

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**9.3 Assets held for sale**

Following the decision to dispose of non-core projects, Arctic Platinum (fiscal 2013: Arctic Platinum and Yanfolila) is classified as held for sale and valued at the lower of fair value less cost to sell or carrying value. The disposal is expected to be completed during fiscal 2015.

	December 31, 2014	December 31, 2013
Arctic Platinum	31.0	31.0
Yanfolila <sup>1,2</sup>		16.0
<b>Total assets held for sale</b>	<b>31.0</b>	<b>47.0</b>

- (1) Refer to note 4 for details on the impairment in fiscal 2013.  
(2) Refer to note 3 for details on the disposal of Yanfolila during fiscal 2014.

**10. RECEIVABLES**

	December 31, 2014	December 31, 2013
Product sale trade receivables	86.4	110.9
Other trade receivables	14.0	16.7
Deposits	0.3	5.1
Value added tax	39.9	57.7
Payroll debtors	8.2	3.7
Prepayments	64.2	68.2
Other	13.5	10.3
	<b>226.5</b>	<b>272.6</b>

**11. INVENTORIES**

	December 31, 2014	December 31, 2013
Ore stockpiles	100.7	88.0
Materials contained on heap leach pads	109.0	109.0
Gold in-process	38.5	43.1
Consumable stores	273.2	269.9
Other		1.7
	<b>521.4</b>	<b>511.7</b>

Classified as:		
Current assets	<b>373.3</b>	402.7
Long-term assets <sup>1</sup>	<b>148.1</b>	109.0
	<b>521.4</b>	511.7

- (1) This amount relates to materials contained on heap leach pads and ore stockpiles that will only be processed at the end of life of mine.

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**12. PROPERTY, PLANT AND EQUIPMENT**

	December 31, 2014	December 31, 2013
Cost	7,453.4	7,731.7
Accumulated depreciation and amortization	(3,000.1)	(2,798.7)
	<b>4,453.3</b>	4,933.0
Mining properties, mine development costs, mine plant facilities and mineral interests	3,807.2	4,285.1
Asset retirement costs	105.7	89.3
Other non-mining assets	540.4	558.6
	<b>4,453.3</b>	4,933.0

Included in property, plant and equipment is cumulative capitalized interest, net of amortization, relating to the following assets:

	December 31, 2014	December 31, 2013
South African operations	67.4	50.0
Tarkwa Mine	9.0	10.9
Cerro Corona	34.5	43.0
	<b>110.9</b>	103.9

Depreciation charge on property, plant and equipment for continuing operations amounted to \$677.3 million (fiscal 2013: \$568.5 million and fiscal 2012: \$425.8 million).

Fleet assets in Ghana with a carrying value of \$176.6 million have been pledged as security for the \$70 million senior secured revolving credit facility. Refer note 16(f).

**13. GOODWILL**

	December 31, 2014	December 31, 2013
Balance at beginning of the year	845.5	1,020.1
Translation adjustment	(89.2)	(174.6)
<b>Balance at end of the year</b>	<b>756.3</b>	845.5

The goodwill arose on the acquisition of South Deep and was attributable to the upside potential of the asset, deferred tax and other factors. The total goodwill has been allocated to South Deep, being the reporting unit where it is tested for impairment.

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Goodwill is tested for impairment on an annual basis at the end of each fiscal year or transition period. In addition, the Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount of a reporting unit may not be recoverable.

For goodwill impairment testing purposes, Gold Fields estimated the fair value of the South Deep reporting unit. The process for determining fair value is subjective as gold mining companies typically trade at a

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**13. GOODWILL (continued)**

market capitalization that is based on net asset value and requires management to make numerous assumptions. The net asset value represents a discounted cash flow valuation based on expected future cash flows. The expected future cash flows used to determine the fair value of the reporting unit are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, including, but not limited to, reserves and production estimates, together with economic factors such as the long-term gold price and foreign currency exchange rates, estimates of production costs, future capital expenditure and discount rates. Therefore it is possible that outcomes within the next fiscal year that are materially different from the assumptions used in the impairment testing process could require an adjustment to the carrying values.

Based on management's assessment, no impairment to the goodwill was required at December 31, 2014. Management's estimates and assumptions for the goodwill impairment test include:

- Long term gold price of R420,000 per kilogram (US\$1,300 per ounce) for the life of mine of 72 years (fiscal 2013: R400,000 per kilogram (US\$1,300 per ounce) for the life of mine of 73 years);
- A nominal discount rate of between 12.9% and 14.1% (fiscal 2013: 10.9% and 12.3%);
- Market value, at US\$63.7 per ounce (fiscal 2013: US\$50.0 per ounce), used for resource with infrastructure;
- Expected future operating costs and capital expenditures to produce proven and probable gold reserves based on mine plans that assume current plant capacity; and
- Expected cash flows associated with value beyond proven and probable reserves.

**14. NON-CURRENT INVESTMENTS**

	December 31, 2014	December 31, 2013
Listed investments <sup>a</sup>	4.4	3.2
Unlisted investments <sup>b</sup>	1.1	4.3
Investments held by environmental trust funds <sup>c</sup>	30.5	23.9
Equity investees <sup>d</sup>	250.5	237.5
	<b>286.5</b>	<b>268.9</b>

(a) Listed investments consist mainly of:

	December 31, 2014		December 31, 2013	
	Number of shares	Market value, \$ per share	Number of shares	Market value, \$ per share
Radius Gold Incorporated	3,625,124	0.07	3,625,124	0.09

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Gran Columbia Gold Corporation	<b>63,410</b>	<b>0.34</b>	63,410	0.78
Sibanye Gold	<b>856,330</b>	<b>1.92</b>	856,330	1.12
Orsu Metals Corp.	<b>26,134,919</b>	<b>0.02</b>	26,134,919	0.05
Clancy Exploration Ltd.	<b>17,764,783</b>	<b>0.01</b>	17,764,783	0.01
Tocqueville Bullion Reserve Ltd.	<b>1,339</b>	<b>1,178.73</b>		

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**14. NON-CURRENT INVESTMENTS (continued)**

Details of the listed investments are as follows:

	December 31, 2014	December 31, 2013
Fair value	4.4	3.2
Less: Cost	3.9	3.4
<b>Net unrealized gain/(loss)</b>	<b>0.5</b>	<b>(0.2)</b>
The net gain/(loss) comprises:		
Gross unrealized gains	0.7	0.2
Gross unrealized losses	(0.2)	(0.4)
	<b>0.5</b>	<b>(0.2)</b>
The gross unrealized loss comprises the following number of equity instruments none of which have been in a continuous unrealized loss position for more than 12 months		
	3	3
<b>Realized gain reclassified from equity on disposal of listed investments (\$ million)</b>	<b>1.8</b>	<b>7.4</b>

Investments acquired during fiscal 2014 comprised mainly of Tocqueville Bullion Reserve Limited and Robust Resources Limited (fiscal 2013: Clancy Exploration Limited). The investment in Robust Resources limited comprised of 10,274,565 shares, which were acquired for \$2.6 million. Investments disposed during fiscal 2014 comprised mainly of Robust Resources Limited (fiscal 2013: Northam Platinum Limited and Timpetra Resources Limited).

As a result of the disposal of investments, a realized gain on disposal of listed investments before tax of \$1.8 million (fiscal 2013: \$7.4 million) was reclassified out of accumulated other comprehensive income to net income and is included in profit on disposal of investments and subsidiaries in the consolidated statement of operations.

- (b) On July 25, 2014, Rand Refinery announced that its shareholders had approved and certain shareholders have extended to Rand Refinery, a \$103.8 million (R1.2 billion) irrevocable, subordinated loan facility ( the Facility ). The Facility, if drawn down, is convertible to equity after a period of two years. The Facility has been secured as a precautionary measure following challenges encountered in the implementation of Rand Refinery s new resources planning ( ERP ) software system. Following the adoption of the ERP system, Rand Refinery experienced implementation difficulties which have led to a difference between the gold and silver actual inventory and the accounting records of approximately 87,000 ounces of gold. The maximum commitment of Gold Fields Operations Limited ( GFO ), a subsidiary of Gold Fields Limited, is \$3.2 million (R37.3 million).

In December 2014, GFO advanced \$3.0 million to Rand Refinery in terms of the above Facility. The investment in Rand Refinery, as well as the above loan, was written down to \$nil, resulting in a total impairment of \$4.1 million. This amount is included in impairment of investments in the consolidated statement of operations.

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- (c) The environmental trust funds are irrevocable trusts under the Group's control. The monies in the trusts are invested primarily in interest bearing term deposits and the costs of these investments approximate their fair value. The investments provide for the estimated cost of rehabilitation during and at the end of the life of the Group's South African and Ghanaian mines. While the asset is under the Group's control, it is not available for the general purposes of the Group. All income from this asset is reinvested or spent to meet these obligations. These obligations are described in note 17, Provision for Environmental Rehabilitation .

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(\$ in millions unless otherwise noted)

**14. NON-CURRENT INVESTMENTS (continued)**

(d) Equity investees comprise the following:

Investment	Description of business	Ownership %		Market value	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Far South East	Exploration	40.0	40.0	*	*
Rusoro Mining Limited	Gold mining	26.4	26.4	1.8	3.3
Bezant Resources Plc <sup>1</sup>	Exploration	21.6	21.6	1.3	5.1
Hummingbird Resources Plc <sup>2</sup>	Exploration	25.1		10.9	

\* - Not readily determinable.

- (1) During fiscal 2014, the investment in Bezant Resources Plc was impaired by \$7.4 million to its fair value, as determined by its quoted market price. This impairment is considered other than temporary as the carrying value has been below the fair value for an extended period of time.
- (2) Gold Fields acquired a 25.1% interest in Hummingbird Resources Plc (Refer note 3(c) for further details).

Carrying amount	December 31, 2014	December 31, 2013
Far South East	230.0	230.0
Rusoro Mining Limited		
Bezant Resources Plc	1.3	7.5
Hummingbird Resources Plc	19.2	
<b>Total</b>	<b>250.5</b>	<b>237.5</b>

**Far South East**

	December 31, 2014	December 31, 2013
Gold Fields interest in FSE on December 31, 2014 was 40.0% (2013: 40.0%).		
Opening balance	230.0	230.0
Accumulated equity contribution	72.1	68.5
Share of accumulated losses brought forward	(68.5)	(50.1)
Share of losses recognized for the year	(3.6)	(18.4)
Closing balance	230.0	230.0

Gold Fields paid \$10.0 million in option fees to Lepanto Consolidated Mining Company during the 6 months ended December 31, 2010. In addition, Gold Fields paid non-refundable down payments of \$66.0 million during the year ended December 31, 2011 and \$44.0 million during the 6 months ended December 31, 2010 to Liberty Express Assets in accordance with the agreement concluded whereby the Group has the option to acquire 60% of FSE. On March 31, 2012, Gold Fields acquired 40% of the issued share capital of FSE by contributing a further \$110.0 million in fiscal year ended December 31, 2012. FSE has no revenues or significant assets or liabilities, except for the rights to explore and

eventually mine the property.

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**Table of Contents****Gold Fields Limited****Notes to the Consolidated Financial Statements**

(\$ in millions unless otherwise noted)

**14. NON-CURRENT INVESTMENTS (continued)**

The remaining 20% option is not likely to be exercised until such time FSE obtains a Foreign Technical Assistance Agreement which allows for direct majority foreign ownership and control.

**15. ACCOUNTS PAYABLE AND PROVISIONS**

	December 31, 2014	December 31, 2013
Trade payables	170.2	141.2
Accruals	212.1	173.8
Payroll and other compensation	48.9	55.1
Leave pay accrual	37.9	42.9
Short-term portion of the South Deep Dividend liability	1.7	1.9
Stamp duty due on acquisition of Yilgarn South assets		15.0
Other <sup>1</sup>	27.7	15.1
	<b>498.5</b>	<b>445.0</b>

(1) Included in other payables is \$10.3 million relating to oil derivative contracts. Refer note 19 for further details.

**16. SHORT-TERM AND LONG-TERM LOANS**

	December 31, 2014	December 31, 2013
- \$500 million syndicated revolving credit facility <sup>a</sup>		
- \$200 million non-revolving senior secured term loan <sup>b</sup>		70.0
- La Cima revolving senior secured credit facility <sup>c</sup>	42.0	
- \$1 billion notes issue <sup>d</sup>	991.3	990.0
- \$1 billion syndicated revolving credit facility <sup>e</sup>		
- \$70 million senior secured revolving credit facility <sup>f</sup>	35.0	35.0
- \$1,510 million term loan and revolving credit facility <sup>g</sup>	626.0	773.5
- R1,500 million Nedbank revolving credit facility <sup>h</sup>	129.8	145.1
- Other loans <sup>i</sup>	86.8	46.5
	<b>1,910.9</b>	<b>2,060.1</b>
Short-term loans and current portion of long-term loans	<b>(140.2)</b>	<b>(121.5)</b>
<b>Total long-term loans</b>	<b>1,770.7</b>	<b>1,938.6</b>

(a) \$500 million syndicated revolving credit facility

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On February 15, 2013, this facility was refinanced by drawing down under the \$1,510 million term loan and revolving credit facility as detailed in 16(g). The facility was also cancelled on February 15, 2013.

	<b>December 31, 2014</b>	December 31, 2013
Opening balance		104.0
Loans repaid		(104.0)
<b>Closing balance</b>		

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(\$ in millions unless otherwise noted)

**16. SHORT-TERM AND LONG-TERM LOANS (continued)****(b) \$200 million non-revolving senior secured term loan**

On September 17, 2010, La Cima entered into a non-revolving senior secured term loan for up to \$200.0 million with The Bank of Nova Scotia and Banco de Credito del Peru. The purpose of this facility was to repay the La Cima outstanding subordinated loans with its affiliates and to finance its working capital requirements. The loan bore interest at LIBOR plus a margin of 2.00% per annum.

On September 22, 2010, the lenders advanced \$200 million to La Cima under this facility. The facility amount was repayable in 20 equal quarterly instalments of \$10 million each. During fiscal year ended December 31, 2014, \$30.0 million was repaid (fiscal 2013: \$40.0 million), all in accordance with the agreement terms.

On December 19, 2014, the outstanding balance of \$40.0 million under this facility was refinanced by drawing down under the La Cima revolving senior secured credit facility as detailed in (c) below. This facility was also cancelled on December 19, 2014.

Borrowings under the non-revolving senior secured term loan were secured by first-ranking assignments of all rights, title and interest in all of La Cima's concentrate sale agreements. In addition, the offshore and onshore collection accounts of La Cima would be subject to an account control agreement and a first ranking charge in favor of the lenders. This facility was non-recourse to the rest of the Group.

	December 31, 2014	December 31, 2013
Opening balance	70.0	110.0
Loans repaid	(70.0)	(40.0)
<b>Closing balance</b>		70.0

**(c) La Cima revolving senior secured credit facility**

On December 16, 2014, La Cima entered into a revolving senior secured credit facility for up to \$200 million. The purpose of this facility was to refinance the \$200.0 million non-revolving senior secured term loan, to finance its working capital requirements and for general corporate purposes. The final maturity date of this facility is three years from the agreement date. On the agreement date, the total commitments amounted to \$75.0 million.

The loan bears interest at LIBOR plus a margin of 1.625% per annum. Borrowings under the revolving senior secured credit facility are secured by first-ranking assignments of all rights, title and interest in all of La Cima's concentrate sale agreements. In addition, the offshore and onshore collection accounts of La Cima are subject to an account control agreement and a first-ranking charge in favour of the lenders. This facility is non-recourse to the rest of the Gold Fields Group.

Where the utilization under this facility is less than or equal to \$66,666,666, a utilization fee of 0.075% per annum will be payable on the amount of utilizations. Where the utilization under this facility is greater than \$66,666,666 and less than or equal to \$133,333,333, a utilization fee of 0.15% per annum will be payable on the amount of utilizations. Where the utilization under this facility is greater than \$133,333,333, a utilization fee of 0.25% per annum will be payable on the amount of utilizations. Such utilization fee is payable quarterly in arrears.

The borrowers are required to pay a quarterly commitment fee of 0.65% per annum on the undrawn amount.

On December 19, 2014, La Cima drew down \$42.0 million under this facility.



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(\$ in millions unless otherwise noted)

**16. SHORT-TERM AND LONG-TERM LOANS (continued)**

The outstanding balance under this facility at December 31, 2014 was \$42.0 million.

Subsequent to year-end, on January 19, 2015, the total commitments were increased by \$75.0 million to \$150.0 million.

	December 31, 2014	December 31, 2013
Loans advanced	42.0	
<b>Closing balance</b>	<b>42.0</b>	

**(d) \$1 billion notes issue**

On September 30, 2010, Orogen issued \$1,000,000,000 4.875% guaranteed notes, or the Notes, due October 7, 2020. The payment of all Notes is unconditionally and irrevocably guaranteed by Gold Fields Limited, Sibanye Gold, GFO and GF Holdings, or together, the Guarantors, on joint and several basis. The Notes and guarantees constitute direct, unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively, and rank equally in right of payment among themselves and with all other existing and future unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively.

The transaction costs of \$13.6 million were deducted from the liability on initial measurement. These costs will unwind over the period of the Notes as an interest expense.

Gold Fields used a portion of the net proceeds of the offering of the Notes to repay certain existing indebtedness of the Group and the balance of the net proceeds for general corporate purposes.

An indemnity agreement ( the Indemnity Agreement ) has been entered into between the Guarantors, pursuant to which the Guarantors (other than Sibanye Gold) hold Sibanye Gold harmless from and against any and all liabilities and expenses which may be incurred by Sibanye Gold under or in connection with the Notes, including any payment obligations by Sibanye Gold to the noteholders or the trustee of the Notes pursuant to the guarantee of the Notes, all on the terms and subject to the conditions contained therein. The Indemnity Agreement will remain in place for as long as Sibanye Gold's guarantee obligations under the Notes remain in place. In addition, for as long as Sibanye Gold remains a guarantor, Gold Fields is required to pay an annual guarantee fee to Sibanye Gold of 0.25% of the value of the Notes, payable semi-annually. This fee can vary based on Gold Fields credit rating.

	December 31, 2014	December 31, 2013
Opening balance	990.0	988.8
Unwinding of transaction costs	1.3	1.2
<b>Closing balance</b>	<b>991.3</b>	990.0

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**16. SHORT-TERM AND LONG-TERM LOANS (continued)****(e) \$1 billion syndicated revolving credit facility**

On February 15, 2013, this facility was refinanced by drawing down under the \$1,510 million term loan and revolving credit facility as detailed in 16(g). The facility was also cancelled on February 15, 2013.

	<b>December 31, 2014</b>	December 31, 2013
Opening balance		666.0
Loans repaid		(666.0)
<b>Closing balance</b>		

**(f) \$70 million senior secured revolving credit facility**

On December 22, 2010, GF Ghana and Abosso entered into a \$60 million reducing senior secured revolving credit facility, which became available on February 21, 2011. The available facility amount reduces annually on each anniversary date being 21 February, from \$60 million to \$43 million to \$35 million in the last and final year with the final maturity date being February 21, 2014. The final maturity date was subsequently extended to May 21, 2014. The purpose of this facility is for general corporate purposes, working capital purposes and/or capital expenditure purposes, including the purchase of a yellow vehicle fleet.

On May 6, 2014, the facility was amended and increased to \$70 million. The final maturity date of the new facility is three years from the financial close date (May 6, 2017).

The loan bears interest at LIBOR plus a margin of 2.40% per annum. The borrowers are required to pay a quarterly commitment fee of 1.00% per annum.

Borrowings under the facility are guaranteed by GF Ghana and Abosso and further secured by the registration of security over certain fleet vehicles owned by GF Ghana and Abosso, or the Secured Assets. In addition, the lenders are noted as first loss payees under the insurance contracts in respect of the Secured Assets and are assigned the rights under the maintenance contracts between certain suppliers of the Secured Assets. This facility is non-recourse to the rest of the Group.

During 2014, the outstanding balance of \$35.0 million under the initial facility was refinanced by drawing down \$35.0 million under the amended facility.

The outstanding borrowings for GF Ghana on December 31, 2014 were \$35.0 million (December 31, 2013: \$35.0 million).

	<b>December 31, 2014</b>	December 31, 2013
Opening balance	<b>35.0</b>	
Loans advanced	<b>35.0</b>	35.0
Loans repaid	<b>(35.0)</b>	

<b>Closing balance</b>	<b>35.0</b>	35.0
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**16. SHORT-TERM AND LONG-TERM LOANS (continued)****(g) \$1,510 million term loan and revolving credit facility**

On November 28, 2012, Orogen, GFO and GFI Joint Venture Holdings (Pty) Limited, or GFIJVH (collectively the Borrowers ) entered into a \$900 million term loan and revolving credit facility, or the \$900 million facility. The \$900 million facility comprises a \$450 million three-year term loan tranche, or Facility A and a \$450 million five-year revolving tranche, or Facility B. In addition to the \$900 million facility, Orogen, GFO and GFIJVH entered into a \$600 million bridge loan to bond issue facility, or the US\$ bridge facility. The \$ bridge facility had a 21-month maturity.

The purpose of the \$900 million facility was to refinance the existing \$1 billion syndicated revolving credit facility and the \$500 million syndicated revolving credit facility on the spin-off of Sibanye Gold in February 2013 and for general corporate and working capital purposes. The final maturity dates of Facility A and Facility B are November 28, 2015 and November 28, 2017, respectively, with the \$ bridge facility maturing on August 28, 2014.

Subsequent to entering into the \$900 million facility, the facility was syndicated to a wider bank group and received an oversubscription which allowed the Borrowers to increase the facility amount to \$1,440 million on January 30, 2013, or the \$1,440 million facility. Accordingly, the amounts of Facility A and Facility B both increased to \$720 million. As a result of this oversubscription, the Borrowers cancelled the \$ bridge facility on January 30, 2013.

On July 22, 2013, the agreement was amended and Facility A was decreased to a \$100 million while a third \$620 million revolving tranche, or Facility C was added. Facility C was due to mature on November 28, 2015.

On June 18, 2014, the agreement was amended and Facility A was increased to \$120 million while Facility C was increased to \$670 million. \$75 million of Facility A matures on November 28, 2015 and the remaining portion of \$45 million matures on November 28, 2017, facility C matures on November 28, 2017.

Borrowings under Facility A bear interest at LIBOR plus an initial margin of 2.45% per annum, borrowing under Facility B bear interest at LIBOR plus an initial margin of 2.25% per annum and borrowings under Facility C bear interest at LIBOR plus an initial margin of 2.00%. The initial margins detailed above are based on the current long term credit rating assigned to Gold Fields and could either increase or decrease depending on the changes in the long term credit rating of Gold Fields.

Where the utilization under Facility B is less than or equal to 33 <sup>1</sup>/<sub>3</sub>%, a utilization fee of 0.20% per annum will be payable on the amount of utilizations. Where the utilization under Facility B is greater than 33 <sup>1</sup>/<sub>3</sub>% and less than or equal to 66 <sup>2</sup>/<sub>3</sub>%, a utilization fee of 0.40% per annum will be payable on the amount of utilizations. Where the utilization under Facility B is greater than 66 <sup>2</sup>/<sub>3</sub>%, a utilization fee of 0.60% per annum will be payable on the amount of utilizations. Such utilization fee is payable quarterly in arrears. The borrowers are required to pay a quarterly commitment fee of 0.90% per annum under Facility B on the undrawn amount.

Where the utilization under Facility C is less than or equal to 33 <sup>1</sup>/<sub>3</sub>%, a utilization fee of 0.15% per annum will be payable on the amount of utilizations. Where the utilization under Facility C is greater than 33 <sup>1</sup>/<sub>3</sub>% and less than or equal to 66 <sup>2</sup>/<sub>3</sub>%, a utilization fee of 0.30% per annum will be payable on the amount of utilizations. Where the utilization under Facility C is greater than 66 <sup>2</sup>/<sub>3</sub>%, a utilization fee of 0.45% per annum will be payable on the amount of utilizations. Such utilization fee is payable quarterly in arrears. The borrowers are required to pay a quarterly commitment fee of 0.80% per annum under Facility C on the undrawn amount.

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**16. SHORT-TERM AND LONG-TERM LOANS (continued)**

The facility was undrawn at December 31, 2012.

On February 15, 2013, the \$1 billion and the \$500 million syndicated revolving credit facilities were refinanced by drawing down \$720.0 million under this facility.

On various dates during 2014, Orogen made additional drawdowns of \$41.5 million (fiscal 2013: \$173.0 million) under this facility. Orogen repaid \$189.0 million (fiscal 2013: \$119.5 million) during 2014 under this facility.

The outstanding balance under this facility at December 31, 2014 was \$626.0 million (December 31, 2013: \$773.5 million).

Borrowings under the \$1,510 million facility are guaranteed by Gold Fields, GF Holdings, Orogen, GFO and GFIJVH.

	December 31, 2014	December 31, 2013
Opening balance	773.5	
Loans advanced	41.5	893.0
Loans repaid	(189.0)	(119.5)
<b>Closing balance</b>	<b>626.0</b>	773.5

**(h) R1,500 million Nedbank revolving credit facility**

On March 1, 2013, Nedbank, GFIJVH and GFO entered into a R1,500 million revolving credit facility. The purpose of the facility is to fund Gold Fields' capital expenditure and general corporate and working capital requirements. The final maturity date of this facility is March 7, 2018.

The facility bears interest at JIBAR plus a margin of 2.50% per annum. The borrowers are required to pay a commitment fee of 0.85% per annum every six months on the undrawn amount.

On March 8, 2013, each of GFO and GFIJVH drew down \$37.7 million under this facility. On each of June 10, 2013 and September 10, 2013, each of GFO and GFIJVH drew down an additional \$17.2 million and \$22.8 million, respectively, under this facility.

The outstanding balance under this facility at December 31, 2014 was \$129.8 million (December 2013, 31: \$145.1 million).

Borrowings under the facility are guaranteed by Gold Fields, GFO, GFH, Orogen and GFIJVH.

	December 31, 2014	December 31, 2013
Opening balance	145.1	
Loans advanced		155.5
Translation adjustment	(15.3)	(10.4)
<b>Closing balance</b>	<b>129.8</b>	145.1





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**Gold Fields Limited**

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**16. SHORT-TERM AND LONG-TERM LOANS (continued)**

**(i) Other loans**

**Short-term rand credit facilities:** The Group utilized uncommitted loan facilities from some of the major banks to fund the capital expenditure and working capital requirements of the South African operations. The total draw downs for continuing operations were \$299.2 million in fiscal year ended December 31, 2014 (fiscal 2013: \$2,094.2 million) and for discontinued operations \$nil in fiscal year ended December 31, 2014 (fiscal 2013: \$25.4 million). Total repayments for continuing operations were \$276.2 million in fiscal year ended December 31, 2014 (fiscal 2013: \$2,041.8 million) and for discontinued operations \$nil in fiscal year ended December 31, 2014 (fiscal 2013: \$164.0 million).

During 2013, these facilities were primarily utilized to recapitalize Sibanye Gold as part of the spin-off.

These facilities have no fixed terms, are short-term in nature and interest rates are market related. Borrowings under these facilities are guaranteed by Gold Fields Limited.

On February 18, 2013, the outstanding borrowings of Sibanye Gold amounting to \$142.4 million were refinanced by drawing down under the Rand bridge loan facilities as detailed below.

The outstanding borrowings of Gold Fields under these facilities at December 31, 2014 were \$65.2 million (December 31, 2013: \$46.5 million).

**R3.5 billion long-term revolving credit facilities:** Sibanye Gold and GFO, or the borrowers entered into various revolving credit facilities with some of the major banks with tenors between three and five years. The purpose of the facilities was to finance capital expenditure, general corporate and working capital requirements and to refinance existing borrowings.

The outstanding borrowings of Sibanye Gold under these facilities at December 31, 2012 were US\$350.0 million.

On February 18, 2013, these facilities were refinanced by drawing down under the Rand bridge loan facilities as detailed below and were also cancelled on February 18, 2013.

**R1.0 billion long-term revolving credit facilities:** GFO and GFIJVH, or the Borrowers entered into various revolving credit facilities with some of the major banks with three year tenors. The purpose of the facilities is to finance capital expenditure, general corporate and working capital requirements.

The Borrowers are required to pay a commitment fee of between 1% and 1.05% per annum on the undrawn and uncanceled amounts of the facilities, calculated and payable semi-annually in arrears.

In summary the facilities are:

- a R500.0 million (\$43.3 million) Rand Merchant Bank revolving credit facility entered into on June 19, 2013 and maturing on June 20, 2016 at JIBAR plus 2.5%;

- a R500.0 million (\$43.3 million) Standard Bank revolving credit facility entered into on December 20, 2013 and maturing on December 21, 2016 at JIBAR plus 2.75%;

Borrowings under these facilities are guaranteed by Gold Fields, GFO, GFH, Orogen and GFIJVH.

These facilities were unutilised during the year ended December 31, 2013.

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During the year ended December 31, 2014, each of GFO and GFIJVH drew down US\$23.1 million (R250.0 million) under the R500.0 million Rand Merchant Bank facility. On December 12, 2014, each of GFO and GFIJVH repaid US\$10.8 million (R125.0 million), under the R500.0 million Rand Merchant Bank facility.

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**16. SHORT-TERM AND LONG-TERM LOANS (continued)**

The outstanding balance under the facilities at December 31, 2014 was US\$21.6 million (R250.0 million).

**Rand bridge loan facilities:** On November 28, 2012, Sibanye Gold entered into a R6.0 billion term loan and revolving credit facilities to refinance Sibanye Gold's debt as detailed above under the other rand long-term revolving credit facilities and the other rand short-term credit facilities on spin-off of Sibanye Gold, with the balance of the Rand bridge loan facilities to be used to fund Sibanye Gold's ongoing capital expenditure, working capital and general corporate expenditure requirements.

The facility was undrawn at December 31, 2012.

On February 18, 2013, the date of spin-off, the rand revolving credit facilities and the short-term rand credit facilities were refinanced by Sibanye Gold drawing down under this facility.

Following the unbundling of Sibanye Gold in 2013, the Group has no access to this facility.

**Summary of other loans**

	December 31, 2014	December 31, 2013
Opening balance	46.5	492.4
Loans advanced		
- continuing operations	345.4	2,094.2
- discontinued operations		542.4
Loans repaid		
- continuing operations	(297.8)	(2,041.8)
- discontinued operations		(503.4)
Spin-off of Sibanye Gold		(531.4)
Translation	(7.3)	(5.9)
<b>Closing balance</b>	<b>86.8</b>	<b>46.5</b>

**Debt maturity ladder**

The combined aggregate maturities of short and long-term loans for each of the next five years at December 31, 2014 and December 31, 2013 is tabulated below:

Maturity	December 31, 2014	December 31, 2013
1 year	140.2	121.5
2 years	21.6	750.0
3 years	628.0	
4 years	129.8	53.5
5 years and thereafter	991.3	1,135.1

**1,910.9**

2,060.1

At December 31, 2014, the Group was in compliance with its debt covenants.

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**17. PROVISION FOR ENVIRONMENTAL REHABILITATION**

The Group has made, and expects to make in the future, expenditures to comply with environmental laws and regulations, but cannot predict the full amount of such future expenditures. Estimated future reclamation costs are based principally on legal and regulatory requirements. The following is a reconciliation of the total liability for environmental rehabilitation:

	December 31, 2014	December 31, 2013
<b>Provision for environmental rehabilitation</b>		
Opening balance	269.2	373.6
Addition to liabilities - continuing operations	36.7	10.3
Liabilities settled - continuing operations	(2.8)	(2.5)
Accretion of liability - continuing operations	15.4	10.4
Accretion of liability - discontinued operations		2.2
Barrick Yilgarn asset purchase		55.0
Disposal of discontinued operations		(154.9)
Foreign currency translation adjustment	(18.4)	(24.9)
<b>Closing balance</b>	<b>300.1</b>	269.2

\* South African, Ghanaian, Australian and Peruvian mining companies are required by law to undertake rehabilitation works as part of their ongoing operations. These environmental rehabilitation costs are funded as follows:

- Ghana - secured cash deposits (refer note 14) and reclamation bonds underwritten by banks to secure estimated costs of rehabilitation,
- South Africa - contributions into environmental trust funds (refer note 14) and guarantees,
- Australia - unconditional bank-guaranteed performance bonds to secure the estimated costs, and
- Peru - guarantees with annual deposits for proper compliance with the Mine Closure Plan.

The provision is calculated using the following undiscounted closure cost estimates:

	December 31, 2014	December 31, 2013
South Africa	32.3	33.3
Ghana	89.4	83.3
Australia	212.7	196.6
Peru	56.4	42.0
<b>Total closure cost estimate <sup>1</sup></b>	<b>390.8</b>	355.2

(1)

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Includes discounting of \$90.7 million in the year ended December 31, 2014 (December 31, 2013: \$86.0 million) in order to reconcile the gross closure cost estimate of \$390.8 million (December 31, 2013: \$355.2 million) to the provision for environmental rehabilitation of \$300.1 million (December 31, 2013: \$269.2 million)

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(\$ in millions unless otherwise noted)

**18. EMPLOYEE BENEFIT PLANS****18.1 Retirement benefits**

Contributions to the various retirement schemes are fully expensed during the year in which they are incurred. The cost of providing retirement benefits for the Company's defined contribution plans for the fiscal year ended December 31, 2014 is \$35.4 million for continuing operations and \$nil for discontinued operations (fiscal 2013: \$32.3 million for continuing operations and \$nil for discontinued operations and fiscal 2012: \$30.0 million for continuing operations and \$62.8 million for discontinued operations).

**18.2 Share option schemes equity settled**

The Company maintains prior stock plans (the Gold Fields Limited 2012 Share Plan, the Gold Fields Limited 2005 Share Plan, the Gold Fields Limited 2005 Non-Executive Share Plan and the GF Management Incentive Scheme) but no longer grants awards under these plans following the introduction of the Long Term Incentive Plan (LTIP) (refer note 18.3) and the plans will be closed once all options have vested and have been exercised or forfeited. The details of these plans are discussed below.

The charge for share-based compensation has been recognized in the statement of operations under the captions production costs, corporate expenditure and exploration expenditure. The cost for continuing operations the fiscal year ended December 31, 2014 is \$26.0 million (fiscal 2013: \$40.5 million and fiscal 2012: \$45.5 million) and for discontinued operations is \$nil (fiscal 2013: \$4.6 million and fiscal 2012: \$32.2 million).

The following information on share-based compensation expense is available for each plan:

	December 31, 2014	December 31, 2013		December 31, 2012	
	Continuing operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
(a) The Gold Fields Limited 2012 Share Plan					
- Performance shares	12.0	18.8	1.1	13.1	7.6
- Bonus shares	12.3	11.9	0.8	8.7	5.0
(b) The Gold Fields Limited 2005 Share Plan	1.7	9.8	2.7	23.7	19.6
<b>Total share-based compensation</b>	<b>26.0</b>	<b>40.5</b>	<b>4.6</b>	<b>45.5</b>	<b>32.2</b>

**Spin-off of Sibanye Gold during 2013** : The rules of the share plans make provision for an adjustment to the number of shares in the event there is a variation in the issued share capital as a result of corporate action. The share plans require that the fair market value of an employee's share portfolio pre and post corporate action remain the same. In order to uphold this principle, an independent professional firm was contracted to provide a fairness opinion on the additional number of shares or changes to strike prices required to maintain the pre-spin-off value of the share portfolios of employees as a result of the Sibanye spin-off, which resulted in additional shares being awarded. There was no incremental share-based compensation resulting from this modification. The modification affected all employees who participated in the various share option schemes pre-spin-off and who remained employed by the Group post-spin-off. Furthermore, employees who ceased to be employed by the Group as a result of the spin-off are treated as "good leavers" in terms of the rules of the share plans. Good leavers are entitled to the vested portion of their shares based on the period that the shares were held up to vesting date. The unvested portion is forfeited in terms of the rules of the share plans.

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**18. EMPLOYEE BENEFIT PLANS (continued)**

**(a) The Gold Fields Limited 2012 Share Plan:** At the annual general meeting on May 14, 2012 shareholders approved the adoption of the Gold Fields Limited 2012 Share Plan to replace the Gold Fields Limited 2005 Share Plan. The plan provided for two methods of participation, namely the Performance Share Method, or PS and the Bonus Share Method, or BS. This plan sought to attract, retain, motivate and reward participating employees on a basis which sought to align the interests of such employees with those of the Company's shareholders. No further allocations of options under this plan are being made following the introduction of the Long Term Incentive Plan ( LTIP ) (refer note 18.3) and the plan will be closed once all options have vested and have been exercised or forfeited. Currently the last vesting date is December 20, 2016.

The salient features of the plan are:

- PS were offered to participants annually in March. Quarterly allocations of PS were also made in June, September and December on a pro-rata basis to qualifying new employees. PS were performance-related shares, granted at zero cost (the shares are granted in exchange for the rendering of service by participants to the Company during the three-year restricted period prior to the share vesting period);

- based on the rules of the plan, the actual number of PS which would be settled to a participant three years after the original award date was determined by the company's performance measured against the performance of seven other major gold mining companies ( the peer group ) based on the relative change in the Gold Fields share price compared to the basket of respective US Dollar share prices of the peer group. Furthermore, for PS awards to be settled to members of the Executive Committee, an internal company performance target is required to be met before the external relative measure is applied. The internal target performance criterion has been set at 85% of the company's planned gold production over the three-year measurement period as set out in the business plans of the company approved by the Board. In the event that the internal target performance criterion is met the full initial target award shall be settled on the settlement date. In addition, the Remuneration Committee has determined that the number of PS to be settled may be increased by up to 200% of the number of the initial target PS conditionally awarded, depending on the performance of the company relative to the performance of the peer group, based on the relative change in the Gold Fields share price compared to the basket of respective US Dollar share prices of the peer group;

- the performance of the Company that will result in the settlement of shares is to be measured by the Company's share price performance relative to the share price performance of a peer group of gold mining companies, over the three year period;

- BS were offered to participants annually in March; and

- based on the rules of the plan, the actual number of BS which would be settled to a participant in two equal tranches over a 9-month and an 18-month period after the original award date is determined by the employee's annual cash bonus calculated with reference to actual performance against predetermined targets for the financial year ended immediately preceding the award date.



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**18. EMPLOYEE BENEFIT PLANS (continued)**

Details of the Performance shares and Bonus shares granted under this Plan are as follows:

	Number of Performance shares	Number of Bonus shares
<b>Outstanding at December 31, 2011</b>		
Granted during the year	4,511,700	1,368,423
Exercised and released		(528,392)
Forfeited	(249,530)	(47,655)
<b>Outstanding at December 31, 2012</b>	4,262,170	792,376
Spin-off of Sibanye Gold forfeited	(1,562,498)	(241,023)
Additional shares awarded due to spin-off of Sibanye	396,229	
Granted during the year	5,310,968	2,018,771
Exercised and released	(515,025)	(1,314,156)
Forfeited	(1,862,128)	(373,896)
<b>Outstanding at December 31, 2013</b>	<b>6,029,716</b>	<b>882,072</b>
Granted during the year		<b>4,000,559</b>
Exercised and released	<b>(834,010)</b>	<b>(2,167,802)</b>
Forfeited	<b>(879,049)</b>	<b>(552,907)</b>
<b>Outstanding at December 31, 2014</b>	<b>4,316,657</b>	<b>2,161,922</b>

None of the outstanding options above have vested at year-end.

The Group uses the Monte-Carlo Simulation to value the Performance Shares. The inputs to the model for awards granted during the period were as follows:

	2014	2013
Weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)		33.1%
Expected term (years)		3.00
Dividend yield		4.60%
Weighted average three year risk free interest rate (based on US interest rates)		0.20%
Weighted average fair value (South African rand)		79.83

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**18. EMPLOYEE BENEFIT PLANS (continued)**

A future trading model is used to estimate the loss in value to the holders of Bonus Shares due to trading restrictions. The actual valuation is developed using a Monte-Carlo analysis of the future share price of Gold Fields:

Weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	<b>43.5%</b>	32.0%
Expected term (months)	<b>9 - 18</b>	9 - 18
Dividend yield	<b>0.60%</b>	4.60%
Weighted average three year risk free interest rate (based on SA interest rates)	<b>5.50%</b>	4.10%
Weighted average fair value (South African rand)	<b>40.28</b>	72.42

**(b) The Gold Fields Limited 2005 Share Plan:** At Gold Fields' annual general meeting held on November 17, 2005, the shareholders approved The Gold Fields Limited 2005 Share Plan, or the 2005 Plan, under which employees, including executive directors, would be compensated going forward.

The 2005 Plan provided for two types of awards: performance vesting restricted shares, or PVRS, and performance allocated share appreciation rights, or SARS. The PVRS will only be released to participants and the SARS will vest three years after the date of the award and/or allocation of such shares. However, in respect of the PVRS, Company performance criteria need to be met in respect of awards to executives. The size of the initial allocation of SARS and PVRS was dependent on the performance of the participant at the time of allocation. The allocations under The 2005 Plan were usually made annually in March.

No further allocations of options under this plan are being made following the introduction of the Gold Fields Limited 2012 Share Plan (see above) and the plan will be closed once all options have been exercised or forfeited. Currently the last date of expiry of SARS is December 1, 2017.

Details of the PVRS and SARS granted under this Plan are as follows:

	Number of PVRS	Number of SARS	Average price \$
<b>Outstanding at December 31, 2011</b>	7,369,112	5,030,143	13.27
Exercised and released	(1,798,082)	(259,455)	12.99
Forfeited	(584,814)	(451,779)	14.30
<b>Outstanding at December 31, 2012</b>	4,986,216	4,318,909	12.53
Spin-off of Sibanye Gold - forfeited	(2,221,264)	(1,077,878)	11.99
Additional shares awarded due to spin-off of Sibanye	538,562	465,346	10.72
Exercised and released	(1,857,614)		
Forfeited	(214,929)	(554,649)	10.61
<b>Outstanding at December 31, 2013</b>	<b>1,230,971</b>	<b>3,151,728</b>	<b>8.89</b>
Exercised and released	(1,217,700)		
Forfeited	(13,271)	(1,333,467)	8.62
<b>Outstanding at December 31, 2014</b>		<b>1,818,261</b>	<b>7.89</b>

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In terms of the 2005 Plan rules, PVRS were granted for no consideration, vested after three years from grant date and did not expire.

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**18. EMPLOYEE BENEFIT PLANS (continued)**

In terms of the 2005 Plan rules, SARS expire no later than six years from the grant date and vested three years after grant date. The average exercise price for SARS outstanding at December 31, 2014 was \$7.89.

Included in the above are 1,818,261 (2013: 2,095,543 and 2012: 1,605,403) vested SARS with an average instrument price of \$7.89 (2013: \$8.31 and 2012: \$12.84).

At the time the 2005 Plan was first implemented, the release of PVRS was subject to, among other things, the Group's relative performance on the Philadelphia XAU Index, or the XAU Index. In fiscal year ended June 30, 2008, it became evident that the XAU Index was not representative of Gold Fields' peer competitors, as some of the companies in the XAU Index are not pure gold mining companies. Furthermore, since the selection of the XAU Index as a benchmark, a number of relatively small gold producers have been included in the XAU Index and again these cannot be regarded as representative of Gold Fields' peer competitors. Accordingly, instead of using the XAU Index, Gold Fields performance is therefore measured against only five gold mining companies whom it believes can be regarded as its peer competitors.

During the years ended December 31, 2013 and December 31, 2012 some share appreciation rights' expiry dates were extended to enable participants who were disadvantaged due to the closed period to be placed in an equitable position. There was no incremental share-based compensation resulting from this modification. No expiry dates were extended during 2014.

The following executive directors were affected by the modification:

	<b>Number of options</b>	<b>Average instrument price \$</b>	<b>Contractual life extended by (years)</b>
<b><u>December 31, 2012</u></b>			
NJ Holland	49,000	12.80	0.06
PA Schmidt	43,310	12.68	0.06
<b><u>December 31, 2013</u></b>			
NJ Holland	121,428	8.21	0.16
PA Schmidt	75,082	8.56	0.17

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**18. EMPLOYEE BENEFIT PLANS (continued)**

The following tables summarize information relating to the options outstanding at December 31, 2014 and December 31, 2013.

	Outstanding SARS at December 31, 2014			Weighted average exercise price \$
	Price range	Number of	Contractual	
	\$	options	life (in years)	
<b>Range of prices</b>	5.19 - 7.35	580,833	1.22	6.56
	7.36 - 9.51	454,131	0.33	8.17
	9.52 - 11.68	769,159	2.33	8.94
	11.69 - 13.84	14,138	3.01	10.25
<b>Total</b>		<b>1,818,261</b>	<b>1.48</b>	<b>7.89</b>

	Outstanding SARS at December 31, 2013			Weighted average exercise price \$
	Price range	Number of	Contractual	
	\$	options	life (in years)	
<b>Range of prices</b>	5.80 - 8.22	873,064	2.22	7.33
	8.23 - 10.64	1,217,915	0.90	9.00
	10.65 - 13.06	1,033,784	3.34	10.00
	13.07 - 15.47	26,965	4.01	11.46
<b>Total</b>		<b>3,151,728</b>	<b>2.09</b>	<b>8.89</b>

The PVRS have not been included in the table above as they vest automatically after three years and are granted for no consideration.

(c) **GF Management Incentive Scheme:** Prior to approval of The 2005 Plan, share options were available to executive officers and other employees, as determined by the Board of Directors under The GF Management Incentive Scheme. This scheme was introduced to provide an incentive for certain officers and employees to acquire shares in the Company. No further allocations of options under this scheme are being made following the introduction of the Gold Fields 2005 Share Plan (see above) and the scheme was closed during the year ended December 31, 2013 as all options relating to this scheme were exercised or lapsed during the year.

Details of the options granted under the GF Management Incentive Scheme are as follows:

	Number of Options	Average option price \$
<b>Outstanding at December 31, 2011</b>	311,225	9.04
Exercised and released	(204,570)	8.38

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Forfeited	(31,155)	9.02
<b>Outstanding at December 31, 2012</b>	75,500	10.09
Spin - off of Sibanye Gold - forfeited	(28,100)	10.09
Exercised and released	(31,147)	6.17
Forfeited	(16,253)	9.68

**Outstanding at December 31, 2013 and 2014**

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**18. EMPLOYEE BENEFIT PLANS (continued)**

The directors were authorised to issue and allot all or any of such shares required for the plans, but in aggregate all plans may not exceed 35,309,563 of the total issued ordinary shares capital of the Company. An individual participant may also not be awarded an aggregate of shares from all or any such plans exceeding 3,530,956 of the Company's total issued ordinary share capital. The unexercised options and shares under all plans represented 1.08% of the total issued ordinary share capital at December 31, 2014. No further allocations of options are being made under any of these plans.

The compensation cost related to awards not yet recognized in the statement of operations under all schemes amounts to \$14.3 million and is to be spread over two years.

**18.3 Long-term incentive plan liability-settled**

On 1 March 2014, the Remuneration Committee approved the Gold Fields Limited Long-term cash incentive plan ( LTIP ). The plan provides for key senior managers to receive a cash award conditional on the achievement of specified performance conditions relating to total shareholder return and free cash flow margin. The conditions are assessed over the performance cycle which runs over three calendar years. The estimated expense associated with awards issued under this plan is recorded over the service period from the date of award to the payment date. The expected timing of the cash outflows in respect of each grant is at the end of three years after the original award was made.

The charge for the LTIP has been recognized in the statement of operations under the captions production costs, corporate expenditure, exploration expenditure and other expenses. The cost for the fiscal year ended December 31, 2014 is \$8.7 million (fiscal 2013: \$nil and fiscal 2012: \$nil)

	December 31, 2014	December 31, 2013
<b>Long-term cash incentive plan</b>		
Opening balance		
Cash awards raised during the year	8.7	
Changes in estimates	0.3	
Forfeited awards	(0.3)	
Translation adjustment	(0.4)	
<b>Balance at close</b>	<b>8.3</b>	

The fair value of the awards made under this plan are valued using the Monte Carlo simulation model. The inputs to the model were as follows:

	December 31, 2014	December 31, 2013
Weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)	<b>44.4%</b>	

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Expected term (years)	3
Three year risk free interest rate (based on US interest rates)	2.2%

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**19. DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE AND CREDIT RISK OF FINANCIAL INSTRUMENTS**

**Risk management activities**

In the normal course of its operations, the Group is exposed to commodity price, currency, interest rate, liquidity and credit risk. In order to manage these risks, the Group has developed a comprehensive risk management process to facilitate control and monitoring of these risks.

**Concentration of credit risk**

The Group's financial instruments do not represent a concentration of credit risk as the Group deals with a number of major banks. Accounts receivable are regularly monitored and assessed and where necessary an adequate level of provision is maintained.

A formal process of allocating counterparty exposure and prudential limits is approved by the audit committee and is applied under the supervision of the Group's executive committee. Facilities requiring margin payments are not engaged.

**Concentration of labor**

About three quarters of the Group's total workforce is unionized (73.1%), but patterns of union participation vary considerably between locations. Each of the Group's regions have the following levels of union participation within their workforce:

- Peru 12%
- Australia nil%
- South Africa 93%
- Ghana 96%

**Foreign currency and commodity price risk**

In the normal course of business, the Group enters into transactions for the sale of its gold, denominated in U.S. Dollars. In addition, the Group has assets and liabilities in a number of different currencies (South African Rand, U.S. Dollars and Australian Dollars). As a result, the Group is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates.

As at December 31, 2014 and 2013, Gold Fields did not hold any derivative instruments to protect its exposure to adverse movements in gold and copper commodity prices.

Under the long-established structure of sales agreements prevalent in the industry, substantially all of Gold Fields' copper concentrate sales are provisionally priced at the time of shipment. The provisional prices are finalized in a contractually specified future period (generally one to three months) primarily based on quoted London Metal Exchange, or LME, prices. Sales subject to final pricing are generally settled in a subsequent month. Because a significant portion of Gold Fields' copper concentrate sales in a period usually remain subject to final pricing, the forward price is a major determinant of recorded revenues and the average recorded copper price for the period.

LME copper prices averaged \$6,881 per ton during the year ended December 31, 2014 (December 31, 2013: \$7,324 and December 31, 2012: \$7,951 per ton), compared with the Company's recorded average price, net of refining charges, of \$6,026 per ton (December 31, 2013: \$6,575 and December 31, 2012: \$7,322). The



**Table of Contents****Gold Fields Limited****Notes to the Consolidated Financial Statements**

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**19. DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE AND CREDIT RISK OF FINANCIAL INSTRUMENTS (continued)**

applicable three month copper price at December 31, 2014 was \$6,378 per ton, before taking into account refining charges. During the fiscal year ended December 31, 2014, changes in copper prices resulted in a provisional pricing mark-to-market loss of \$8.1 million (December 31, 2013: loss of \$7.9 million and December 31, 2012: gain of \$15.6 million) (included in revenue).

**Interest rate and liquidity risk**

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk. The Group does not currently hedge its exposure to interest rate risk.

In the ordinary course of business, the Group receives cash proceeds from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure surplus funds are invested to maximize returns while ensuring that capital is safeguarded to the maximum extent possible by investing only with top financial institutions.

Substantial contractual arrangements for uncommitted borrowing facilities are maintained with several banking counterparties to meet the Group's normal contingency funding requirements.

**Fair value**

The fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The carrying amounts of receivables, accounts payable and cash and cash equivalents are a reasonable estimate of their fair values due to the short-term maturity of such instruments. The investments in the environmental trust fund approximate fair value, as the monies are invested in short-term maturity investments. The listed investments are carried at market value. Long-term loans at floating rates, approximate fair value as they are subject to market based floating rates.

The estimated fair values of the the Group's financial instruments are:

	December 31, 2014		December 31, 2013	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	458.0	458.0	325.0	325.0
Receivables	122.4	122.4	146.7	146.7
Non-current investments *	286.5	279.9	268.9	269.7
<b>Financial liabilities</b>				
Long-term loans	1,770.7	1,614.4	1,938.6	1,794.4
Accounts payable and provisions	460.6	460.6	402.1	402.1
Interest payable	11.2	11.2	12.4	12.4
Short-term loans and current portion of long-term loans	140.2	140.2	121.5	121.5
Other non-current liabilities	9.1	9.1	10.9	10.9

\* Fair value determined by using cost for Far South East due to a market value not being readily available.

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**19. DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE AND CREDIT RISK OF FINANCIAL INSTRUMENTS  
(continued)**

The Group utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Group determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date. The following table sets forth the Group's financial assets and liabilities measured at fair value by level within the fair value hierarchy. As required by Accounting Standard Codification, or ASC, fair value guidance, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Items listed below are included in the financial assets and liabilities total above:

	<b>Fair value at December 31, 2014</b>			
	Total	Level 1	Level 2	Level 3
<b>Assets:</b>				
Listed investments	4.4	4.4		
Trade receivable from provisional copper concentrate sales, net	29.5		29.5	
	33.9	4.4	29.5	
<b>Liabilities:</b>				
Oil derivative contracts			10.3	
			10.3	

	<b>Fair value at December 31, 2013</b>			
	Total	Level 1	Level 2	Level 3
<b>Assets:</b>				
Listed investments	3.2	3.2		
Trade receivable from provisional copper concentrate sales, net	58.2		58.2	

61.4

3.2

58.2

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**19. DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE AND CREDIT RISK OF FINANCIAL INSTRUMENTS  
(continued)**

The Group's listed investments comprise equity investments in listed entities and are therefore valued using quoted market prices in active markets and classified within level 1 of the fair value hierarchy. The fair value of the listed investments is the product of the quoted market price and the number of shares held.

The Group investments held in environmental funds primarily comprise interest bearing short-term investments which are valued using quoted market prices.

The Group's net trade receivable from provisional copper and gold concentrate sales in La Cima (Cerro Corona) is valued using quoted market prices based on the forward London Metal Exchange and classified within level 2 of the fair value hierarchy.

The Group's financial instruments valued using pricing models are classified within level 2 of the fair value hierarchy. Where possible, the values produced by the valuation models are verified to market prices. Valuation models require a variety of inputs, including contractual terms, market prices, yield curves, credit spreads, measures of volatility and correlations of such inputs.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers during the years ended December 31, 2014 and 2013.

**Derivative contracts**

On September 10, 2014, Gold Fields Australia (Pty) Limited entered into a Singapore Gasoil 10ppm cash settled swap transaction contract for a total of 136,500 barrels, effective September 15, 2014 until March 31, 2015 at a fixed price of US\$115.00 per barrel. The 136,500 barrels are based on 50 per cent of usage for the seven month period September 2014 to March 2015. Brent Crude at the time of the transaction was US\$99.10 per barrel.

On November 26, 2014, Gold Fields Australia (Pty) Limited entered into further Singapore Gasoil 10ppm cash settled swap transaction contracts. A contract for 63,000 barrels for the period January March 2015 was committed at a fixed price of US\$94.00 per barrel, and a further 283,500 barrels was committed at a price of US\$96.00 per barrel for the period April December 2015. Brent Crude at the time of the transaction was US\$78.50 per barrel.

As at December 31, 2014, the fair value of these oil derivative contracts was negative US\$10.3 million. This amount is included in accounts payable and provisions (refer note 15).

St Ives Gold Mining Company (Pty) Ltd entered into a Singapore Gasoil 10PPM FOB cash settled swap transaction for 7,500 barrels per month effective 1 June 2013 until 31 March 2014 at a fixed price of US\$115.0 per barrel. 30,000 barrels with a positive mark-to-market value of US\$0.3 million were outstanding at the end of December 2013.

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**20. ADDITIONAL CASH FLOW INFORMATION****(a) Supplemental cash flow disclosures**

The following amounts were included in cash flows from operations:

	Fiscal year Ended December 31,		
	2014	2013	2012
Royalties paid	88.8	99.9	112.4
Income and mining taxes paid	105.3	298.2	334.1
Interest paid before capitalization	103.8	89.4	68.6

**(b) Non cash-items**

Marked to market gain/(loss) of listed investments	6.9	(1.3)	18.7
Sibanye Gold spin-off (refer note 9.1), excluding cash transferred		927.3	
Shares issued on acquisition of Barrick Yilgarn assets (refer note 3(b))		127.3	
Disposal of Yanfolila for acquisition of Hummingbird:	5.1		
Disposal of Yanfolila (refer note 3(c))	(16.0)		
Acquisition of investment in Hummingbird (refer note 3(c))	21.1		

**21. COMMITMENTS**

	December 31, 2014	December 31, 2013
<b>Capital commitments</b>		
Contracted for	120.5	100.8
<b>Lease commitments</b>		
<b>Operating leases</b>		
Less than 12 months	3.1	2.9
12 - 36 months	3.5	3.8
36 - 60 months	0.8	0.6
After 60 months		1.0
<b>Total</b>	<b>7.4</b>	<b>8.3</b>

Included in net income are operating lease charges amounting to \$3.2 million (fiscal 2013: \$4.5 million and fiscal 2012: \$3.9 million).

**Guarantees and other commitments**

The Group also provides environmental obligation guarantees with respect to its South African, Ghanaian and Australian operations. These guarantees, amounting to \$67.0 million at December 31, 2014 (December 31, 2013: \$121.1 million) have not been included in the amount of guarantees of \$0.1 million (December 31, 2013: \$0.1 million) because they are fully provided for under the related provision for environmental rehabilitation.

Capital commitments will be funded from internal cash resources and borrowings as necessary. All the contracted capital expenditure as at December 31, 2014 and December 31, 2013 relates to obligations within the next 12 months. The expenditure relates to mining development, infrastructure and hostel upgrades.





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**Gold Fields Limited**

**Notes to the Consolidated Financial Statements**

**(\$ in millions unless otherwise noted)**

**22. CONTINGENT LIABILITIES**

**Randgold & Exploration summons**

On 21 August 2008, Gold Fields Operations (GFO) received a summons from Randgold and Exploration Company Limited ( R&E ) and African Strategic Investment (Holdings) Limited. The summons claims that during the period that GFO was under the control of Brett Kebble, Roger Kebble and others, GFO was allegedly part of a scam whereby JCI Limited unlawfully disposed of shares owned by R&E in Randgold Resources Limited ( Resources ), and Afrikander Lease Limited, now Uranium One.

The claims have been computed in various ways. The highest claims have been computed on the basis of the highest value of the Resources and Uranium One share prices between the dates of the alleged thefts and March 2008 (between R 11 billion and R12 billion (approximately US\$1 billion)). The quantifiable alternative claims have been computed on the basis of the actual amounts allegedly received by GFO to fund its operations (approximately R521 million or US\$45 million).

It should be noted that the claims lie only against GFO, whose only interest is a 50% stake in the South Deep mine. This alleged liability is historic and relates to a period of time prior to the Group purchasing the company.

GFO's assessment remains that it has sustainable defenses to these claims and, accordingly, GFO's attorneys were instructed to vigorously defend the claims.

The ultimate outcome of the claims cannot presently be determined and, accordingly, no adjustment for any effects on the Company that may result from these claims, if any, has been made in the consolidated financial statements.

**Silicosis**

The principal health risks associated with Gold Fields' mining operations in South Africa arise from occupational exposure to silica dust, noise, heat and certain hazardous chemicals. The most significant occupational diseases affecting Gold Fields' workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease ( COAD )) as well as noise-induced hearing loss ( NIHL ). The Occupational Diseases in Mines and Works Act, 78 of 1973 ( ODMWA ) governs the compensation paid to mining employees who contract certain illnesses, such as silicosis. In 2011, the South African Constitutional Court ruled that a claim for compensation under ODMWA does not prevent an employee from seeking compensation from its employer in a civil action under common law (either as individuals or as a class). While issues, such as negligence and causation, need to be proved on a case-by-case basis, it is possible that such ruling could expose Gold Fields to claims related to occupational hazards and diseases (including silicosis), which may be in the form of a class or similar group action. If Gold Fields were to face a significant number of such claims and the claims were suitably established against it, the payment of compensation for the claims could have a material adverse effect on Gold Fields' results of operations and financial position. In addition, Gold Fields may incur significant additional costs arising out of these issues, including costs relating to the payment of fees, levies or other contributions in respect of compensatory or other funds established (if any) and expenditures arising out of its efforts to resolve any outstanding claims or other potential action.

During 2012 and 2013, two court applications were served on Gold Fields and its subsidiaries (as well as other mining companies) by various applicants purporting to represent classes of mine workers (and where deceased, their dependants) who were previously employed by or who are employees of, amongst others, Gold Fields or any of its subsidiaries and who allegedly contracted silicosis and/or tuberculosis.

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**22. CONTINGENT LIABILITIES (continued)**

These are applications in terms of which the court is asked to certify a class action to be instituted by the applicants on behalf of the classes of affected people. According to the applicants, these are the first and preliminary steps in a process, where if the court were to certify the class action, the applicants may, in a second stage, bring an action wherein they will attempt to hold Gold Fields and other mining companies liable for silicosis and/or tuberculosis and the resultant consequences. The applicants contemplate dealing in the second stage with what the applicants describe as common legal and factual issues regarding the claims arising for the whole of the classes. If the applicants are successful in the second stage, they envisage that individual members of the classes could later submit individual claims for damages against Gold Fields and the other mining companies. These applications do not identify the number of claims that could be instituted against Gold Fields and the other mining companies or the quantum of damages the applicants may seek.

Gold Fields has delivered notices of intention to oppose the applications and has instructed its attorneys to defend the claims.

The two class applications were consolidated into one application on 17 October 2013 and the parties agreed a court-sanctioned process for the delivery of answering and replying affidavits and for the consolidated application to be heard during the weeks of 12 and 19 October 2015. The consolidated application will be preceded by various legal technical applications and court processes.

In addition to the consolidated action, an individual action has been instituted against Gold Fields and one other mining group in terms of which the plaintiff claims R25.0 million (US\$2.2 million) in damages (and interest on that amount at 15.5% from May 2013 to date of payment and costs) arising from his alleged contraction of silicosis which he claims was caused by the defendants. Gold Fields has defended the action and has pleaded to the claim.

The ultimate outcome of these matters cannot presently be determined and, accordingly, no adjustment for any effects on the Company that may result from these actions, if any, has been made in the consolidated financial statements.

**Acid mine drainage**

Acid Mine Drainage ( AMD ) or acid rock drainage ( ARD ), collectively called acid drainage ( AD ) is formed when certain sulphide minerals in rocks are exposed to oxidising conditions (such as the presence of oxygen, combined with water). AD can occur under natural conditions or as a result of the sulphide minerals that are encountered and exposed to oxidation during mining or during storage in waste rock dumps, ore stockpiles or tailings dams. The acidic water that forms usually contains iron and other metals if they are contained in the host rock.

AD generation, and the risk of potential long-term AD issues, specifically at Gold Fields Cerro Corona and South Deep mines is on-going. Immaterial levels of surface AD generation also occur at Gold Fields Tarkwa, Damang and St Ives mines. Any AD, which is currently generated, is contained on Gold Fields property across all operations where it occurs and is well managed as part of each mines operational water management strategy. The relevant regulatory authorities are also kept apprised of our efforts to manage AD through various submissions and other communications.

Gold Fields continues to investigate technical solutions at both its South Deep and Cerro Corona Mines to better inform appropriate mitigation strategies for long term AD management (mainly post-closure) and to work towards a reliable cost estimate of these potential issues. None of these studies have allowed Gold Fields to generate a reliable estimate of the total potential impact on the Group.

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**Gold Fields Limited**

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**(\$ in millions unless otherwise noted)**

**22. CONTINGENT LIABILITIES (continued)**

Gold Fields mine closure cost estimate (environmental rehabilitation provisions) for 2014 contains the aspects of AD management (i.e. tailings facilities, waste rock dumps, ore stockpiles and other surface infrastructure), which the Company has been able to reliably estimate.

No adjustment for any effects on the Company that may result from potentially material (mainly post-closure) AD impacts at South Deep and Cerro Corona has been made in the consolidated financial statements, other than through the Group's normal environmental rehabilitation provisions (refer note 17).

**Native claim**

Gold Fields subsidiary, St Ives Gold Mining Company Pty Ltd ( St Ives ), which owns the St Ives Gold Mine in Western Australia, had been joined as a respondent, alongside the State of Western Australia (the State ) and another mining company, in proceedings commenced in the Federal Court of Australia by the Ngadju People, seeking determination of its claim for native title over a parcel of land in the Goldfields region of Western Australia.

Native title refers to the rights and interests held by Aboriginal people in Australia under traditional laws and customs, in relation to land and water to which those Aboriginal people have a connection, that are recognised under the common law of Australia.

In the course of these proceedings, the Ngadju People alleged that a number of mining tenements held by St Ives (being tenements that were originally granted to WMC Resources by the State under the terms of a State Agreement, and subsequently acquired in 2001 by St Ives) are invalid to the extent that they affect the Ngadju People's native title rights. The process for obtaining the re-grant of those tenements (in 2014) under the provisions of the Mining Act 1978 (WA) was carefully considered and followed by Gold Fields at the time, acting in conjunction with the State.

In a decision handed down by a single judge of the Federal Court of Australia on 3 July 2014, the court accepted the submissions of the Ngadju People that the re-grant of these tenements by the State was not compliant with the correct processes in the Native Title Act 1993 (Cth), and as such, the re-granted tenements are invalid to the extent that they affect native title. This means that to the extent that there is inconsistency between the rights of St Ives as tenement holder and the Ngadju People's native title rights (such as the right to conduct ceremonies or to hunt), the rights of the Ngadju People will prevail. This decision was confirmed by a Determination of native title made by the Federal Court in November 2014.

The practical effect of such a finding has never been tested under Australian law. However, it may mean the Ngadju People could seek to prevent the further exercise of rights by St Ives on the tenements in a manner that is inconsistent with the free exercise of their native title rights and/or seek damages for historical interference with their native title rights. The fact that the Ngadju People have only non-exclusive native title rights (and not the higher category of exclusive possession rights) may reduce the extent to which the two sets of rights are found to be inconsistent.

Importantly, the decision does not affect the grant of mining tenure to St Ives under the Mining Act 1978 (WA). St Ives still validly holds all of the tenements which underpin its mining operations at St Ives, and as these proceedings are not an action against St Ives for failure to take certain steps, the court has no ability to impose any sort of penalty against St Ives.

Gold Fields remains strongly of the view that it has at all times complied with its obligations under the Native Title Act 1993 (Cth) in respect of its dealings with these tenements. Gold Fields, together with

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(\$ in millions unless otherwise noted)

**22. CONTINGENT LIABILITIES (continued)**

another major resources company, filed an appeal in respect of aspects of the Federal Court's decision. The appeal (before the Full Court of the Federal Court of Australia (three Judges)) has been listed to take place in May 2015. Gold Fields retains the ability to seek leave to further appeal to the High Court of Australia, if necessary. Gold Fields will also take all steps necessary to ensure that the St Ives operations are unaffected whilst this matter is resolved through the relevant court processes.

Accordingly, no adjustment for any effects on the Company that may result from the proceedings, if any, has been made in the consolidated financial statements.

**Regulatory investigations**

Gold Fields was informed in September 2013 that it is the subject of a regulatory investigation in the United States by the US Securities and Exchange Commission relating to the Black Economic Empowerment transaction (BEE transaction) associated with the granting of the mining license for its South Deep operation. In South Africa, the Directorate for Priority Crime Investigation (the Hawks) informed the Company that it has started a preliminary investigation into the BEE transaction to determine whether or not to proceed with a formal investigation, following a complaint by the Democratic Alliance. The investigation is still in progress and it is not possible to determine what effect the ultimate outcome of these investigations, any regulatory findings and any related developments may have on the Company or the timing thereof.

Accordingly, no adjustment for any effects on the Company that may result from the outcome of this investigation, if any, has been made in the consolidated financial statements.

**23. LINES OF CREDIT**

The Group has unused lines of committed credit facilities available amounting to \$1,016.9 million at December 31, 2014 (December 31, 2013: \$763.2 million) with the following expiry dates.

	December 31, 2014	December 31, 2013
- within one year		
- later than one year and not later than two years	64.9	
- later than two years and not later than three years		96.7
- later than three years and not later than five years	952.0	666.5
	<b>1,016.9</b>	<b>763.2</b>

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**Gold Fields Limited**

**Notes to the Consolidated Financial Statements**

**(\$ in millions unless otherwise noted)**

**24. RELATED PARTY TRANSACTIONS**

None of the directors or officers of Gold Fields or any associate of such director or officer is currently or has been at any time during the past three fiscal years indebted to Gold Fields.

**25. SUBSEQUENT EVENTS**

**Final dividend**

On February 11, 2015, Gold Fields declared a final dividend of R0.20 (\$0.02) per share.

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(\$ in millions unless otherwise noted)

**26 GEOGRAPHICAL AND SEGMENT INFORMATION**

Gold Fields is primarily involved in gold mining, exploration and related activities. Activities are conducted and investments held both inside and outside of South Africa.

The segment results have been prepared and presented based on management's reporting format. The Group prepares its financial records in accordance with International Financial Reporting Standards, or IFRS, and such IFRS information by segment is what the Group's chief operating decision maker reviews in allocating resources and making investment decisions. The Company's gold mining operations are managed and internally reported based upon the following geographic areas: in South Africa the South Deep mine, in Ghana the Tarkwa and Damang mines, in Australia, St. Ives, Agnew/ Lawlers, Granny Smith and Darlot mines and in Peru, the Cerro Corona mine. The Group also has exploration interests which are included in the Corporate and other segment. Corporate costs are allocated between segments based upon the time spent on each segment by members of the executive team.

	Fiscal Year Ended December 31, 2014														
	South Africa		Ghana		Total	St Ives	Australia		Granny Smith	Total	Peru		Total per IFRS	Reconciling items	Continuing operations
South Deep	Tarkwa	Damang	Agnew/ Lawlers	Darlot			Cerro Corona	Corporate and other #							
<b>Statement of operations - continuing operations</b>															
Revenue	254.8	706.7	224.6	931.3	458.8	342.5	106.2	399.8	1,307.3	375.5		2,868.8			2,868.8
Operating costs (excluding amortization and depreciation) <sup>1, 2</sup>	(245.5)	(373.9)	(177.6)	(551.5)	(292.3)	(173.0)	(81.9)	(182.6)	(729.8)	(158.2)		(1,684.9)	(97.2)	(125.4)	(1,907.4)
Gold inventory change <sup>1, 2, 3</sup>		2.3	(2.1)	0.2	9.9	0.3	(1.7)		8.4	(1.5)		7.2		7.2	14.4
<b>Adjusted operating profit/(loss) before amortization and depreciation<sup>2, 4</sup></b>	<b>9.3</b>	<b>335.1</b>	<b>45.0</b>	<b>380.1</b>	<b>176.4</b>	<b>169.8</b>	<b>22.5</b>	<b>217.2</b>	<b>586.0</b>	<b>215.8</b>		<b>1,191.1</b>	<b>(97.2)</b>	<b>(118.1)</b>	<b>975.7</b>
Amortization and depreciation <sup>2</sup>	(74.5)	(141.6)	(20.9)	(162.5)	(140.5)	(96.4)	(16.6)	(84.6)	(338.1)	(79.6)	(2.0)	(656.7)	(0.4)	(20.2)	(677.3)
<b>Adjusted operating (loss)/profit<sup>2, 5</sup></b>	<b>(65.2)</b>	<b>193.5</b>	<b>24.1</b>	<b>217.6</b>	<b>35.9</b>	<b>73.4</b>	<b>5.9</b>	<b>132.6</b>	<b>248.0</b>	<b>136.1</b>	<b>(2.0)</b>	<b>534.4</b>	<b>(97.6)</b>	<b>(138.4)</b>	<b>298.4</b>
Exploration expenditure	(19.6)	(7.8)	(3.5)	(11.3)	(8.2)	(3.7)	(1.8)	(1.5)	(15.2)		(32.0)	(47.2)	(4.1)	15.1	(36.2)
					(3.9)	(1.6)	(1.0)	(1.8)	(8.3)	(3.6)	(56.5)	(99.2)	18.4		(80.8)

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Finance expense															
Investment income	0.9	1.7	0.1	1.8	0.3	0.2			0.5	1.1	4.2				4.2
Asset impairments and write-offs	(8.4)				(1.3)	(4.3)			(5.6)	1.5	(12.5)	(4.7)	3.2		(14.0)
(Loss)/profit on disposal of property, plant and equipment	(0.3)	(0.1)		(0.1)	1.1		0.7	0.1	1.9	(2.6)	(0.2)	(1.3)			(1.3)
Other items as detailed in statement of operations	(22.6)	(23.1)	(4.3)	(27.4)	(21.6)	(15.3)	(3.9)	(10.6)	(51.5)	(10.7)	(31.9)	(144.0)	88.0	79.9	23.9
Royalty	(1.3)	(35.3)	(11.2)	(46.5)	N6	N6	N6	N6	(32.6)	(5.8)		(86.1)			(86.1)
Current taxation		(31.1)		(31.1)	N6	N6	N6	N6	(74.9)	(60.7)	32.5	(134.2)			(134.2)
Deferred taxation	33.6*	(14.2)	(1.8)	(16.0)	N6	N6	N6	N6	32.1	13.8	(47.4)	16.1		(3.5)	12.6
<b>(Loss)/income before impairment of equity investees, share of equity investees losses and discontinued operations <sup>7</sup></b>	<b>(83.0)</b>	<b>83.7</b>	<b>3.4</b>	<b>87.1</b>	<b>N6</b>	<b>N6</b>	<b>N6</b>	<b>N6</b>	<b>94.5</b>	<b>66.5</b>	<b>(134.9)</b>	<b>30.2</b>		<b>(43.6)</b>	<b>(13.4)</b>

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(\$ in millions unless otherwise noted)

**26. GEOGRAPHICAL AND SEGMENT INFORMATION (continued)**

- (1) Operating costs (excluding amortization and depreciation) for continuing operations for management reporting purposes includes: Corporate expenditure - \$27.3 million, Accretion expense on provision for environmental rehabilitation - \$15.4 million and Employee termination costs - \$42.2 million, which are not included in production costs under U.S. GAAP. In addition, gold inventory change is included in production costs under U.S. GAAP.
- (2) This caption is based on captions used in the IFRS financial statements and does not reflect the US GAAP captions per the consolidated statement of operations.
- (3) Reflects the change in quantity and value of broken ore and ore on the heap leach pads during the fiscal year.
- (4) Adjusted operating profit before amortization and depreciation is stated before amortization and depreciation, exploration expenditure, asset impairments and write-offs, (profit)/loss on disposal of property, plant and equipment and royalty.
- (5) Adjusted operating profit/(loss) is stated before exploration expenditure, asset impairments and write-offs, (profit)/loss on disposal of property, plant and equipment and royalty.
- (6) As all Australian operations are entitled to transfer and off-set losses from one company to another, it is not meaningful to split the royalties, current or deferred taxation.
- (7) This caption is before share of equity investees losses, all of which would relate to the corporate and other segment.

\* Indicative as tax is provided in the holding companies of South Deep.

# Corporate and other represents items to reconcile segment data to consolidated financial statement totals.

Figures may not add as they are rounded independently.

	South Africa		Ghana		Australia					Peru		Total per IFRS classification	Reconciling items	Group Consolidated	
	South Deep	Tarkwa	Damang	Total	St Ives	Agnew/Lawlers	Darlot	Granny Smith	Total	Cerro Corona	Corporate and other #				
<b>Balance sheet</b>															
Total assets (excluding deferred tax assets)	13.1	1,561.5	215.4	1,776.9	559.1	394.2	24.0	142.1	1,119.4	1,041.9	2,844.0	6,795.3	(62.4)	6,733.0	
Total liabilities excluding deferred tax	62.0	209.0	96.9	305.9	145.4	81.0	25.6	70.4	322.4	158.4	1,958.7	2,807.4	(11.1)	2,796.3	
Deferred tax (assets)/liabilities	(22.7)	280.4	(11.0)	269.4	N1	N1	N1	N1	87.9	18.3	(28.3)	324.6	(79.2)	245.4	
<b>Capital expenditure</b>	91.9	174.1	16.0	190.1	117.5	83.4	14.7	58.9	274.4	51.0	1.4	608.9	(128.4)	480.5	

- (1) As all Australian operations are entitled to transfer and off-set losses from one company to another, it is not meaningful to split the royalties, current or deferred taxation.

# Corporate and other represents items to reconcile segment data to consolidated financial statement totals. Included in Corporate and other is goodwill relating to the acquisition of South Deep and equity investees.

Figures may not add as they are rounded independently.



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**26. GEOGRAPHICAL AND SEGMENT INFORMATION (continued)**

	Fiscal Year Ended December 31, 2013														
	South Africa		Ghana		Australia					Peru		Total per		Reconciling	Continuing
	South Deep	Tarkwa	Damang	Total	St Ives	Agnew/Lawlers	Darlot	Granny Smith	Total	Cerro Corona	Corporate other #	IFRS Reclassification	Items	operations	
<b>Statement of operations - continuing operations</b>															
Revenue	425.7	893.1	216.4	1,109.6	569.0	302.8	26.0	82.3	980.1	390.9		2,906.3		2,906.3	
Operating costs (excluding amortization and depreciation) <sup>1, 2</sup>	(321.8)	(473.7)	(171.1)	(644.8)	(345.5)	(135.0)	(21.6)	(48.8)	(550.8)	(161.3)		(1,678.7)	(74.7)	(162.4)	(1,915.8)
Gold inventory change <sup>1, 2, 3</sup>		(30.8)	11.1	(19.6)	8.8	(1.2)	1.3	3.7	12.7	18.8		11.8		(1.2)	10.6
<b>Adjusted operating profit/(loss) before amortization and depreciation <sup>2, 4</sup></b>	<b>103.9</b>	<b>388.7</b>	<b>56.4</b>	<b>445.1</b>	<b>232.3</b>	<b>166.7</b>	<b>5.7</b>	<b>37.3</b>	<b>442.0</b>	<b>248.4</b>		<b>1,239.4</b>	<b>(74.7)</b>	<b>(163.6)</b>	<b>1,001.1</b>
Amortization and depreciation <sup>2</sup>	(98.9)	(137.6)	(30.6)	(168.3)	(194.3)	(71.1)	(3.6)	(21.0)	(290.0)	(48.8)	(5.0)	(610.9)		42.4	(568.5)
<b>Adjusted operating profit/(loss) <sup>2, 5</sup></b>	<b>5.0</b>	<b>251.1</b>	<b>25.8</b>	<b>276.9</b>	<b>38.0</b>	<b>95.6</b>	<b>2.1</b>	<b>16.3</b>	<b>152.1</b>	<b>199.7</b>	<b>(5.0)</b>	<b>628.5</b>	<b>(74.7)</b>	<b>(121.2)</b>	<b>432.6</b>
Exploration expenditure					(5.1)	(1.4)			(6.5)	(0.2)	(59.1)	(65.9)	(7.2)	(4.8)	(77.9)
Feasibility and evaluation											(47.7)	(47.7)		(20.3)	(68.0)
Finance expense	(8.8)	(1.2)	(4.7)	(5.9)			(0.2)	(1.2)	(1.4)	(2.2)	(51.2)	(69.5)	2.4	(5.3)	(72.4)
Investment income	0.6	0.4		0.4	3.8	3.8			7.6	0.4	(0.6)	8.5			8.5
Asset impairments and write-offs		(204.5)	(188.9)	(393.4)	(265.5)	(0.4)			(265.9)	(11.0)	(128.9)	(799.2)	1.5	582.4	(215.3)
Profit on disposal of property, plant and equipment	0.2	0.1		0.1	1.3				1.3			1.6		8.6	10.2
	(23.1)	(11.8)	(2.2)	(14.0)	(2.7)	(14.2)	(3.2)	(17.1)	(37.2)	(11.5)	(76.8)	(162.6)	78.0	(5.3)	(89.8)

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Other items as detailed in statement of operations														
Royalty	(2.1)	(44.7)	(10.8)	(55.5)	N6	N6	N6	N6	(24.1)	(8.9)		(90.5)		(90.5)
Current taxation		(39.7)	(0.9)	(40.6)	N6	N6	N6	N6	(49.7)	(66.3)	(4.8)	(161.3)	(3.8)	(165.1)
Deferred taxation	6.6*	33.9	63.4	97.3	N6	N6	N6	N6	106.9	(19.6)	(9.9)	181.4	(122.0)	59.4

<b>(Loss)/income before impairment of equity investees, share of equity investees losses and discontinued operations <sup>7</sup></b>	<b>(21.6)</b>	<b>(16.2)</b>	<b>(118.3)</b>	<b>(134.6)</b>	<b>N6</b>	<b>N6</b>	<b>N6</b>	<b>N6</b>	<b>(116.8)</b>	<b>80.5</b>	<b>(383.9)</b>	<b>(576.7)</b>	<b>308.4</b>	<b>(268.2)</b>
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- (1) Operating costs (excluding amortization and depreciation) for continuing operations for management reporting purposes includes: Corporate expenditure - \$39.4 million, Accretion expense on provision for environmental rehabilitation - \$10.4 million and Employee termination costs - \$35.5 million, which are not included in production costs under U.S. GAAP. In addition, gold inventory change is included in production costs under U.S. GAAP.
- (2) This caption is based on captions used in the IFRS financial statements and does not reflect the US GAAP captions per the consolidated statement of operations.

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**26. GEOGRAPHICAL AND SEGMENT INFORMATION (continued)**

- (3) Reflects the change in quantity and value of broken ore and ore on the heap leach pads during the fiscal year.
- (4) Adjusted operating profit before amortization and depreciation is stated before amortization and depreciation, exploration expenditure, feasibility and evaluation, asset impairments and write-offs, (profit)/loss on disposal of property, plant and equipment and royalty.
- (5) Adjusted operating profit/(loss) is stated before exploration expenditure, feasibility and evaluation, asset impairments and write-offs, (profit)/loss on disposal of property, plant and equipment and royalty.
- (6) As all Australian operations are entitled to transfer and off-set losses from one company to another, it is not meaningful to split the royalties, current or deferred taxation.
- (7) This caption is before share of equity investees losses, all of which would relate to the corporate and other segment.

\* Indicative as tax is provided in the holding companies of South Deep.

# Corporate and other represents items to reconcile segment data to consolidated financial statement totals.

Segment information on the statement of operations related to Sibanye Gold, which include the KDC and Beatrix mines, is not presented as Sibanye Gold is presented as a discontinued operation (refer note 9.1).

Figures may not add as they are rounded independently.

	South Africa		Ghana		December 31, 2013						Peru		Total per IFRS	Reconciling items	Group Consolidated		
	KDC	Beatrix	South Deep	Tarkwa	Damang	Total	St Ives	Agnew/Lawlers	Granny Darlot	Smith	Total	Cerro Corona				Corporate and other#	
<b>Balance sheet</b>																	
Total assets (excluding deferred tax assets)	N1	N1	192.9	1,528.3	197.8	1,726.1	650.9	400.7	25.0	69.6	1,146.2	1,054.1	3,125.0	7,244.3	(40.6)	7,203.7	
Total liabilities excluding deferred tax	N1	N1	128.4	174.8	85.2	260.0	167.1	70.4	26.7	73.2	337.5	145.8	1,979.9	2,851.5	(5.0)	(14.3)	2,832.2
Deferred tax liabilities/(assets)	N1	N1	9.8	266.2	(12.8)	253.4	N2	N2	N2	N2	128.2	32.1	(76.2)	347.5	5.0	(73.6)	273.7
<b>Capital expenditure</b>	37.5	10.3	202.4	207.0	50.1	257.1	132.3	52.3	1.5	7.8	193.9	56.3	29.6	739.2	(195.5)	543.7	

(1) Sibanye Gold, which includes the KDC and Beatrix reporting segments, was spun off in February 2013 (refer note 9.1).

(2) As all Australian operations are entitled to transfer and off-set losses from one company to another, it is not meaningful to split the royalties, current or deferred taxation.

# Corporate and other represents items to reconcile segment data to consolidated financial statement totals. Included in Corporate and other is goodwill relating to the acquisition of South Deep and equity investees.

Figures may not add as they are rounded independently.

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(\$ in millions unless otherwise noted)

**26. GEOGRAPHICAL AND SEGMENT INFORMATION (continued)**

	South Africa		Ghana		Fiscal Year Ended December 31, 2012			Peru		Total per IFRS	Reconciling items	Continuing operations	
	South Deep	Tarkwa	Damang	Total	St Ives	Agnew	Total	Cerro Corona	Corporate and other #				
<b>Statement of operations - continuing operations</b>													
Revenue	450.8	1,198.9	277.8	1,476.7	752.2	294.4	1,046.6	556.6		3,530.6		3,530.6	
Operating costs (excluding amortization and depreciation) <sup>1, 2</sup>	(302.9)	(494.4)	(179.1)	(673.5)	(378.0)	(148.1)	(526.1)	(171.4)		(1,673.8)	(69.8)	(199.2)	(1,942.9)
Gold inventory change <sup>1, 2, 3</sup>		24.8	3.6	28.4	(14.7)	(2.6)	(17.4)	11.0		22.0		0.1	22.1
<b>Adjusted operating profit/(loss) before amortization and depreciation<sup>2, 4</sup></b>	<b>147.9</b>	<b>729.3</b>	<b>102.3</b>	<b>831.6</b>	<b>359.4</b>	<b>143.7</b>	<b>503.0</b>	<b>396.2</b>		<b>1,878.8</b>	<b>(69.8)</b>	<b>(199.1)</b>	<b>1,609.8</b>
Amortization and depreciation <sup>2</sup>	(82.4)	(125.4)	(22.8)	(148.2)	(160.4)	(53.7)	(214.1)	(48.8)	(5.7)	(499.2)		73.4	(425.8)
<b>Adjusted operating profit/(loss)<sup>2, 5</sup></b>	<b>65.6</b>	<b>603.8</b>	<b>79.5</b>	<b>683.3</b>	<b>199.0</b>	<b>90.0</b>	<b>288.9</b>	<b>347.4</b>	<b>(5.7)</b>	<b>1,379.6</b>	<b>(69.8)</b>	<b>(125.7)</b>	<b>1,184.0</b>
Exploration expenditure					(9.8)	(9.6)	(19.4)	(2.2)	(106.9)	(128.5)	(61.1)	54.3	(135.3)
Feasibility and evaluation									(44.1)	(44.1)		(59.4)	(103.5)
Finance expense	(0.9)	(2.3)	(2.5)	(4.8)	(1.2)	(0.3)	(1.5)	(3.9)	(44.2)	(55.3)	2.8	(3.1)	(55.6)
Investment income	0.6	0.4	0.1	0.5	6.4	6.3	12.7	1.8	0.7	16.3			16.3
Asset impairments and write-offs		(4.5)		(4.5)	(58.0)	(24.2)	(82.2)	(0.9)		(87.6)	53.5	(7.5)	(41.6)
Profit/(loss) on disposal of property, plant and equipment	0.4				(0.2)		(0.2)	0.1		0.3	(0.1)		0.2
	(44.1)	(18.2)	(9.6)	(27.8)	(9.8)	(3.5)	(13.3)	(17.8)	(9.0)	(112.0)	74.7	2.3	(35.0)

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Other items as detailed in statement of operations

Royalty	(2.3)	(59.9)	(13.9)	(73.8)	N6	N6	(26.0)	(14.7)		(116.7)		(116.7)
Current taxation		(163.1)	(7.6)	(170.7)	N6	N6	(53.6)	(104.7)	(7.6)	(336.6)	(17.3)	(353.9)
Deferred taxation	(4.5)*	(92.5)	(21.5)	(114.0)	N6	N6	4.2	12.4	(18.1)	(120.0)	114.5	(5.5)

**Income/(loss) before impairment of equity investees, share of equity investees losses and discontinued operations <sup>7</sup>**

<b>14.9</b>	<b>263.7</b>	<b>24.6</b>	<b>288.3</b>	<b>N6</b>	<b>N6</b>	<b>109.9</b>	<b>217.6</b>	<b>(234.9)</b>	<b>395.4</b>	<b>(41.9)</b>	<b>353.3</b>
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- (1) Operating costs (excluding amortization and depreciation) for continuing operations for management reporting purposes includes: Corporate expenditure - \$38.2 million, Accretion expense on provision for environmental rehabilitation - \$13.9 million and Employee termination costs - \$6.1 million, which are not included in production costs under U.S. GAAP. In addition, gold inventory change is included in production costs under U.S. GAAP.
- (2) This caption is based on captions used in the IFRS financial statements and does not reflect the US GAAP captions per the consolidated statement of operations.
- (3) Reflects the change in quantity and value of broken ore and ore on the heap leach pads during the fiscal year.
- (4) Adjusted operating profit before amortization and depreciation is stated before amortization and depreciation, exploration expenditure, feasibility and evaluation, asset impairments and write-offs, (profit)/loss on disposal of property, plant and equipment and royalty.

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(\$ in millions unless otherwise noted)

**26. GEOGRAPHICAL AND SEGMENT INFORMATION (continued)**

- (5) Adjusted operating profit/(loss) is stated before exploration expenditure, feasibility and evaluation, asset impairments and write-offs, (profit)/loss on disposal of property, plant and equipment and royalty.
- (6) As these two Australian operations are entitled to transfer and off-set losses from one company to another, it is not meaningful to split the royalties, current or deferred taxation.
- (7) This caption is before share of equity investees losses, all of which would relate to the corporate and other segment.
- # Corporate and other represents items to reconcile segment data to consolidated financial statement totals.
- \* Indicative as tax is provided in the holding companies of South Deep.
- Figures may not add as they are rounded independently.

	South Africa			Ghana			December 31, 2012 Australia			Peru		Total per IFRS	Reconciling items	Group Consolidated
	KDC	Beatrix	South Deep	Tarkwa	Damang	Total	St Ives	Agnew	Total	Cerro Corona	Corporate and other#			
<b>Balance sheet</b>														
Total assets (excluding deferred tax assets)	2,126.3	313.1	208.3	1,775.6	386.2	2,161.8	1,066.7	372.4	1,439.1	1,165.8	3,613.9	11,028.3	(418.3)	10,624.2
Total liabilities excluding deferred tax	740.8	(26.8)	104.0	377.2	93.2	470.4	189.7	47.8	237.5	234.4	2,005.9	3,766.2	(77.9)	3,687.9
Deferred tax liabilities/(assets)	379.2	110.3	19.2	300.2	50.6	350.8	N1	N1	264.5	12.4	(65.3)	1,071.1	(526.3)	895.6
<b>Capital expenditure</b>	296.2	80.4	314.5	259.9	92.1	352.0	315.3	62.3	377.7	93.8	86.2	1,600.6	(277.8)	1,322.8

- (1) As these two Australian operations are entitled to transfer and off-set losses from one company to another, it is not meaningful to split the royalties, current or deferred taxation.
- # Corporate and other represents items to reconcile segment data to consolidated financial statement totals. Included in Corporate and other is goodwill relating to the acquisition of South Deep and equity investees.
- Figures may not add as they are rounded independently.

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(\$ in millions unless otherwise noted)

**26. GEOGRAPHICAL AND SEGMENT INFORMATION (continued)**

		<b>Fiscal Year Ended December 31, 2014</b>	Fiscal Year Ended December 31, 2013	Fiscal Year Ended December 31, 2012
The following provides a breakdown of the reconciling items for each line item presented				
<i>Continuing operations</i>				
<b>Operating costs</b>				
Exploration, evaluation and feasibility costs	(e)	(21.3)	(22.4)	(35.2)
Provision for rehabilitation	(f)	3.0	4.7	(0.4)
Cut-backs	(d)	(107.1)	(146.6)	(184.0)
Deferred stripping	(g)		1.9	20.4
		(125.4)	(162.4)	(199.2)
<b>Gold inventory change</b>				
Inventory	(h)	7.2	(1.2)	0.1
		7.2	(1.2)	0.1
<b>Amortization and depreciation</b>				
Amortization of reserves	(b)	(18.0)	(15.8)	(12.5)
Cut-backs	(d)	33.9	38.3	41.1
Amortization - asset impairments and write-offs	(i)	(25.0)	(36.9)	
Amortization - inclusion of future costs	(c)	(9.7)	58.6	47.0
Amortization - capitalized interest	(j)	(4.7)	(4.4)	(4.3)
Provision for rehabilitation	(f)	3.3	2.5	2.1
		(20.2)	42.4	73.4
<b>Exploration and feasibility expenditure</b>				
Exploration, evaluation and feasibility costs	(e)	15.1	(25.1)	(5.1)
<b>Asset impairments and write-offs</b>				
Asset impairments and write-offs	(i)	3.2	582.4	(7.5)
<b>Other items as detailed in the statement of operations</b>				
Interest capitalization	(j)		(5.3)	(3.1)
Profit on sale of investments	(l)	68.2		
Rehabilitation adjustment	(f)	11.8		
Other		(0.1)	3.3	2.3
		79.9	(2.0)	(0.8)





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(\$ in millions unless otherwise noted)

**26. GEOGRAPHICAL AND SEGMENT INFORMATION (continued)**

		<b>Fiscal Year Ended December 31, 2014</b>	Fiscal Year Ended December 31, 2013	Fiscal Year Ended December 31, 2012
<b>Total liabilities</b>				
Provision for rehabilitation	(f)	<b>(11.1)</b>	(14.3)	(77.9)
<b>Total assets</b>				
Business combination - purchase of South Deep	(a)	<b>340.2</b>	380.3	481.8
Amortization of reserves	(b)	<b>(183.6)</b>	(184.0)	(197.5)
Amortization - inclusion of future costs	(c)	<b>176.5</b>	203.5	175.9
Cut-backs	(d)	<b>(605.9)</b>	(600.4)	(498.8)
Exploration, feasibility and evaluation costs	(e)	<b>(154.2)</b>	(318.9)	(379.3)
Provision for rehabilitation	(f)	<b>18.3</b>	0.2	(75.4)
Investments in equity investees	(k)			(3.4)
Deferred stripping	(g)	<b>6.6</b>	8.7	(12.9)
Inventory	(h)	<b>21.6</b>	14.6	15.4
Asset impairments and write-offs	(i)	<b>281.5</b>	414.7	(52.8)
Amortization - Interest capitalised	(j)	<b>(23.1)</b>	(20.9)	(18.5)
Interest capitalization	(j)	<b>62.7</b>	62.8	84.2
Inventory stockpiles	(k)	<b>(1.2)</b>	(1.2)	(1.2)
Amortization - discontinued operations	(m)			(28.1)
Business combination - formation of Original Gold Fields	(n)			66.3
Business combination - formation of Gold Fields	(o)			26.0
Other		<b>(1.8)</b>		
		<b>(62.4)</b>	(40.6)	(418.3)

Notes to the reconciliation of segment information to the historical financial statements

**(a) Business combinations - purchase of South Deep**

For management reporting purposes, traded equity securities issued as consideration in a business combination were valued on the date they were issued. Under U.S. GAAP, at the time of the acquisition, traded equity securities issued as consideration in a business combination were valued a few days before and after the terms of the transaction were announced.

For management reporting purposes, the entire interest acquired in South Deep was fair value upon gaining a controlling interest. Under U.S. GAAP, only the additional interest acquired was accounted for at fair value; assets acquired before obtaining control are stated at historical carrying amounts. In addition, U.S. GAAP requires retrospective equity accounting from the date the interest is acquired until the Group obtains control and the investment becomes a subsidiary. For management reporting purposes, no retrospective equity accounting is applied.

For management reporting purposes, any excess arising over the purchase price paid and the fair value of the net identifiable assets and liabilities acquired for additional interests in subsidiaries from minority shareholders are recorded directly in equity ( economic entity model ). Under U.S. GAAP, any excess over the purchased price paid and the fair value of the net identifiable assets and liabilities are recorded as goodwill ( parent company model ).



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**Gold Fields Limited**

**Notes to the Consolidated Financial Statements**

**(\$ in millions unless otherwise noted)**

**26. GEOGRAPHICAL AND SEGMENT INFORMATION (continued)**

**(b) Amortization of reserves**

For management reporting purposes, a portion of ore resources at the Australian operations, based on the philosophy of "endowment", is used for calculating depreciation and amortization. Under U.S. GAAP, depreciation and amortization is calculated based upon existing proven and probable reserves.

**(c) Amortization - inclusion of future costs**

For management reporting purposes, future mine development costs were included in mining assets at the Australian operations in calculating depreciation and amortization. Under U.S. GAAP, future development costs are not included in the calculation of depreciation and amortization.

**(d) Cut-backs**

For management reporting purposes, waste laybacks at surface operations are capitalized as mine development costs. Under U.S. GAAP, once the production phase of a mine has commenced, waste laybacks are considered variable production costs that should be included as a component of inventory to be recognized in Production costs exclusive of depreciation and amortization in the same period as the revenue from the sale of inventory. As a result, capitalization of waste laybacks is appropriate only to the extent product inventory exists at the end of a reporting period.

**(e) Exploration, feasibility and evaluation costs**

For management reporting purposes, exploration costs are capitalized from the date the drilling program confirms sufficient evidence of mineralization to proceed with a feasibility study. Under U.S. GAAP, exploration costs are capitalized from the date a bankable feasibility study is completed.

**(f) Provision for rehabilitation**

*Revisions to the provision for environmental rehabilitation*

For management reporting purposes, all changes in the carrying amount of the provision for environmental rehabilitation, other than accretion expense, are recognized as an increase or decrease in the carrying amount of the associated rehabilitation asset. Changes resulting from revisions in the timing or amount of estimated cash flows are recognized as an increase or decrease in the carrying amount of the provision for environmental rehabilitation and the associated rehabilitation asset for U.S. GAAP.

In addition, the current discount rate is applied to measure the provision for environmental rehabilitation for management reporting purposes. Under U.S. GAAP, any decreases in the provision for environmental rehabilitation as a result of downward revisions in cash flow estimates should be treated as a modification of an existing provision for environmental rehabilitation and should be measured at the historical discount rate used to measure the initial provision for environmental rehabilitation.

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**Gold Fields Limited**

**Notes to the Consolidated Financial Statements**

**(\$ in millions unless otherwise noted)**

**26. GEOGRAPHICAL AND SEGMENT INFORMATION (continued)**

*Accretion of the provision for environmental rehabilitation and amortization of the associated rehabilitation asset*

For reasons discussed above, the carrying values of the provision for environmental rehabilitation and associated rehabilitation asset for management reporting purposes are different to those under U.S. GAAP, which in combination with different discount rates result in a different amortization charge and accretion expense.

*Rehabilitation adjustment*

For both management reporting purposes and U.S. GAAP, to the extent that an asset is taken out of service or no longer in use, an increase or decrease in the related carrying amount of the provision for environmental rehabilitation is immediately recognized in profit or loss. For reasons discussed above, the carrying value of the provision for environmental rehabilitation for management reporting purposes differs to those under U.S. GAAP, related to assets taken out of service or no longer in use which, results in a different amount recognized in profit or loss.

**(g) Deferred stripping**

For management reporting purposes, prior to the adoption of IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine, the Company deferred the waste stripping costs in excess of the expected average pitlife stripping ratio. IFRIC 20 was adopted on January 1, 2013.

IFRIC 20 requires that production stripping costs in a surface mine be capitalised to non-current assets if, and only if, all of the following criteria are met:

It is probable that the future economic benefit associated with the stripping activity will flow to the entity;

The entity can identify the component of the ore body for which access has been improved; and

The costs relating to the stripping activity associated with that component can be measured.

If the above criteria are not met, the stripping costs are recognised directly in profit or loss.

Under U.S. GAAP, waste stripping costs are considered costs of the extracted minerals and recognized as a component of inventory to be recognized in production costs exclusive of depreciation and amortization in the same period as the revenue from the sale of inventory.

**(h) Inventory**

Under U.S. GAAP, additional amortization, waste stripping costs and cut backs expensed are included in the cost of inventory produced. No such absorption of costs occurred for management reporting purposes. Under U.S. GAAP, management is required to record inventory at the lower of cost and market value.



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**Gold Fields Limited**

**Notes to the Consolidated Financial Statements**

**(\$ in millions unless otherwise noted)**

**26. GEOGRAPHICAL AND SEGMENT INFORMATION (continued)**

**(i) Impairment of assets**

For management reporting purposes, the Agnew mine was not determined to be impaired in prior years. Under U.S. GAAP, the Agnew mine was determined to be impaired and an impairment charge was recognized.

For management reporting purposes, the Tarkwa, Damang and St Ives cash-generating units as well as certain other assets at Tarkwa were determined to be impaired in fiscal 2013. For US GAAP purposes, after performing impairment tests, only the Damang mine was considered to be impaired and at a different amount due to the different impairment model prescribed under U.S. GAAP. In addition, Arctic Platinum, classified as held for sale, was impaired for management reporting purposes in fiscal 2014 and fiscal 2013, but not considered impaired under US GAAP as the fair value less cost to sell exceeded the carrying value under U.S GAAP.

For reasons discussed above, certain assets carrying values for management reporting purposes are different to those under U.S. GAAP, which results in a different amortization charge.

**(j) Interest capitalization**

For management reporting purposes, borrowing costs are capitalized to the extent that qualifying assets are financed through specific debt financing or general outstanding debt not for any specific purpose other than funding the operations of the Group. Under U.S. GAAP, total outstanding debt financing is taken into account in calculating the amount of borrowing cost to be capitalized.

For reasons discussed above, certain assets carrying values for management reporting purposes are different to those under U.S. GAAP, which results in a different amortization charge.

**(k) Inventory stockpiles**

For management reporting purposes, previous impairment charges writing down stockpiles to market values are reversed when the net realizable value rises above the original cost. Under U.S. GAAP, the market value is deemed the new base cost and impairment charges are not reversed.

**(l) Profit on sale of investments**

For management reporting purposes, exploration costs at the Chucapaca exploration project were previously capitalized and are included in the assets disposed of when calculating the profit on sale. Under U.S. GAAP these exploration costs were not capitalized and are not included in the assets disposed of when calculating the profit on sale.

**(m) Amortization - discontinued operations**

For management reporting purposes, Sibanye Gold was accounted for as a discontinued operation in fiscal 2012 and the related assets and liabilities were classified as held for distribution. As a result, depreciation ceased due to the classification of the assets as held for distribution. Under U.S. GAAP, the Spin-off was not accounted for as a discontinued operations in 2012 as the Sibanye Gold assets and liabilities continue to be as classified as held for use until the Spin-off date. As a result depreciation did not cease in fiscal 2012 and is charged until the Spin-off date.

**(n) Business combination - formation of Original Gold Fields**

For management reporting purposes, the formation of Original Gold Fields was accounted for as a uniting-of-interests. Under U.S. GAAP, the Company accounted for the assets and liabilities acquired from Gold Fields of South Africa Limited at historical cost, and the assets and liabilities acquired from Gencor and outside shareholders as a purchase.

**(o) Business combination - formation of Gold Fields**

For management reporting purposes, the difference between the purchase price and net asset value of acquired assets that arose on this transaction was set-off against shareholders' equity. Under U.S. GAAP, the excess purchase price was capitalized to property, plant and equipment and is being amortized over its useful life.

**Table of Contents****Schedule 1 - Valuation and Qualifying Accounts**

Valuation allowances on deferred tax assets

	Balance at beginning of year	Valuation allowance reversed	Valuation allowance raised	Arising on acquisition/ disposal of subsidiaries	Charged to unredeemed capital expenditure/ tax losses	Foreign currency translation adjustment	Balance at end of year
<b>Fiscal Year Ended December 31, 2014</b>							
Valuation allowance	330.2		38.3		59.4	(41.1)	386.8
<b>Fiscal Year Ended December 31, 2013</b>							
Valuation allowance	324.4		1.1	(5.4)	60.2	(50.1)	330.2
<b>Fiscal Year Ended December 31, 2012</b>							
Valuation allowance	152.4	(58.2)			222.8	7.4	324.4

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