GOLD FIELDS LTD
Form 20-F
December 03, 2009
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As filed with the Securities and Exchange Commission on December 3, 2009

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

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended 30 June 2009

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

Commission file number: 1-31318

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

011-27-11-562-9700

(Address of principal executive offices)

Michael Fleischer

Executive Vice President General Counsel

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150 Helen Road

Sandown, Sandton, 2196

South Africa

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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:

704,749,849 ordinary shares of par value Rand 0.50 each

50 Redeemable Preference Shares of Rand 0.01 each

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes x 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 x

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 x 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 x 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):

Large accelerated filer x 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 x 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 x

(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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The Worldwide Locations of Gold Fields Operations

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Presentation of Financial Information

Gold Fields Limited, or Gold Fields or the Company, is a South African company and the majority of its operations, based on gold production, are located there. Accordingly, its books of account are maintained in South African Rand and its 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, which are translated into U.S. dollars. 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 descriptions of critical accounting policies refer to accounting policies under U.S. GAAP.

For Gold Fields financial statements, unless otherwise stated, balance sheet item amounts are translated from Rand to U.S. dollars at the exchange rate prevailing on the date that it closed its accounts for fiscal 2009 (Rand 8.06 per $1.00 as of June 24, 2009), 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 to U.S. dollars at the weighted average exchange rate for each period (Rand 9.01 per $1.00 for the year ended June 30, 2009).

In this annual report, Gold Fields presents the financial items total cash costs, total cash costs per ounce , total production costs and total production costs per ounce, which have been determined using industry standards promulgated by the Gold Institute and are not U.S. GAAP measures. The Gold Institute was a non-profit international industry association of miners, refiners, bullion suppliers and manufacturers of gold products that ceased operation in 2002, which developed a uniform format for reporting production costs on a per ounce basis. The Gold Institute has now been incorporated into the National Mining Association. The guidance was first adopted in 1996 and revised in November 1999. 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 Gold Institute provided definitions for the calculation of total cash costs and total production costs, the calculation of total cash costs, total cash costs per ounce, total production costs and total production 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 Total cash costs per ounce and Information on the Company Glossary of Mining Terms Total production costs per ounce.

In this annual report Gold Fields also presents the financial items operating costs and notional cash expenditure , or NCE. Operating costs and NCE have been determined by Gold Fields on the basis of internally developed definitions and are not U.S. GAAP measures. Gold Fields defines operating costs as production costs (exclusive of depreciation and amortization) plus corporate expenditure, employment termination costs and accretion expense on provision for environmental rehabilitation Gold Fields defines NCE as operating costs plus additions to property plant and equipment. See Operating and Financial Review and Prospects Costs Notional Cash Expenditure. An investor should not consider these items 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. Operating costs and NCE as presented in this annual report may not be comparable to other similarly titled measures of performance of other companies.

Defined Terms and Conventions

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 and all references to Peru are to the Republic of Peru.

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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, or to its predecessor entity, the Department of Minerals and Energy which was split into the Department of Mineral Resources and the Department of Energy in July 2009, as applicable.

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.

This annual report contains references to serious injury frequency rates at each Gold Fields mining operation. The serious injury frequency rate is not comparable across Gold Fields operations and may not be comparable with similarly titled measures of other companies. In particular, the serious injury frequency rate for South African operations includes only those lost time injuries where the injured employee does not return to work within 14 days of the injury; whereas the serious injury frequency rate for Ghanaian and Peruvian operations includes both medically treated injuries and those lost time injuries where an employee is unable to attend any single shift due to a work-related injury; and lastly, the serious injury frequency rate for the Australian operations includes all lost time injuries where an employee is unable to attend any single shift due to a work-related injury.

In this annual report, R and Rand refer to the South African Rand and Rand cents refers to subunits of the South African Rand, $, U.S.$ and 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 and CAD refers to Canadian dollars.

In this annual report, gold production figures are provided in troy ounces, which are referred to as ounces or oz, and ore grades are provided in grams per metric ton, which are referred to as grams per ton or g/t. All references to tons or t in this annual report are to metric tons. All references to gold include gold and gold equivalent ounces, as applicable. 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.

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 minority 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.

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 8.06 per $1.00 and A$1.00 per $0.798, which were the closing rates on June 24, 2009. 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.

Information on South Deep, Western Areas and BGSA

This annual report contains certain information relating to Western Areas Limited (now known as Gold Fields Operations Limited), or Western Areas, Barrick Gold South Africa (Pty) Limited, or BGSA (now known as GFI Joint Ventures Holding (Pty) Limited, or GFI Joint Ventures), and the South Deep gold mine, or South Deep, including information contained in Risk Factors, Information on the Company, Operating and Financial Review and Prospects and Additional Information. This information, as it relates to information

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regarding South Deep, Western Areas and BGSA in the period before Gold Fields acquisition of these entities, has been compiled from information published by Western Areas, including information filed with JSE Limited, or JSE, and certain due diligence materials made available to Gold Fields by Western Areas and Barrick Gold Corporation, or Barrick, and has not been commented on by any representative of Western Areas or Barrick. Gold Fields has sought to ensure that the information presented has been accurately reproduced from these sources. However, Gold Fields is otherwise unable to confirm that the information relating to Western Areas, South Deep and BGSA is in accordance with the facts and does not omit anything likely to affect the import of the information.

A portion of Gold Fields proven and probable reserves for South Deep are based on the pre-acquisition South Deep operation reserve figures as declared for December 2005 by an independent review panel, or IRP, for the Barrick Gold-Western Areas Joint Venture between BGSA (formerly, Placer Dome South Africa Proprietary Limited) and Western Areas. However, a significant portion of the June 30, 2009 South Deep reserves now take into account new estimation and mine design work on the Upper Elsburg Reefs completed during fiscal 2009 in accordance with Gold Fields standards and procedures. 50% of the total reserve ounces relate to the current mining area, or the Current Mine, and the area below the Current Mine and above infrastructure, or Phase 1, north of the Wrench Fault and also Phase 1 south of the Wrench Fault (above infrastructure). 50% of the total reserve ounces relate to Phase 2, being the South Shaft/Old Mine and the Ventersdorp Contact Reef, or the VCR. The 50% relating to the Current Mine, Phase 1 north of the Wrench Fault and Phase 1 south of the Wrench Fault (above infrastructure) have been remodeled and designed. Due to no further information being available at this stage, the remaining deeper portion of the reserves continue to be based on the pre-acquisition figures, as declared by the IRP, as described above.

Gold Fields is presently undertaking a surface drilling exploration program that Gold Fields expects will provide additional technical information on the geological structure, sedimentology, facies characteristics and tenor of the Ventersdorp Contact Reef, or the VCR, and Upper Elsburg Reefs in the area below current infrastructure to the southern boundary of the mining area, or Phase 2. When the surface drilling exploration program is completed, Gold Fields expects the additional information will provide for enhanced resource modeling of the Phase 2 ground and will increase confidence levels with regard to in situ facies geometry, reef grades and tonnages. See also Risk Factors Gold Fields has not independently confirmed the reliability of the South Deep, BGSA or Western Areas information for the period prior to their respective acquisitions by Gold Fields included in this annual report.

Forward-looking Statements

This annual report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, 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. Statements in this annual report that are not historical facts are forward-looking statements.

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;
- 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;

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the success of exploration and development activities;

decreases in the market price of gold or copper;

the occurrence of hazards associated with underground and surface gold mining;

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

the occurrence of labor disruptions and industrial actions;

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;

changes in relevant government regulations, particularly environmental regulations and potential new legislation affecting mining and mineral rights;

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

political and social 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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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 each of the three years ended June 30, 2009 and as of June 30, 2009 and 2008 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 each of the two years ended June 30, 2006, and as of June 30, 2007, 2006 and 2005 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 financial statements which have been prepared in accordance with U.S. GAAP. The other Operating Data presented has been calculated as described in the footnotes to the table below:

	Year ended June 30,[1][2]				
	2005	2006	2007	2008	2009
	($ millions, unless otherwise stated)				
Statements of Operations Data					
Revenues	1,893.1	2,282.0	2,735.2	3,206.2	3,228.3
Production costs (exclusive of depreciation and amortization)	1,372.4	1,499.9	1,707.7	1,996.1	1,998.6
Depreciation and amortization	366.4	353.3	388.2	400.5	433.5
Corporate expenditure	22.5	21.9	38.4	41.0	35.5
Employment termination costs	13.7	9.1	4.9	16.2	21.0
Exploration expenditure	46.0	39.3	47.4	39.8	58.0
Impairment of assets	233.1			11.4	
Shaft closure costs				3.3	(0.2)
Impairment of critical spares	2.8				
(Decrease)/increase in post-retirement healthcare provision	(4.2)	(0.5)	1.3	(0.7)	3.4
Accretion expense on environmental rehabilitation	11.5	8.6	6.4	12.0	13.9
Share-based compensation	2.1	11.5	12.5	20.7	33.7
Harmony hostile bid costs	50.8				
IAMGold transaction costs	9.3				
Interest and dividends	29.2	26.8	26.8	31.2	24.9
Finance expense	(54.9)	(55.6)	(95.2)	(100.4)	(73.9)
Unrealized gain on financial instruments	4.9	14.6	15.4		
Realized gain/(loss) on financial instruments	2.1	(9.1)	(10.7)	19.8	(1.3)
Realized (loss)/gain on foreign exchange			(15.1)	1.7	10.2
Profit on sale of property, plant and equipment	0.8	3.7	7.4	4.6	0.5
Profit/(loss) on disposal of subsidiaries				208.4	(0.3)
Profit/(loss) on disposal of listed investments	8.1	6.3	26.8	3.7	(16.1)
Impairment of listed investments	(7.7)				(16.0)
Profit on disposal of exploration rights	7.5				
Other (expenses)/income	(4.3)	(16.5)	(2.2)	5.9	(7.7)

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	Year ended June 30,[1][2]				
	2005	2006	2007	2008	2009
(Loss)/income before tax, impairment of investment in equity investee, share of equity investees (losses)/income and minority interests	(247.6)	309.1	481.6	840.8	551.2
Income and mining tax benefit/(expense)	85.8	(110.6)	(209.3)	(271.2)	(264.6)
(Loss)/Income before impairment of investment in equity investee, share of equity investees (losses)/income and minority interests	(161.8)	198.5	272.3	569.6	286.6
Impairment of investment in equity investee				(61.3)	(87.4)
Share of equity investees (losses)/income	(0.8)	(7.0)	0.3	(16.0)	(3.5)
Minority interests	(20.6)	(29.8)	(26.5)	(39.8)	(34.8)
Net (loss)/income	(183.2)	161.7	246.1	452.5	160.9
Basic (loss)/earnings per share ($)	(0.37)	0.33	0.44	0.69	0.24
Diluted (loss)/earnings per share ($)	(0.37)	0.33	0.44	0.69	0.24
Dividend per share (Rand)	0.70	0.80	2.00	1.60	1.50
Dividend per share ($)	0.11	0.13	0.28	0.22	0.17
Other Operating Data					
Total cash costs per ounce of gold produced ($)[3]	302	338	394	505	538
Total production costs per ounce of gold produced ($)[4]	385	419	482	610	659
Notional cash expenditure per ounce of gold produced ($)[5]	416	441	596	822	763

Notes:

(1) The data for each of the two years ended June 30, 2005 and 2006 has been adjusted due to a change in accounting policy in fiscal 2007 regarding ore reserve development costs, which were previously expensed and are now capitalized. Under this revised accounting policy, 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 Gold Fields 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. Previously, at Gold Fields underground mines, costs incurred to develop the property were capitalized only until the reef horizons were intersected. Subsequent mine development costs to access other specific ore blocks or areas of the mine were treated as variable production costs and expensed as incurred.

(2) As a result of the acquisition of Western Areas, Western Areas was fully consolidated with Gold Fields as from December 1, 2006. See Note 3(d) to Gold Fields audited consolidated financial statements included elsewhere in this annual report. During the period between December 1, 2006 and March 31, 2007, Gold Fields did not own 100% of Western Areas and therefore did not own 100% of South Deep. The percentages of the results of Western Areas and South Deep that did not accrue to Gold Fields have been accounted for as minority interests. U.S. GAAP requires that, where a company is acquired through a series of transactions, an investment in that company that was previously accounted for as available for sale be retrospectively accounted for on an equity basis. Since Gold Fields had previously held interests in Western Areas which were accounted for as available for sale, its results for prior years and the period July 1, 2006 to November 30, 2006 have been adjusted accordingly to account for the investment in Western Areas using the equity method.

(3) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined using guidance provided by the Gold Institute, by gold ounces sold for all periods presented. The Gold Institute was a non-profit international industry association of miners, refiners, bullion suppliers and manufacturers of gold products that ceased operation in 2002, which developed a uniform format for reporting production costs on a per ounce basis. The Gold Institute has now been incorporated into the National Mining Association. The guidance was first adopted in 1996 and revised in November 1999. Total cash costs, as defined in the Gold Institute industry guidance, are production costs as recorded in the statement of operations, less offsite (i.e. central) general and administrative expenses (including head office costs performance, as well as changes in the currency exchange rate between the Rand, Australian dollar and the Bolivar, compared with the

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U.S. dollar). Total cash costs and total cash costs per ounce are not U.S. GAAP measures. Management, however, believes that total cash costs per ounce provides a measure for comparing Gold Fields operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. An investor should not consider total cash costs and total cash costs per ounce in isolation or as an alternative to total production costs or net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. In particular, depreciation and amortization is included in a measure of production costs under U.S. GAAP, but is not included in total cash costs under the guidance provided by the Gold Institute. Furthermore, while the Gold Institute provided a definition for the calculation of total cash costs, the calculation of total cash costs per ounce may vary significantly among gold mining companies, and by itself does not necessarily provide a basis for comparison with other gold mining companies. See Information on the Company Glossary of Mining Terms Total cash costs per ounce. For a reconciliation of Gold Fields production costs to its total cash costs for fiscal 2009, 2008 and 2007, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2009 and 2008 Costs and Expenses and Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2008 and 2007 Costs and Expenses.

(4) Gold Fields has calculated total production costs per ounce by dividing total production costs, as determined using the guidance provided by the Gold Institute, by gold ounces sold for all periods presented. Total production costs, as defined by the Gold Institute industry guidance, are total cash costs, as calculated using the Gold Institute guidance, plus amortization, depreciation and rehabilitation costs. Changes in total production 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. Changes in the currency exchange rate between the Bolivar and the U.S. dollar affected changes in total production costs per ounce until the sale of the Choco 10 mine on November 30, 2007. Total production costs per ounce is not a U.S. GAAP measure. Management, however, believes that total production costs per ounce provides a measure for comparing Gold Fields operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. An investor should not consider total production costs per ounce in isolation or as an alternative to total production costs or net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the Gold Institute provided a definition for the calculation of total production costs, the calculation of total production costs per ounce may vary significantly among gold mining companies, and by itself does not necessarily provide a basis for comparison with other gold mining companies. See Information on the Company Glossary of Mining Terms Total production costs per ounce. For a reconciliation of Gold Fields production costs to its total production costs for fiscal 2009, 2008, and 2007, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2009 and 2008 Costs and Expenses and Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2008 and 2007 Costs and Expenses.

(5) Gold Fields defines notional cash expenditure, or NCE, as operating costs plus additions to property, plant and equipment, and defines operating costs as production costs (exclusive of depreciation and amortization) plus corporate expenditure, employment termination costs and accretion expense on provision for environmental rehabilitation. Gold Fields reports NCE on a per equivalent ounce basis. Management considers NCE per equivalent ounce to be an important measure as it believes NCE per equivalent ounce provides more information than other commonly used measures, such as total cash costs per equivalent ounce, regarding the real cost to Gold Fields of producing an equivalent ounce of gold, reflecting not only the ongoing costs of production but also the investment cost of bringing mines into production. Management also believes that NCE per equivalent ounce is a useful indication of the cash Gold Fields has available to do things other than produce gold, such as paying taxes, repaying debt, funding exploration and paying dividends.

NCE per equivalent ounce is not a U.S. GAAP measure. An investor should not consider NCE or operating costs 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. NCE and operating costs as presented in this annual report may not be comparable to other similarly titled measures of performance of other companies. For a

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reconciliation of Gold Fields notional cash expenditure to its production costs for fiscal 2009, 2008 and 2007, see Operating and Financial Review and Prospects Costs Notional Cash Expenditure.

	As at June 30,[1][2]				
	2005	2006	2007	2008	2009
	($ millions, unless otherwise stated)				
Balance Sheet Data					
Cash and cash equivalents	503.7	217.7	326.4	253.7	357.5
Current portion of financial instruments	46.8	30.4		6.9	
Receivables	119.9	148.7	297.7	280.1	383.5
Inventories	77.4	111.3	144.9	152.8	196.0
Material contained on heap leach pads	55.1	47.7	58.1	74.5	81.3
Total current assets	802.9	555.8	827.1	768.0	1,018.3
Property, plant and equipment, net	2,688.6	3,172.1	5,576.8	5,423.7	5,756.9
Goodwill			1,222.7	1,092.8	1,084.7
Non-current portion of financial instruments	32.4				
Non-current investments	192.0	371.8	401.8	737.4	475.2
Total assets	3,715.9	4,099.7	8,028.4	8,021.9	8,335.1
Accounts payable and provisions	241.9	299.8	463.6	610.3	533.5
Current portion of financial instruments			10.8		1.7
Interest payable	32.6	29.8	34.7	29.2	14.4
Income and mining taxes payable	18.0	46.8	72.2	123.1	98.2
Current portion of long-term loans		0.3	227.5	772.9	317.8
Bank overdraft			3.3	2.7	9.7
Total current liabilities	292.5	376.7	812.1	1,538.2	975.3
Long-term loans	653.1	737.9	1,211.8	564.2	785.9
Deferred income and mining taxes	650.0	781.8	879.5	719.9	817.7
Provision for environmental rehabilitation	134.6	146.4	197.2	216.2	236.9
Provision for post-retirement healthcare costs	9.0	7.4	9.5	7.9	11.4
Other non-current liabilities					3.9
Minority interests	118.4	125.1	127.1	151.4	279.5
Share capital	43.7	43.9	54.8	54.9	57.7
Additional paid-in capital	1,797.9	1,827.6	4,459.8	4,490.4	4,944.2
Retained earnings	24.0	123.9	211.8	521.8	561.5
Accumulated other comprehensive (loss)/income	(7.3)	(71.0)	64.8	(243.0)	(338.9)
Total shareholders equity	1,858.3	1,924.4	4,791.2	4,824.1	5,224.5
Total liabilities and shareholders equity	3,715.9	4,099.7	8,028.4	8,021.9	8,335.1

	As at June 30,[1][2]				
	2005	2006	2007	2008	2009
	($ millions, unless otherwise stated)				
Other Financial Data					
Number of ordinary shares as adjusted to reflect changes in capital structure	492,294,226	494,824,723	652,158,066	653,200,682	704,749,849
Net assets	1,858.3	1,924.4	4,791.2	4,824.1	5,224.5

Notes:

(1) The data as of June 30, 2005 and 2006 has been adjusted due to a change in accounting policy in fiscal 2007 regarding ore reserve development costs, which were previously expensed and are now capitalized. Under this revised accounting principle, 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 Gold Fields 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. Previously, at Gold Fields underground mines, costs incurred to develop the property were capitalized only until the reef horizons were intersected. Subsequent mine development costs to access other specific ore blocks or areas of the mine were treated as variable production costs and expensed as incurred.

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(2) As a result of the acquisition of Western Areas, Western Areas was fully consolidated with Gold Fields as from December 1, 2006. See Note 3(d) to Gold Fields audited consolidated financial statements included elsewhere in this annual report. During the period between December 1, 2006 and March 31, 2007, Gold Fields did not own 100% of Western Areas and therefore did not own 100% of South Deep. The percentages of the results of Western Areas and South Deep that did not accrue to Gold Fields have been accounted for as minority interests. U.S. GAAP requires that, where a company is acquired through a series of transactions, an investment in that company that was previously accounted for as available for sale be retrospectively accounted for on an equity basis. Since Gold Fields had previously held interests in Western Areas which were accounted for as available for sale, its results for prior years and the period July 1, 2006 to November 30, 2006 have been adjusted accordingly to account for the investment in Western Areas using the equity method.

Exchange Rates

The following tables set forth, for the periods indicated, the average, high, low and period-end exchange rates of Rand for US Dollars, expressed in Rand per $1.00. For periods prior to December 31, 2008, the following tables express the exchange rates in terms of the noon buying rate in New York City for cable transfers in Rand as certified for customs purposes by the Federal Reserve Bank of New York. As of December 31, 2008, the Federal Reserve Bank ceased publication of the noon buying rate and, as such, the exchange rates for fiscal 2009 are sourced from I-Net Bridge, being the closing rate at period end.

Year ended June 30,	Average[1]
2005	6.20[1]
2006	6.42[1]
2007	7.20[1]
2008	7.30[1]
2009	9.01[2]
2010 (through November 30, 2009)	7.67[2]

Notes:

(1) The average of the noon buying rates on the last day of each full month during the relevant period as certified for customs purposes by the Federal Reserve Bank of New York.

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

Month ended	High	Low
May 31, 2009	8.65	7.93
June 30, 2009	8.20	7.72
July 31, 2009	8.27	7.71
August 31, 2009	8.15	7.74
September 30, 2009	7.89	7.31
October 30, 2009	7.84	7.23
November 30, 2009	7.97	7.32

The closing rate for the Rand on November 30, 2009 as reported by I-Net Bridge was Rand 7.40 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 JSE Limited, or JSE, which may affect the market price of the American Depositary Shares, or ADSs, on the New York Stock Exchange. 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. However, there may be additional risks that Gold Fields does not currently know of or that Gold Fields currently deems immaterial based on the information available to it. 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.

Substantially all of Gold Fields revenues are derived from the sale of gold. Historically, the market price for gold has fluctuated widely and has been affected by numerous factors over which Gold Fields has no control, including:

- the demand for gold for industrial uses and for use in jewelry;
- actual, expected or rumored purchases and sales of gold bullion holdings by central banks or other large gold bullion holders or dealers;
- speculative trading activities in gold;
- the overall level of forward sales by other gold producers;
- the overall level and cost of production by other gold producers;
- international or regional political and economic events or trends;
- the strength or weakness of the U.S. dollar (the currency in which gold prices generally are quoted) and of other currencies;
- financial market expectations regarding the rate of inflation; and
- interest rates.

In addition, the current demand for and supply of gold affects the price of gold, but not necessarily in the same manner as current demand and supply affect the prices of other commodities. Since the potential supply of gold is large relative to mine production in any given year, normal variations in current production will not necessarily have a significant effect on the supply of gold or the gold price. Central banks, financial institutions and individuals historically have held large amounts of gold as a store of value, and production in any given year historically has constituted a small portion of the total potential supply of gold. Historically, gold has tended to retain its value in relative terms against basic goods in times of inflation and monetary crisis. Pursuant to a gold sales agreement entered into by 15 European central banks, individual banks may sell up to 400 tons of gold per year and the International Monetary Fund has indicated that it may sell up to approximately 400 tons of gold and has already sold 200 tons of gold to the central bank of India. However, the effect on the market of these or any other gold sales is unclear.

While the aggregate effect of these factors is impossible for Gold Fields to predict, if gold prices should fall below the amount it costs Gold Fields to produce gold and remain at such levels for any sustained period, Gold Fields may experience losses and may be forced to curtail or

suspend some or all of its operations and/or reduce capital expenditures. In addition, Gold Fields might not be able to recover any losses it may incur during that period.

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 decline in copper prices, which have also fluctuated widely, could adversely affect the revenues and cashflows from the Cerro Corona mine.

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Because Gold Fields does not use commodity or derivative instruments to protect against low gold prices with respect to its production, Gold Fields is exposed to the impact of any significant decline in the gold price.

As a general rule, Gold Fields sells its gold production at market prices. Gold Fields generally does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for the sale of its future gold production. In general, hedging reduces the risk of exposure to volatility in the gold price. Hedging also enables a gold producer to fix a future price for hedged gold that generally is higher than the then current spot price. To the extent that it does not generally use commodity or derivative instruments, Gold Fields will not be protected against decreases in the gold price and, if the gold price decreases significantly, Gold Fields runs the risk of reduced revenues in respect of gold production that is not hedged. See Quantitative and Qualitative Disclosures About Market Risk.

Gold Fields reserves are estimates based on a number of assumptions, any changes to which may require Gold Fields to lower its estimated reserves.

The ore reserves stated in this annual report represent the amount of gold and copper that Gold Fields estimated, as of June 30, 2009, could be mined, processed and sold at prices sufficient to recover Gold Fields estimated future total costs of production, remaining investment and anticipated additional capital expenditures. Ore reserves are estimates based on assumptions regarding, among other things, Gold Fields costs, expenditures, prices and exchange rates, many of which are beyond Gold Fields control. In the event that Gold Fields revises any of these assumptions in an adverse manner, Gold Fields may need to revise its ore reserves downwards. In particular, if Gold Fields production costs or capital expenditures increase, if gold or copper prices decrease or if the Rand or Australian dollar strengthens against the U.S. dollar, a portion of Gold Fields ore reserves may become uneconomical to recover, forcing Gold Fields to lower its estimated reserves. See Information on the Company Reserves of Gold Fields as of June 30, 2009.

To the extent that Gold Fields seeks to expand through acquisitions, it may experience problems in executing acquisitions or managing and integrating the acquisitions with its existing operations.

In order to expand its operations and reserve base, Gold Fields may seek to make acquisitions of selected precious metal producing and/or exploration companies or assets. Gold Fields success at making any acquisitions will depend on a number of factors, including, but not limited to:

- negotiating acceptable terms with the seller of the business or equities to be acquired;
- obtaining approval from regulatory authorities;
- assimilating the operations of an acquired business in a timely and efficient manner;
- maintaining Gold Fields financial and strategic focus while integrating the acquired business;
- implementing uniform standards, controls, procedures and policies at the acquired business; and
- operating in a new environment to the extent that Gold Fields makes an acquisition outside of markets in which it has previously operated.

There can be no assurance that any acquisition will achieve the results intended. Any problems experienced by Gold Fields in connection with an acquisition as a result of one or more of these factors could have a material adverse effect on Gold Fields business, operating results and financial condition.

To the extent that Gold Fields seeks to expand through its exploration program, 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 its exploration program for gold and other metals associated with gold and its ability to develop mining projects. Exploration for gold and other metals associated with gold is speculative in nature, involves many risks and frequently is unsuccessful. Any

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exploration program entails risks relating to the location of economic orebodies, the development of appropriate metallurgical processes, the receipt of necessary governmental permits and regulatory approvals and the construction of mining and processing facilities at the mining site. Gold Fields exploration efforts may not result in the discovery of gold or other metals associated with gold and any mineralization discovered may not result in an increase of Gold Fields reserves. If orebodies are 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. Gold Fields exploration program may not result in the replacement of current production with new reserves or result in any new commercial mining operations. Also, to the extent Gold Fields participates in the development of a project through a joint venture or any other commercial structure, there could be disagreements, legal or otherwise, or divergent interests or goals among the joint venture parties which could jeopardize the success of the project.

In addition, 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.

Due to the nature of mining and the type of gold mines it operates, Gold Fields faces a material risk of liability, delays and increased production costs from environmental and industrial accidents and pollution.

The business of gold mining by its nature involves significant risks and hazards, including environmental hazards and industrial and mining accidents. In particular, hazards associated with Gold Fields underground mining operations include:

rock bursts;

seismic events, particularly at the Driefontein, Kloof and South Deep operations;

underground fires and explosions, including those caused by flammable gas or in connection with blasting;

cave-ins or gravity falls of ground;

discharges of gases and toxic substances;

releases of radioactivity;

flooding;

electrocution;

falling from height;

accidents related to the presence of mobile machinery, including shaft conveyances and elevators;

ground and surface water pollution, including as a result of potential spillage or seepage from tailings dams;

sinkhole formation and ground subsidence;

human error; and

other accidents and conditions resulting from drilling, blasting and removing and processing material from an underground mine.

Gold Fields South African operations may be more susceptible to certain of these risks because significant amounts of mining occur at deep levels of up to 3,500 meters below the surface.

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Hazards associated with Gold Fields open pit mining operations include:

- flooding of the open pit;
- collapses of the open pit walls;
- electrocution;
- accidents associated with the operation of large open pit mining and rock transportation equipment;
- accidents related to the presence of other mobile machinery;
- accidents associated with the preparation and ignition of large-scale open pit blasting operations;
- ground and surface water pollution, including as a result of potential spillage or seepage from tailings dams;
- production disruptions due to weather; and
- hazards associated with heap leach processing, such as groundwater and waterway contamination.

Hazards associated with Gold Fields rock dump and production stockpile mining and tailings disposal include:

- accidents associated with operating a rock dump and production stockpile and rock transportation equipment;
- production disruptions due to weather;
- sinkhole formation and ground subsidence;
- collapses of tailings dams; and
- ground and surface water pollution, on and off site.

Gold Fields is at risk of experiencing any and all of these environmental or other industrial hazards. The occurrence of any of these hazards could delay or halt production, increase production costs and result in liability for Gold Fields.

Gold Fields may also be subject to actions by labor groups or other interested parties who object to perceived conditions at the mines or to the perceived environmental impact of the mines. These actions may delay or halt production or may create negative publicity related to Gold Fields.

If Gold Fields experiences losses of senior management or is unable to hire and retain sufficient technically skilled employees, its business may be materially and adversely affected.

Gold Fields ability to operate or expand effectively depends largely on the experience, skills and performance of its senior management team. There can be no certainty that the services of its senior management will continue to be available to Gold Fields. Any senior management departures could adversely affect Gold Fields efficiency, control over operations and results of operations.

During fiscal 2009, Gold Fields restructured its operations into four regions. See Information on the Company Strategy Regional Delivery Model . An important element of this restructuring is bolstering the technical skills base of each of the four regional management teams to provide additional resources and to provide for succession planning. The mining industry, including Gold Fields, continues to experience a global shortage of technically skilled employees. Gold Fields may be unable to hire or retain appropriate technically skilled employees or other management personnel, or may have to pay higher levels of compensation than it currently intends in order to do so. If Gold Fields is not able to hire and retain appropriate management and technically skilled personnel, it may not achieve the intended benefits of its regional restructuring, which could have an adverse effect on its results of operations and financial position.

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Because gold is generally sold in U.S. dollars, while most of Gold Fields production costs are in Rand, Australian dollars and other non-U.S. dollar currencies, Gold Fields operating results or financial condition could be materially harmed by an appreciation in the value of these other currencies.

Gold is sold throughout the world principally in U.S. dollars, but Gold Fields costs of production are incurred principally in Rand, Australian dollars and other non-U.S. dollar currencies. As a result, any significant and sustained appreciation of any of these currencies against the U.S. dollar may materially increase Gold Fields costs in U.S. dollar terms, which could adversely affect Gold Fields operating results or financial condition.

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

Gold Fields has significant operations in South Africa, Ghana, Australia and Peru. As a result, changes or instability to the economic, political or social environment in any of these countries or in neighboring countries could affect an investment in Gold Fields.

Several of these countries have, or have had in the recent past, high levels of inflation. Continued or increased inflation in any of the countries where it operates could increase the prices Gold Fields pays for products and services, including wages for its employees and power costs, which if not offset by increased gold prices or currency devaluations could have a material adverse effect on Gold Fields financial condition and results of operations.

The South African government has implemented laws aimed at alleviating and redressing the disadvantages suffered by citizens under previous governments. In the future, the South African government may implement new laws and policies, which in turn may have an adverse impact on Gold Fields operations and profits. In recent years, South Africa has continued to experience high levels of crime and unemployment. These problems may have impacted fixed inward investment into South Africa and have prompted emigration of skilled workers. As a result, Gold Fields may have difficulties attracting and retaining qualified employees.

National elections took place in South Africa in April 2009. South Africa is a young democracy, with the election being only the fourth since the current political system was instituted. It is not certain what, if any, political, economic or social impact the elections will have in South Africa generally, or on Gold Fields specifically. Regional and national elections will take place in Peru in late 2010 and early 2011, respectively. It is not certain what, if any, political or economic impact the elections will have on Peru generally, or on Gold Fields specifically.

There has been an increase in union activity in many industries in the countries in which Gold Fields operates. Greater union activity may increase labor costs and the risk of strikes and may adversely affect Gold Fields financial position and results of operations. A number of unions in various industries have recently gone on strike in South Africa causing work stoppages and production losses. In Ghana, Gold Fields is currently negotiating with unions representing many of its employees and labor unions have recently undertaken strikes and go slow actions against other mining companies. The Australian federal government has introduced a new federal industrial relations system which increases the role and rights of unions in the workplace. Under the new system, the federal government has abolished the use of Australian Workplace Agreements and introduced a new collective bargaining framework that introduces good faith bargaining obligations for employers, fewer restrictions on the content of collective agreements and an enhanced role for union officials as bargaining representatives, parties to agreements and participants in dispute resolution. See Directors, Senior Management and Employees Employees Labor Relations Australia.

There has been regional political and economic instability in certain of the countries surrounding South Africa. Any similar political or economic instability in South Africa could have a negative impact on Gold Fields ability to manage and operate its South African operations. There has been local opposition to mine

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development projects in Peru. Notwithstanding the fact that Gold Fields was complying with the commitments it had made to the local communities, in mid-October 2006, there was an illegal blockade of the access road to the Cerro Corona site resulting in a temporary suspension of construction activities at the site for 30 days. The blockade was accompanied by demands for increased employment from local communities and increased use of local contractors. In addition, the Cerro Corona site is located near the Yanacocha mine which is operated by another company. The Yanacocha mine has also been the subject of local protests, including ones that blocked the road between the Yanacocha mine complex and the City of Cajamarca, which also affected access to the Cerro Corona site. There have also been protests against a Gold Fields joint venture exploration project in Peru. If Gold Fields experiences further opposition in connection with its operations in Peru, or if protests aimed at other mining operations affect operations at Cerro Corona, it could have a material adverse effect on Gold Fields financial condition and results of operations.

As a result of its disposal of its operations in Venezuela to Rusoro Mining Limited, or Rusoro, Gold Fields holds a stake in Rusoro valued at approximately $48.4 million as of June 30, 2009 and is therefore indirectly exposed to the risks of operating in Venezuela. Venezuela has experienced intense political and social turmoil in recent years and there can be no guarantee that Gold Fields stake in Rusoro will not lose some or all of its value.

Some of Gold Fields power suppliers have forced it to halt or curtail activities at its mines, due to severe power disruptions. Power stoppages, fluctuations and power cost increases may adversely affect Gold Fields results of operations and its financial condition.

In South Africa, Gold Fields mining operations are dependent upon electrical power generated by the State utility, Eskom. Eskom holds a monopoly on power supply in the South African market. As a result of an increase in demand exceeding available generating capacity, South Africa has been subject to disruptions in electrical power supply. On January 24, 2008, Gold Fields was forced to suspend all mining activity at its South African operations for several days, due to Eskom declaring *force majeure* and advising its Key Industrial Consumers, of which Gold Fields is one, that it could not guarantee the supply of electricity, forcing Gold Fields to reduce consumption to the minimum possible level. 50% of Gold Fields normal electrical consumption is required simply to pump, ventilate and refrigerate its South African operations. On January 28, 2008, the power supply was restored to 71% of total average consumption allowing Gold Fields to begin ramping up production at its South African operations. By mid-March 2008, the total power available to Gold Fields Driefontein and Kloof mines was approximately 95% of the historical average consumption profile, and at the Beatrix and South Deep mines the percentage was approximately 90%. However, there can be no assurance that power supplies can or will be maintained at this level. The determination of the historical average consumption profile remains under discussion with Eskom, while the Department of Energy finalizes rules regarding baseline adjustments and load growth. Eskom has increased power tariffs significantly, with announced average rises of approximately 33.6% for industrial customers. Gold Fields has experienced real increases in power tariffs of 36.0%, an increase in excess of the announced average for industrial customers as a result of structural changes made to the large power user tariffs and a limitation of 15% on the increase to certain residential tariffs. Gold Fields expects further significant additional increases during the next several years as Eskom embarks on an electricity generation capacity expansion program. While Eskom has applied to the National Energy Regulator of South Africa, or NERSA, for a 35% average tariff increase on each of April 1, 2010, 2011 and 2012, it is uncertain what level of increase will be granted by NERSA. The application is subject to a public comment period, in which Gold Fields has participated, which will end with public hearings in January 2010. Should Gold Fields experience any additional power outages or further power tariff increases or usage constraints, then its financial condition and results of operations may be adversely impacted. In fiscal 2009, power costs made up approximately 11.0% of the costs of production at the South African operations. See Information on the Company Gold Fields Mining Operations Driefontein Operation Mining.

Gold Fields power needs in South Africa will increase as it builds up production at its South Deep mine. It has requested an additional allocation from Eskom and Eskom has indicated that the additional requested capacity will be granted. However, there can be no assurance that Gold Fields will receive all of the power it needs. Any failure to receive power allocation could have an adverse effect on Gold Fields ability to develop South Deep.

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Gold Fields Ghana Limited, or Gold Fields Ghana, among other mining companies in Ghana, was asked by the state electricity supplier, the Volta River Authority, or VRA, in August 2006 to significantly reduce its electricity demand largely because of the low water reservoir level of the VRA s Akosombo generating facility and concerns about its ability to meet future supply and demand at present consumption levels. The VRA subsequently raised the electricity tariff significantly. Since then, the power supply has stabilized and the tariff has been reduced. Although the VRA did not impose any power cuts, frequent power interruptions were experienced. The national utility remains reliant on hydropower for approximately 50% of its generation and there can be no assurance that there will not be new disruptions to the electricity supply in the future.

Actual and potential shortages of production inputs may have an adverse effect on Gold Fields operations and profits.

Gold Fields results of operations 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 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 on the supply of any of these materials would require Gold Fields to find substitute suppliers acceptable to the Company 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.

Giant tires, of the type used by Gold Fields for its large earthmoving equipment and trucks, are in short supply, and prices have risen recently and may continue to rise in the future. This shortage of tires for earthmoving vehicles is causing mining companies to review operating practices, to seek additional methods of preserving tire life and to examine alternative sources of tire supply. To the extent that Gold Fields is unable to procure an adequate supply of these tires, it may have to alter its mining plans, especially at its open pit operations, which could reduce its gold production and have a material adverse effect on Gold Fields business, operating results and financial condition.

The transportation of concentrate produced at Cerro Corona by truck and ship can be interrupted, or result in environmental damage.

The gold/copper concentrate produced at Gold Field s Cerro Corona operation in Peru is transported by truck from the mine to the coast where it is loaded onto ships for transportation to smelters in Asia and Europe, with the risk of loss passing to the buyers only once the concentrate is loaded onto the ship. Gold Fields uses convoys of at least five trucks, accompanied by security personnel to transport the concentrate to the port, but the trucks are still susceptible to road blockades and possible theft of concentrate. On arrival at the port, transfer of the concentrate to ships can be delayed by restrictions on port operations. Any delays in the transportation of concentrate can adversely affect the timing of Gold Fields cashflows and its results of operations. The movement of the concentrate also presents the possibility of environmental damage in the case of spillage. Gold Fields could be held responsible for the damage, even if a contractor undertakes the actual transportation.

Gold Fields insurance coverage may prove inadequate to satisfy potential claims.

Gold Fields may become subject to liability for pollution, occupational illnesses or other hazards 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. 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 Gold Fields, including, but not limited to, claims for environmental or industrial accidents, occupational illnesses or pollution.

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

South Africa s 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. Transactions between South African residents (including companies) and non-residents of the Common Monetary Area are subject to exchange controls enforced by the South African Reserve Bank, or SARB. As a result, Gold Fields ability to raise and deploy capital outside the Common Monetary Area is restricted.

Under South African exchange control regulations, 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 seek further SARB approval prior to applying any such funds to a specific use. 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.

An acquisition of shares in or assets of a South African company by a non-South African purchaser that is subject to exchange control regulations may not be granted regulatory approval.

In some circumstances, potential acquisitions of shares in or assets of South African companies by non-South African resident purchasers are subject to review by the SARB pursuant to South African exchange control regulations. In 2000, the South African Treasury, or the Treasury, refused to approve an acquisition of Gold Fields by Franco-Nevada Mining Corporation Limited, a Canadian mining company. The Treasury may refuse to approve similar proposed acquisitions of Gold Fields in the future. As a result, Gold Fields management may be limited in its ability to consider strategic options and Gold Fields shareholders may not be able to realize the premium over the current trading price of Gold Fields ordinary shares which they might otherwise receive upon such an acquisition. See Information on the Company Environmental and Regulatory Matters South Africa Exchange Controls.

Gold Fields operations and financial condition may be adversely affected by labor disputes or changes in labor laws.

Gold Fields may be affected by certain labor laws that impose duties and obligations regarding worker rights, including rights regarding wages and benefits. For example, laws in South Africa impose monetary penalties for non-compliance with the administrative and the reporting requirements in respect of affirmative action policies, while Ghanaian law contains broad provisions requiring mining companies to recruit and train Ghanaian personnel and to use the services of Ghanaian companies. There can be no assurance that existing labor laws will not be amended or new laws enacted to impose additional reporting or compliance obligations or further increase worker rights in the future. Any expansion of these obligations or rights, especially to the extent they increase Gold Fields labor costs, could have a material adverse effect on Gold Fields business, operating results and financial condition.

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

A significant portion of Gold Fields operations in Australia, Peru and the Damang operation in Ghana, and a smaller portion elsewhere, 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:

- negotiating agreements with contractors on acceptable terms;
- the inability to replace a contractor and its operating equipment in the event that either party terminates the agreement;

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reduced control over those aspects of operations which are the responsibility of the contractor;

failure of a contractor to perform under its agreement with Gold Fields;

interruption of operations or increased costs in the event that a contractor ceases its business due to insolvency or other unforeseen events;

failure of a contractor to comply with applicable legal and regulatory requirements, to the extent it is responsible for such compliance; and

problems of a contractor with managing its workforce, labor unrest or other employment issues.

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, results of operations and financial condition. See 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 adversely affect Gold Fields operations.

Energy is a significant input to Gold Fields mining and processing operations, with its principal energy sources being electricity, purchased petroleum products, natural gas and coal. There is a substantial weight of scientific evidence concluding that CO_2 emissions from fossil fuel-based energy consumption contribute to global warming, greenhouse effects and climate change.

A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impacts of climate change. The December 1997 Kyoto Protocol established a set of greenhouse gas emission targets for developed countries that have ratified the Protocol. South Africa, Ghana, Australia and Peru have ratified the Protocol. The Australian Government s plan of action on climate change includes the introduction of a national emissions trading scheme by 2010 and a mandatory renewable energy target of 20% by the year 2020. Elsewhere, there is current and emerging climate change regulation that will affect energy prices, demand and margins for carbon intensive products. From a medium- and long-term perspective, Gold Fields is likely to see an increase in costs relating to its energy-intensive assets and assets that emit significant amounts of greenhouse gases as a result of regulatory initiatives in countries in which it operates. These regulatory initiatives will be either voluntary or mandatory and may impact Gold Fields operations directly or by affecting its suppliers or customers. Inconsistency of regulations particularly between developed and developing countries may affect Gold Fields decision to pursue opportunities in certain countries and also may affect 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.

The potential physical impacts of climate change on Gold Fields operations are highly uncertain, and would be particular to the geographic circumstances. These may include changes in rainfall patterns and intensities, water shortages, changing sea levels, and changing temperatures. These effects may adversely impact the cost, production and financial performance of Gold Fields operations.

Illegal mining occurs on Gold Fields properties, is difficult to control, can disrupt Gold Fields business and can expose Gold Fields to liability.

A number of Gold Fields properties have experienced illegal mining activities. For example, in 2008, approximately 2,000 miners illegally occupied the Rex pit at the Damang operation. See Information on the Company Gold Fields Mining Operations Ghana Operations Damang Mine Mining . Illegal mining could result in depletion of mineral deposits, potentially making the future mining of such deposits uneconomic. The activities of the illegal miners could cause environmental damage or other damage to Gold Fields properties

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including underground fires, or personal injury or death, for which Gold Fields could potentially be held responsible. The presence of illegal miners could lead to project delays and disputes regarding the development or operation of commercial gold deposits, particularly in Ghana. Illegal mining could also have a material adverse effect on Gold Fields financial condition or results of operations.

Gold Fields South African operations may be adversely affected by increased labor costs or industrial action at its mining operations in South Africa.

Wages and related labor costs accounted for approximately 50% of Gold Fields total production costs in South Africa in fiscal 2009. Accordingly, Gold Fields costs may be materially affected by increases in wages and related labor costs, particularly with respect to Gold Fields South African employees, who are unionized. Negotiations with South African unions that concluded in July 2009 resulted in above-inflation wage increases ranging from 9% to 10.2%, depending upon the category of employee. In total, labor costs increased approximately 14.1% in South Africa in fiscal 2009 (excluding South Deep due to the impact of the retrenchment that took place in fiscal 2009), mainly due to wage increases and a 1% increase in employee numbers necessary to support the increase in mining volumes.

In addition, the South African mining unions have taken and have indicated they may continue to take industrial action to protest a variety of issues. See Information on the Company Gold Fields Mining Operations Driefontein Operation Mining , Information on the Company Gold Fields Mining Operations Kloof Operation Mining , Information on the Company Gold Fields Mining Operations Beatrix Operation Mining and Information on the Company Gold Fields Mining Operations South Deep Operation Mining .

If Gold Fields is unable to increase production levels or implement cost cutting measures to offset these increased wages and labor costs and production losses from industrial action, these costs and losses could have a material adverse effect on Gold Fields mining operations in South Africa and, accordingly, on Gold Fields business, operating results and financial condition. See Directors, Senior Management and Employees Employees Labor Relations South Africa.

HIV/AIDS poses 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. In May 2009, management estimated that approximately 33.2% of Gold Fields workforce in South Africa was infected with HIV. Increasingly, Gold Fields is seeing an adverse impact of HIV/AIDS on its affected employees, evidenced by increased absenteeism and reduced productivity. Compounding this is the concomitant infections with tuberculosis that accompanies the end stages of HIV illness and causes additional healthcare-related costs. Of particular concern is the risk of HIV positive patients developing multi-drug-resistant tuberculosis, which is very difficult and expensive to treat and has long-term impacts on the employees ability to perform their job productively. Medical literature states that HIV positive individuals have an eight times greater risk per year of developing tuberculosis than HIV negative patients. However, even with extensive intervention campaigns, the potential impact of HIV/AIDS on Gold Fields South African operations and financial condition is large. Factors influencing the impact of HIV/AIDS include the incidence of HIV infection among Gold Fields employees and in the community as a whole, the progressive impact of HIV/AIDS on infected employees health and productivity, and the medical and other costs associated with the infection. Most of these factors are beyond Gold Fields control. See Directors, Senior Management and Employees Employees Health and Safety Health HIV/AIDS Program.

Gold Fields operations in South Africa are subject to environmental and health and safety regulations which could impose significant costs and burdens.

Gold Fields South African operations are subject to various environmental laws and regulations including, for example, those relating to waste treatment, emissions and disposal, and must comply with permits or standards governing, among other things, tailings dams and waste disposal areas, water consumption, air

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emissions and water discharges. Gold Fields may, in the future, incur significant costs to comply with the South African environmental 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. Also, Gold Fields may be subject to litigation and other costs as a result of environmental rights granted to individuals under South Africa s Constitution or other sources of rights. These costs could have a material adverse effect on Gold Fields business, operating results and financial condition.

See Information on the Company Environmental and Regulatory Matters South Africa Environmental.

Gold Field s South African operations are also subject to various health and safety laws and regulations which impose various duties on Gold Fields mines while granting the authorities broad powers to, among other things, close unsafe mines and order corrective action relating to health and safety matters. Further, certain targets were set by the Mine Health and Safety Council, a body consisting of representatives from the government, mining companies and unions, for the reduction of accidents, noise and silicosis to be achieved by 2013. Although projections indicate that these targets will be achieved there can be no assurance that this will occur. If a mine fails to achieve these targets, the Mine Health and Safety Council could potentially order that operations be halted.

There have been a number of accidents, many of which have resulted in fatalities, at various mining operations in South Africa recently, including accidents at some of Gold Fields operations. In October 2007, former President Thabo Mbeki ordered the DMR to conduct an occupational health and safety audit at all mines. There is no assurance that the occupational health and safety audit will not result in the introduction of more stringent safety regulations, which could result in restrictions on Gold Fields ability to conduct its mining operations and/or impose additional costs. Regardless of the consequences of the audit or improved health and safety programs, there can be no assurance that the unions will not take industrial action that could lead to losses in Gold Fields production. The DMR can and does issue instructions following safety incidents or accidents to partially or completely halt operations at affected mines. Moreover, it is Gold Fields policy to halt production at its operations where serious accidents occur in order to rectify dangerous situations and, if necessary, retrain workers. Any additional stoppages in production, or increased costs, could have an adverse effect on Gold Fields business, operating results and financial condition. In April 2009, the Mine Health and Safety Amendment Bill became law. As a result, Gold Fields is now subject to more stringent regulations regarding mine health and safety and may be subject to an increased risk of prosecution for industrial accidents as well as greater penalties and fines for non-compliance. Further, 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. See Information on the Company Environmental and Regulatory Matters South Africa Health and Safety.

Gold Fields operations in South Africa are subject to water use licenses which could impose significant costs and burdens.

Under South African law, Gold Fields South African operations are subject to water use licenses that govern each operation s water usage and that require, among other things, that mining operations achieve and maintain certain water quality limits regarding all water discharges. The Kloof operation was issued a water license in December 2008 which requires it to achieve compliance with these limits by 2012. Gold Fields other South African operations have been issued draft water licenses, which, when issued in final form, will likely be on terms similar to those in the Kloof license. Gold Fields operations have been generally in compliance with the proposed limits, however there have been instances where the water discharge exceeded the limits stipulated in the new water use licenses (draft and issued).

Gold Fields is reviewing and investigating a water treatment strategy that will, if successfully implemented, position Gold Fields favorably with regard to achieving these limits. However, there can be no assurance that Gold Fields will achieve such compliance within the required timeframe due primarily to the associated

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regulatory approval processes and commercial agreements that are required. Gold Fields is currently in discussions with the Department of Water Affairs to amend the Kloof license to extend the deadline for compliance beyond 2012. However, there can be no assurance that Gold Fields will receive such an extension. Gold Fields expects to make significant expenditure to achieve and maintain compliance with the license requirements at each South African operation. Any failure on Gold Fields part to achieve or maintain compliance with the requirements of these licenses with respect to any of its operations could result in Gold Fields being subject to substantial penalties, fees and expenses, significant delays in operations or potentially 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 mineral rights in South Africa are subject to legislation which could impose significant costs and burdens.

The 2002 Minerals Act

The Mineral and Petroleum Resources Development Act No. 28 of 2002, or the 2002 Minerals Act, came into effect on May 1, 2004, together with the implementation of a broad-based socio-economic empowerment charter, or the Mining Charter, for effecting entry of historically disadvantaged South Africans, or HDSAs, into the mining industry. Among other things, the Mining Charter requires (i) each mining company to achieve a 15% HDSA ownership of mining assets within five years after the Mining Charter s coming into effect and a 26% HDSA ownership of mining assets within 10 years after the Mining Charter s coming into effect, (ii) the mining industry as a whole to agree to assist HDSA companies in securing finance to fund participation in an amount of Rand 100 billion over the first five years and (iii) mining companies to spell out plans for achieving employment equity at management level with a view to achieving a baseline of 40% HDSA participation in management and achieving a baseline of 10% participation by women in the mining industry, in each case within five years. In accordance with the 2002 Minerals Act, the DMR published a Code of Good Conduct on April 30, 2009, or the Code, and the Housing and Living Code Standard for the Mining Industry, or the Standard, relating to the socio-economic transformation of the mining industry. However, certain provisions of the Code and the Standard appear to be inconsistent with the Mining Charter, or to go beyond the scope envisaged in the 2002 Minerals Act. Various industry participants have been in discussions with the DMR regarding the scope and applicability of the Code and the Standard but there is significant uncertainty regarding the standing and effect of the Code and the Standard s provisions. It is unclear what the final form of the Code and the Standard will be and what effect they may have on Gold Fields results and operations. See Information on the Company Environmental and Regulatory Matters South Africa Mineral Rights The 2002 Minerals Act.

The acquisition by Mvelaphanda Resources Limited of a 15% beneficial interest in the South African gold mining assets of Gold Fields for cash consideration of Rand 4,139 million was effected to meet the requirement for a 15% HDSA ownership within five years of the charter coming into effect. See Operating and Financial Review and Prospects Overview General Mvelaphanda Transaction. Management is in dialogue with the DMR regarding Gold Fields plans and proposals to ensure compliance with relevant HDSA ownership thresholds under the 2002 Minerals Act. Any further adjustment to the ownership structure of Gold Fields South African mining assets in order to meet the mining charter s 10-year HDSA ownership requirement of 26% could have a material adverse effect on the value of Gold Fields ordinary shares and failing to comply with the charter s requirements could subject Gold Fields to negative consequences, the scope of which has not yet been fully determined. Gold Fields may also incur expenses to give effect to the charter s other requirements, and may need to incur additional indebtedness in order to comply with the industry-wide commitment to assist HDSAs in securing Rand 100 billion of financing during the first five years of the mining charter s effectiveness. Moreover, there is no guarantee that any steps Gold Fields has already taken or might take in the future will ensure the successful renewal of all of its existing mining rights or the retaining of new mining rights or 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.

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The Royalty Act

After going through several draft Bills, the Mineral and Petroleum Resources Royalty Act, 2008, or the Royalty Act, was promulgated on November 24, 2008 and was due to come into operation on May 1, 2009. However, it was announced on February 11, 2009 that the Act would not come into operation until March 1, 2010. The Royalty Act imposes a royalty on refined and unrefined minerals payable to the State.

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 deduction for interest payable) before assessed losses but after capital expenditure. A maximum royalty of 5% has been introduced for 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% has been introduced. 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.

See Information on the Company Environmental and Regulatory Matters South Africa Mineral Rights The Royalty Act.

Gold Fields operations in Ghana are subject to environmental and health and safety laws and regulations which could impose significant costs and burdens.

Gold Fields Ghana operations are subject to various environmental laws and regulations. The Ghanaian environmental protection laws require, among other things, that Gold Fields register with the Ghanaian environmental authorities, and obtain environmental permits and certificates for the Ghana operations, as well as to rehabilitate land disturbed as a result of their mining operations. Gold Fields is required to secure estimated environmental rehabilitation costs in part by posting a reclamation bond. Gold Fields Ghana is required to post a reclamation bond and deposit a cash amount sufficient to cover 50% of the estimated rehabilitation costs for the two-year period after the date of the last estimate. Changes in the required method of calculation for these bonds or an unforeseen circumstance which produces unexpected costs may materially and adversely affect Gold Fields future environmental expenditures. See Information on the Company Environmental and Regulatory Matters Ghana Environmental.

Ghanaian health and safety regulations impose statutory duties on an owner of a mine to, among other things, take steps to ensure that the mine is managed and worked in a manner which provides for the safety and proper discipline of the mine workers. Additionally, Gold Fields is required, under the terms of its mining leases, to comply with the reasonable instructions of the relevant authorities for securing the health and safety of persons working in or connected with the mine. A violation of the health and safety regulations or a failure to comply with the reasonable instructions of the relevant authorities 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, in the case of a violation of the regulations relating to health and safety, constitutes an offense under Ghanaian law. If Ghanaian health and safety authorities require Gold Fields to shut down all or a portion of its mines or to implement costly compliance measures, whether pursuant to existing or new health and safety laws and regulations, such measures could have a material adverse effect on Gold Fields business, operating results and financial condition. See Information on the Company Environmental and Regulatory Matters Ghana Health and Safety.

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Gold Fields, as the holder of the mining lease, has potential liability arising from injuries to, or deaths of, workers, including, in some cases, workers employed by its contractors. In Ghana, statutory workers compensation is not the exclusive means for workers to claim compensation. Gold Fields insurance for health and safety claims or the relevant workers compensation arrangements may not be adequate to meet the costs which may arise upon any future health and safety claims.

Gold Fields mineral rights in Ghana are currently subject to regulations, and may become subject to new regulations, which could impose significant costs and burdens.

In Ghana, the ownership of land on which there are mineral deposits is separate from the ownership of the minerals. All minerals in their natural state in or upon any land or water are, under Ghanaian law, the property of Ghana and vested in the President on behalf of the people of Ghana. The new Minerals and Mining Act, 2006 (Act 703), or the Minerals and Mining Act, was passed by the Ghanaian Parliament in fiscal 2006. The Minerals and Mining Act repealed the Minerals and Mining Law, 1986 (PNDCL 153) as amended, or the Minerals and Mining Law, although, as regards existing mineral rights, the Minerals and Mining Law continues to apply to Gold Fields Ghana and Abosso Goldfields Limited, or Abosso, unless the minister responsible for mines provides otherwise by legislative instrument. Although the Minerals and Mining Act provides that it shall not have the effect of increasing the holder s costs, or financial burden, for a period of five years, if in the future new amendments or provisions are passed under the Minerals and Mining Act or new laws are passed which impose significant new costs or burdens on Gold Fields abilities to mine in Ghana or to obtain new mining leases for properties on which deposits are identified, this could have a material adverse effect on Gold Fields business, operating results and financial condition. See Information on the Company Environmental and Regulatory Matters Ghana Mineral Rights.

Gold Fields operations in Australia are subject to environmental and health and safety laws and regulations which could impose significant costs and burdens.

Gold Fields Australian operations are subject to various laws and regulations relating to the protection of the environment. Gold Fields may, in the future, incur significant costs to comply with the Australian environmental 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. These costs may have a material adverse effect on Gold Fields business, operating results and financial condition.

Australian mining companies are required by law to undertake rehabilitation works as part of their ongoing operation and the Gold Fields subsidiaries that hold its Australian operations provide unconditional bank-guaranteed performance bonds to the Western Australian government as security for the estimated costs. These bonds do not cover remediation for events that were unforeseen at the time the bond was taken. Changes in the required method of calculation for these bond amounts or an unforeseen circumstance which produces unexpected costs may materially and adversely affect future environmental expenditures. See Information on the Company Environmental and Regulatory Matters Australia Environmental.

Gold Fields is obligated to provide and maintain a working environment which is safe for mine workers. A violation of the health and safety laws or a failure to comply with the instructions of the relevant health and safety authorities 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 penalties (including imprisonment). If health and safety authorities require Gold Fields to shut down all or a portion of the mine or to implement costly compliance measures, whether pursuant to existing or new health and safety laws and regulations, such measures could have a material adverse effect on Gold Fields business, operating results and financial condition. See Information on the Company Environmental and Regulatory Matters Australia Health and Safety.

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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 native title claims, and there are Aboriginal heritage sites located on certain of Gold Fields tenements. Native title and Aboriginal legislation protect the rights of Aboriginals in relation to the land in certain circumstances. Other tenements may become subject to native title claims if Gold Fields seeks to expand or otherwise change its interest in rights to those tenements. Native title claims could require costly negotiations with the claimants or could affect 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.

Aboriginal heritage sites relate to distinct areas of land which have either ongoing ethnographic, archaeological or historic significance. Aboriginal heritage sites have been identified with respect to portions of some of Gold Fields Australian mining tenements. Additional Aboriginal heritage sites may be identified on the same or additional tenements. Gold Fields may, in the future, incur significant costs as a result of changes in the interpretation of, or new laws regarding, native title and Aboriginal heritage, which may result in a material adverse effect on Gold Fields business, operating results and financial condition. See Information on the Company Environmental and Regulatory Matters Australia Land Claims.

Gold Fields mineral rights in Peru are currently subject to regulations which may be subject to change, and may become subject to new regulations, which could impose significant costs and burdens.

Gold Fields operations in Peru depend on mining concessions for exploration and exploitation works, obtained from the Geologic, Mining and Metallurgic Institute (*Instituto Geológico Minero Metalúrgico*), or the INGEMMET. In addition, Gold Fields operations in Peru depend on obtaining other administrative rights, such as provisional permits, from the Ministry of Energy and Mines, or the MEM, for exploration rights on the area of a claim, and beneficiation or processing concessions, obtained from the MEM, for treatment of mining ores.

Under Peru s current regulatory regime, mining concessions for the exploration and exploitation of minerals have an indefinite term, subject to compliance by the titleholder with the obligations set forth by the General Mining Act (Ley General de Minería), or the LGM. Compliance with such obligations is required to maintain the mining concessions in good standing. Among such obligations are the payment of an Annual Concession Fee (equivalent to U.S.$3 per hectare) and compliance with a minimum annual production target. Failure to pay the Annual Concession Fee for any two consecutive or non-consecutive years may result in the cancellation of the relevant mining concession. Gold Fields processing concession at Cerro Corona also has an indefinite term, subject to compliance with the obligations established by the LGM. Payment of an Annual Concession Fee (calculated on the production capacity of the processing plant) is also required to maintain the processing concession in good standing. Failure to pay the Annual Concession Fee for two consecutive or non-consecutive years may result in the cancellation of the processing concession.

If the INGEMMET or the MEM revoke or cancels any of Gold Fields concessions, Gold Fields financial condition and results of operations could be adversely affected. See Information on the Company on Environmental and Regulatory Matters Peru Regulatory .

On June 24, 2004, the Peruvian Congress approved the 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 mining royalties are calculated on a sliding scale with rates ranging from 1% to 3% over the value of mineral concentrates based on international market prices. As provided by the Mining Royalty Law, effective since January 26, 2007, the Peruvian Tax Authority is responsible for the collection of mining royalties.

There can be no assurance that the Peruvian government will not impose additional mining royalties or payments in the future or that they will not have an adverse effect on Gold Fields results of operations or financial condition.

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Gold Fields operations in Peru are subject to environmental laws, health and safety laws and other regulations which could impose significant costs and burdens.

Gold Fields exploration, mining and milling activities in Cerro Corona are subject to a number of Peruvian laws and regulations, including environmental and health and safety laws and regulations. All mines, including Cerro Corona, must obtain environmental permits from the government and have an Environmental Impact Assessment approved. 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.

There is no assurance that current environmental laws, health and safety laws, and other regulations that may have an impact on Gold Fields operations will not be replaced or modified in the future, or that Gold Fields will not become subject to new more stringent regulations, which could impose significant costs and burdens on its operations. For instance, the development of more stringent environmental protection programs in Peru could impose constraints and additional costs on Gold Fields operations in Peru. Likewise, existing or new health and safety laws and regulations could cause health and safety authorities to require Gold Fields to shut down all or a portion of the mine or to implement costly compliance measures. Any of these events could have a material adverse effect on Gold Fields business, operating results and financial condition. See Information on the Company Environmental and Regulatory Matters Peru Health and Safety.

The acquisition of Western Areas, BGSA and South Deep may expose Gold Fields to unknown liabilities and risks.

Prior to acquiring South Deep from GFI Joint Venture Holdings (Proprietary) Limited (previously known as Barrick Gold South Africa (Pty) Limited, or BGSA), a subsidiary of Barrick Gold Corporation, or Barrick, and Gold Fields Operations Limited (previously known as Western Areas Limited, or Western Areas), Gold Fields was able to conduct only limited due diligence on South Deep, Western Areas and BGSA. There can be no assurance that Gold Fields identified all the liabilities of, and risks associated with, South Deep, BGSA or Western Areas prior to acquiring them or that it will not be subject to unknown liabilities of, and risks associated with, South Deep, Western Areas or BGSA, including liabilities and risks that may become evident only after Gold Fields has been involved in the operational management of South Deep for a longer period of time. On August 21, 2008, Western Areas received a summons from Randgold and Exploration Company Limited, or R&E, and African Strategic Investment (Holdings) Limited. The summons claims that, under prior ownership, Western Areas was part of a scam whereby JCI Limited unlawfully disposed of shares owned by R&E in Randgold Resources Limited and Afrikander Lease Limited, now known as Uranium One. See Information on the Company Legal Proceedings .

Gold Fields has not independently confirmed the reliability of the South Deep, BGSA or Western Areas information for the period prior to their respective acquisitions by Gold Fields included in this annual report.

In respect of information relating to South Deep or Western Areas presented in this annual report for the period before their respective acquisitions by Gold Fields, Gold Fields relied upon publicly available information, including information publicly filed by Western Areas with JSE Limited, or the JSE, and certain due diligence materials supplied by Western Areas and Barrick. For example, a portion of Gold Fields attributable proved and probable reserves are based on the pre-acquisition South Deep operation reserve figures as declared for December 2005 by an independent review panel, or the IRP, for the Barrick Gold Western Areas Joint Venture between BGSA (formerly, Placer Dome South Africa Proprietary Limited) and Western Areas. A significant portion of the June 30, 2009 South Deep reserves take into account new estimation and mine design work on the Upper Elsburg Reefs completed during fiscal 2009 in accordance with Gold Fields standards and procedures. 50% of the total reserve ounces relate to the Current Mine, Phase 1 north of the Wrench Fault and Phase 1 south of the Wrench Fault (above infrastructure). 50% of the total reserve ounces relate to Phase 2, being the South Shaft/Old Mine and the VCR. The 50% relating to the Current Mine, Phase 1 north of the Wrench

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Fault and Phase 1 south of the Wrench Fault (above infrastructure) have been remodeled and designed. Due to no further information being available at this stage, the remaining deeper portion of the reserves continue to be based on the pre-acquisition figures declared by the IRP, as described above.

Gold Fields is presently undertaking a surface drilling exploration program that will provide additional technical information on the geological structure, sedimentology, facies characteristics and tenor of the Ventersdorp Contact Reef (VCR) and Upper Elsburg Reefs in the area below current infrastructure to the southern boundary of the mining area, or Phase 2.

Gold Fields was not involved in the preparation of this information and has not had the opportunity to perform comprehensive due diligence on them. Until the exploration drilling and resource modeling in Phase 2 is completed, Gold Fields cannot verify the accuracy or completeness of the information or materials or any failure by Western Areas or Barrick to disclose events that may have occurred, but that are unknown to Gold Fields, that may affect the significance or accuracy of any such information.

Investors in the United States 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.

Gold Fields is incorporated in South Africa. The majority 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. A foreign judgment is not directly enforceable in South Africa, but constitutes a cause of action which will be enforced by South African courts provided that:

- the court which pronounced the judgment had jurisdiction to entertain the case according to the principles recognized by South African law with reference to the jurisdiction of foreign courts;
- the judgment is final and conclusive (that is, it cannot be altered by the court which pronounced it);
- the judgment has not lapsed;
- the recognition and enforcement of the judgment by South African courts would not be contrary to public policy, including observance of the rules of natural justice which require that the documents initiating the United States proceedings were properly served on the defendant and that the defendant was given the right to be heard and represented by counsel in a free and fair trial before an impartial tribunal;
- the judgment was not obtained by fraudulent means;
- the judgment does not involve the enforcement of a penal or revenue law; and
- the enforcement of the judgment is not otherwise precluded by the provisions of the Protection of Businesses Act 99 of 1978, as amended, of the Republic of South Africa.

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, that does not mean that such awards are necessarily contrary to public policy. Whether a judgment is contrary to public policy depends on the facts of each case. Exorbitant, unconscionable or excessive awards will generally be 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 may be brought before South African courts. A plaintiff who is not resident in South Africa may be required to

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provide security for costs in the event of proceedings being initiated in South Africa. Furthermore, 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 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.

Gold Fields may not pay dividends or make similar payments to its shareholders in the future.

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 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. 61 of 1973, or the Companies Act, and Gold Fields Articles of Association. Cash dividends or other similar payments may not be paid in the future.

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 any dividends or distributions with respect to Gold Fields ordinary shares 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 no longer be freely transferable outside South Africa to shareholders who are not residents of the Common Monetary Area. 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.

As of September 30, 2009, Gold Fields had an aggregate of 1,000,000,000 ordinary shares authorized to be issued and as of that date an aggregate of 705,391,269 ordinary shares were issued and outstanding. Gold Fields currently has two securities option plans which are authorized to grant options in an amount of up to an aggregate of 35,242,431 ordinary shares. As of September 30, 2009, 13,379,456 shares had been awarded under these plans.

Gold Fields employees and directors had outstanding, as of September 30, 2009, options to purchase a total of 2,078,144 ordinary shares at exercise prices of between Rand 46.23 and Rand 154.65 that expire between November 24, 2009 and March 23, 2013. Such expiry dates may be extended due to unscheduled closed periods during which certain Gold Fields employees and directors may be prohibited from exercising options. Gold Fields had outstanding, as of September 30, 2009, 4,520,386 share appreciation rights at strike prices of between Rand 69.48 and Rand 127.72, which expire between February 28, 2010 and September 1, 2015, and 6,781,118 performance vesting restricted shares due to be settled between March 1, 2010 and September 1, 2012. As of the same date, Gold Fields had outstanding 18,900 restricted shares due to be settled in November 2009, 29,600 restricted shares due to be settled in November 2010 and 52,600 restricted shares due to be settled in November 2011 under The Gold Fields Limited 2005 Non-Executive Share Plan. Shareholders equity interests in Gold Fields will be diluted to the extent of future exercises or settlements of these rights and any additional rights. See Directors, Senior Management and Employees The GF Management Incentive Scheme, Directors, Senior

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Management and Employees The Gold Fields Limited 2005 Share Plan, Directors, Senior Management and Employees The GF Non-Executive Director Share Plan and Directors, Senior Management and Employees The Gold Fields Limited 2005 Non-Executive Share Plan.

Sales of Gold Fields ordinary shares, or the perception that a large number of ordinary shares will be sold, may cause the market price of Gold Fields ordinary shares to decrease.

As of March 17, 2009, Mvelaphanda Resources, through its wholly-owned subsidiary Mvelaphanda Gold Limited, Mvela Gold, took receipt of a 15% shareholding in GFI Mining South Africa, or GFIMSA, as part of a series of transactions effected to meet the requirement for 15% HDSA ownership within five years of the enactment of the Mining Charter. See Operating and Financial Review and Prospects Overview General Mvelaphanda Transaction. Immediately upon receipt of the GFIMSA shares, Mvelaphanda Gold Limited exercised its right to require the exchange of the GFIMSA shares for 50 million new ordinary shares in the issued share capital of Gold Fields.

Accordingly, on March 17, 2009, Mvela Gold used the GFIMSA Shares to subscribe for 50 million new ordinary shares in Gold Fields. Pursuant to these transactions, Mvela Gold owned approximately 7% of the listed shares of Gold Fields. Since March 17, 2009, Mvela Gold has sold approximately 11 million of its Gold Fields ordinary shares, representing approximately 1.6% of the listed shares of Gold Fields. Gold Fields holds a right of first refusal over the ordinary shares held by Mvela Gold in the event Mvela Gold wishes to sell them.

A large volume of sales of Gold Fields ordinary shares by Mvelaphanda Gold Limited or another shareholder, all at once or in blocks, could decrease the prevailing market price of Gold Fields ordinary shares and could impair Gold Fields ability to raise capital through the sale of equity securities in the future. Additionally, even if substantial sales are not effected, the mere perception of the possibility of these sales could decrease the market price of Gold Fields ordinary shares and could have a negative effect on Gold Fields ability to raise capital in the future. Further, anticipated downward pressure on Gold Fields ordinary share price due to actual or anticipated sales of ordinary shares could cause some institutions or individuals to engage in short sales of Gold Fields ordinary shares, which may itself cause the price of the ordinary shares to decline.

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ITEM 4: INFORMATION ON THE COMPANY

Introduction

Gold Fields is a significant producer of gold and 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 copper mining and related activities, including exploration, extraction, processing and smelting. Gold Fields also has an interest in a platinum group metal exploration project. Gold Fields is one of the largest gold producers in the world, based on annual production.

The majority of Gold Fields operations, based on gold production, are located in South Africa. Its South African operations are Driefontein, Kloof, Beatrix and South Deep. Gold Fields also owns the St. Ives and Agnew gold mining operations in Australia and has a 71.1% interest in each of the Tarkwa gold mine and the Damang gold mine in Ghana. Gold Fields also owns an 80.72% economic interest in the Cerro Corona mine, which started producing in the first quarter of fiscal 2009. In addition, Gold Fields has gold and other precious metal exploration activities and interests in Africa, Eurasia, Australasia and the Americas.

As of June 30, 2009, Gold Fields had attributable proven and probable reserves of approximately 81.1 million ounces, including copper expressed as gold equivalent ounces, and attributable gold reserves (excluding copper) of 78.9 million ounces of gold, as compared to the 80.5 million ounces (excluding copper) reported as of June 30, 2008. With the exception of South Deep, the reserves are based on the figures reported by Gold Fields mining operations. A portion of Gold Fields proven and probable reserves for South Deep are based on the pre-acquisition South Deep operation reserve figures as declared for December 2005 by an independent review panel, or the IRP, for the Barrick Gold-Western Areas Joint Venture between Barrick Gold South Africa (Pty) Limited, or BGSA, (formerly, Placer Dome South Africa Proprietary Limited) and Western Areas Limited (now known as Gold Fields Operations Limited), or Western Areas. The June 30, 2009 South Deep reserves take into account new estimation and mine design work on the Upper Elsburg Reefs completed during fiscal 2009 in accordance with Gold Fields standards and procedures. 50% of the total reserve ounces relate to the current mining area, or the Current Mine, and the area below the Current Mine and above infrastructure, or Phase 1, north of the Wrench Fault and also Phase 1 south of the Wrench Fault (above infrastructure). 50% of the total reserve ounces relate to Phase 2, being the South Shaft/Old Mine and the Ventersdorp Contact Reef, or the VCR. The 50% relating to the Current Mine, Phase 1 north of the Wrench Fault and Phase 1 south of the Wrench Fault (above infrastructure) have been remodeled and designed. Due to no further information being available at this stage, the remaining deeper portion of the reserves continue to be based on the pre-acquisition figures, declared by the IRP, described above.

Gold Fields is presently undertaking a surface drilling exploration program that Gold Fields expects will provide additional technical information on the geological structure, sedimentology, facies characteristics and tenor of the Ventersdorp Contact Reef, or the VCR, and Upper Elsburg Reefs in the area below current infrastructure to the southern boundary of the mining area, or Phase 2. When the surface drilling exploration program is completed, Gold Fields expects the additional information will provide for enhanced resource modeling of the Phase 2 ground and will increase confidence levels with regard to in situ facies geometry, reef grades and tonnages. See Risk Factors Gold Fields has not independently confirmed the reliability of the South Deep, BGSA or Western Areas information for the period prior to their respective acquisitions by Gold Fields included in this annual report.

In the year ended June 30, 2009, Gold Fields processed 52.9 million tons of ore and produced 3.691 million ounces of gold (including gold equivalent ounces). On an attributable basis, Gold Fields produced 3.414 million ounces of gold (including gold equivalent ounces).

Developments since June 30, 2008

Since the beginning of fiscal 2009, the following significant events have occurred:

On August 21, 2008, Gold Fields Operations Limited, formerly known as Western Areas Limited, or WAL, a wholly-owned subsidiary of Gold Fields, received a summons from Randgold and Exploration Company

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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 was allegedly part of a scam whereby JCI Limited unlawfully disposed of shares owned by R&E in Randgold Resources Limited and Afrikander Lease Limited, now known as Uranium One. For further information, see Legal Proceedings .

On September 10, 2008, Gold Fields announced that the Arctic Platinum Project in Finland had reverted to Gold Fields after North American Palladium Limited, a Canadian platinum metals group producer, declined to exercise its rights in terms of a Letter of Intent entered into between the parties and announced on October 18, 2005 and an Acquisition and Framework Agreement subsequently entered into between the parties. See Operating Review and Prospects Recent Developments Reversion of Arctic Platinum Project to Gold Fields. See Exploration .

On October 2, 2008, Gold Fields entered into an agreement with Bateman Engineering N.V., or Bateman Engineering, to sell its Biox® Technology Business to Bateman Engineering for a net cash consideration of U.S.$8.8 million. The transaction was conditional, among other things, upon the approval of the South African Reserve Bank, or SARB. The SARB failed to approve the transaction within the timeframes stipulated in the agreement. Following the onset of the global economic crisis, Bateman Engineering elected not to proceed with the transaction and the Biox® Technology Business remains part of the Gold Fields group. See Research and Development .

As part of the proceeds on disposal of its assets in Venezuela on November 30, 2007, Gold Fields received 140 million shares in Rusoro, a junior gold producer listed on the TSX Venture Exchange. Gold Fields accounted for its 36% investment (subsequently reduced to 26.4%) under the equity method and, due to the decrease in market value of the investment since acquisition, also recorded an impairment of $61.3 million on June 30, 2008. See Operating Review and Prospects Results of Operations Year ended June 30, 2008 and 2007 Impairment of Investment in Equity Investee . As of June 30, 2009, Gold Fields interest in Rusoro had been reduced to 26.4% because Gold Fields did not participate in a rights offer by Rusoro in March 2009. At June 30, 2009, Gold Fields investment in Rusoro was impaired further to its market value of $48.4 million.

On December 3, 2008, Gold Fields Orogen Holdings BVI Limited, a wholly-owned subsidiary of Gold Fields Limited, announced a joint venture agreement with Orsu Metals Corporation for the further exploration and development of the Talas license area, northwest of Kyrgyzstan. The agreement gives Gold Fields the right to earn as much as a 70% interest in Orsu s Talas license area. See Exploration Advanced Projects .

On February 29, 2009, Minera Gold Fields Peru S.A., a wholly-owned exploration subsidiary of Gold Fields Limited, and Compañía de Minas Buenaventura S.A.A., or Buenaventura, entered into an agreement, or the Buenaventura Agreement, that entitled Buenaventura to explore certain mining rights owned by Gold Fields in the area of Chucapaca, Moquegua (South Peru). As the discoveries made by Buenaventura essentially involved gold deposits, Gold Fields exercised a back-in right according to whose terms a joint venture vehicle operated by Gold Fields has been established to develop the project. Once Gold Fields has spent approximately $8 million on the exploration of the Chucapaca Gold Project, Gold Fields will earn-in a 51% participation in the joint venture company. Otherwise, it will only retain a 2% net smelter revenue royalty on the future results of the project.

Gold Fields announced on March 17, 2009 that, in terms of the R4.1 billion Black Economic Empowerment transaction approved by shareholders of Gold Fields on March 8, 2004, Mvelaphanda Resources, or Mvela Resources, took receipt, through its wholly-owned subsidiary Mvelaphanda Gold (Proprietary) Limited, or Mvela Gold, of its 15% shareholding in GFI Mining South Africa (Proprietary) Limited, or GFIMSA, a subsidiary of Gold Fields which owns and operates the South African gold mining assets of Gold Fields. Immediately upon receipt of the GFIMSA shares, Mvela Gold exercised its right to use the GFIMSA Shares to subscribe for 50 million new ordinary shares in Gold Fields, or the Gold Fields shares. This brought the total number of Gold Fields shares in issue at that time to 703,839,976. Pursuant to the above transactions, Mvela Gold owned

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approximately 7% of the listed shares of Gold Fields and Gold Fields again owns 100% of GFIMSA. Since March 17, 2009, Mvela Gold has sold approximately 11 million of the Gold Fields shares, representing approximately 1.6% of the listed shares of Gold Fields, through the market. The Gold Fields shares are subject to a right of first refusal in favor of Gold Fields.

On March 25, 2009, Gold Fields entered into a non-binding Letter of Intent, or LOI, with Glencar Mining Plc, or Glencar, in relation to the terms on which the parties would agree to enter a joint venture agreement over Glencar s Komana license in West Africa. Following termination of negotiations regarding the joint venture agreement, on August 7, 2009, Gold Fields launched a recommended cash offer for Glencar which valued Glencar at approximately U.S.$47.7 million. On September 7, 2009, Gold Fields announced that it had received acceptances of approximately 83.1% of the share capital of Glencar, allowing Gold Fields to take control of the Company. All conditions of the offer were satisfied or waived at that time and therefore the offer was declared unconditional in all respects. Gold Fields has also taken control of the board of Glencar with the appointment of three new directors. Subsequently, Gold Fields completed the final squeeze-out of shareholders on November 9, 2009. Gold Fields now holds 100% of Glencar Mining plc. See Exploration Advanced Projects .

On June 3, 2009, Gold Fields announced that Gold Fields Australasia (BVI) Limited, a subsidiary of Gold Fields Limited, had entered into an agreement under which it would sell its 19.9% stake in Sino Gold Mining Limited to Eldorado Gold Corporation for a total consideration of approximately U.S.$282 million payable in Eldorado shares. This consideration was settled by the issue to Gold Fields Australasia (BVI) Limited of shares in Eldorado with it receiving a share exchange ratio of 48 Eldorado shares for every 100 Sino Gold shares on July 27, 2009, resulting in a total holding of 27,824,654 Eldorado shares or approximately 7% of the outstanding shares of Eldorado on a fully diluted basis. On September 4, 2009, Gold Fields sold its entire shareholding in Eldorado on the market for a consideration of CAD 323 million ($299.3 million). In addition, Gold Fields holds a top-up right for a period of 18 months, which will apply if Eldorado purchases an additional 5% or more of the outstanding shares of Sino Gold and the sellers in that transaction realize a consideration ratio in excess of the share exchange ratio of 0.48 Eldorado shares per Sino Gold share received by Gold Fields. On August 26, 2009, Eldorado and Sino Gold announced that they had agreed that Eldorado would acquire all of the issued and outstanding shares of Sino Gold by exchanging 0.55 Eldorado shares for each share of Sino Gold. Sino Gold shareholders approved the transaction on December 1, 2009. Assuming completion of the offer based on the terms announced by Eldorado and Sino Gold on August 26, 2009, Gold Fields would receive 4,057,762 shares due to its top-up rights. See Exploration Sino Gold Alliance .

On August 26, 2009, Gold Fields executed an agreement with Morgan Stanley Bank, or Morgan Stanley, to terminate a royalty, or the Royalty, payable by Gold Fields wholly-owned Australian subsidiary, St. Ives Gold Mining Company Pty Ltd, to certain subsidiaries of Morgan Stanley for a consideration of A$308 million ($257.1 million). When Gold Fields acquired St. Ives in 2001, the total consideration included the Royalty, which was subsequently acquired by Morgan Stanley. The Royalty comprised two parts: (i) a payment equal to 4% of the net smelter returns for gold produced from St. Ives to the extent that cumulative production of gold from November 30, 2001 exceeded 3.3 million ounces, but subject to the average spot price of gold for the relevant quarter exceeding A$400 per ounce; and (ii) provided that the gold price exceeded A$600 per ounce, a payment equal to 10% of the difference between revenue calculated at the spot gold price expressed in Australian dollars per ounce and at a price of A$600 per ounce calculated on all future ounces produced by St. Ives. Both components of the Royalty were payable on all future production from St. Ives. The transaction was financed from cash resources and available facilities and closed on August 26, 2009.

Gold Fields is a 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.

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Organizational Structure

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

Group Structure[1]

(1) Unless otherwise stated, all subsidiaries are, directly or indirectly, wholly-owned by Gold Fields Limited.

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Strategy

General

Following the appointment of Nicholas Holland as Chief Executive Officer as of May 1, 2008, Gold Fields undertook a review of the Group strategy which concluded that, while the basic strategy remained robust and appropriate, a number of strategic adjustments needed to be made.

These changes were developed and assimilated into a new *Gold Fields Franchise* which describes *who we are* , *what we do* , and *how we do it* , and comprises of:

- a new vision statement;
- a new set of core values;
- a new overarching strategic production goal;
- the three long-standing but refocused core pillars of the strategy, namely a) *Sweating Our Assets* , b) *Growing Gold Fields* , and c) *Securing Our Future* ; and
- a new regional operational delivery model.

In addition a number of short- and medium-term strategic priorities were identified and implemented, most notably the elevation of *Safety* as the Group s number one value and strategic priority, which is discussed in the section on *Securing Our Future* below.

Vision Statement

During fiscal 2009, Gold Fields developed a simple yet powerful new vision for the Group:

To be the Global Leader in Sustainable Gold Mining.

The purpose was to establish a simple yet compelling new vision that all stakeholders, in particular Gold Fields 47,000 employees around the globe, could understand and buy into, and which could serve as a common and powerful motivational force across the organization.

The new vision statement, which was successfully introduced across the Group during fiscal 2010, reflects Gold Fields desire to be the best at what it does rather than to be the biggest; the imperative to maintain a sustainable business model with particular regard to the social, economic and environmental impacts of the Group and its operations on current and future generations of stakeholders; and the fact that Gold Fields is a focused gold mining company as opposed to a diversified precious or poly metals company.

Overarching Strategic Production Goal

The Group s overarching strategic production goal is to grow its production from the 3.4 million ounces achieved in fiscal 2009, to approximately five million quality, attributable gold ounces, either in development or production, by the end of 2014. Towards achieving this goal, the South Africa Region is expected to contribute between 2.2 and 2.5 million ounces per annum, with each of the Group s international regions (the West Africa Region, the Australasia Region and the South America Region) contributing approximately one million attributable ounces. The majority of this growth is expected to come from improvements at the current operations, described in the *Sweating Our Assets* section below, and from both near mine and greenfields exploration success which is described in the *Growing Gold Fields* section below.

Core Values

Supporting the vision statement and directing the strategy are six core values that every employee is expected to embrace and which defines the way in which Gold Fields conducts its business. These values are:

Safety

If we cannot mine safely, we will not mine;

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Responsibility
We act responsibly and care for the environment, each other, and all of our Stakeholders our employees, our communities and our shareholders;

Honesty
We act with fairness, integrity, honesty and transparency;

Respect
We treat each other with trust, respect and dignity;

Innovation
We encourage innovation and entrepreneurship; and

Delivery
We do what we say we will do.

Sweating Our Assets

Sweating Our Assets is about ensuring that all of the assets in the portfolio are turned to full account safely. It is about ensuring that systems and processes are optimized to deliver what they were designed to deliver; that infrastructure is well maintained to deliver to its full capacity; that mineral resources and reserves are optimally developed and exploited; that costs are well managed, on a notional cash expenditure or NCE basis, to ensure optimal free cash flow; and all our mines deliver the production that they are capable of delivering safely. Sweating Our Assets is also about technological innovation aimed at improving delivery and about doing what we say we will do .

Gold Fields has nine world-class producing mines. Fundamental to the attainment of the Group s vision and overarching strategic goal is for each one of these mines to produce to its real potential, and to maintain stability, predictability and consistency at its steady state level.

The first priority under *Sweating Our Assets* is a substantial improvement in the safety performance of the Group, which is discussed in the section on *Securing Our Future* below.

The second priority under *Sweating Our Assets* relates to the optimal exploitation of the Group s substantial mineral reserve endowment. With attributable mineral reserves of 81 million gold equivalent ounces, it is essential to bring these ounces to account in the most cost effective way and, in doing so, to ensure longevity for each of the mines. Equally important is the need to achieve the required levels of ore reserve development to create mining flexibility, which is a prerequisite for maintaining stability, predictability and consistency. After safety, ore reserve development is the most important strategic priority on all of the mines in the Group.

The third priority under *Sweating Our Assets* is to return the Group s production to its sustainable steady state production level. To this end, a short-term strategic priority was established late in fiscal 2008, for Gold Fields to return to its steady state production of approximately one million ounces of gold per quarter by the third quarter of fiscal 2009, at a Notional Cash Expenditure, or NCE, of approximately $725 per equivalent ounce (as calculated for management reporting purposes, using an exchange rate of R8.00 to $1.00). While this goal was not achieved, mainly as a result of the greater than expected impact of safety interventions during the year, the Group did show significantly improved stability, predictability and consistency, with production increasing every quarter for the last three quarters of the year, to 906,000 ounces of attributable production (at an NCE of $825 per equivalent ounce, using an exchange rate of R8.00 to $1.00) in the final quarter of fiscal 2009. This was 108,000 ounces or 14% higher than the production low-point of 798,000 ounces reported in quarter one of fiscal 2009. During the fourth quarter of fiscal 2009, guidance for fiscal 2010 was adjusted, to reflect the ongoing impact of safety interventions, to between 925,000 and 950,000 attributable ounces per quarter during fiscal 2010, with the goal of achieving the million ounce per quarter steady state run-rate during fiscal 2011.

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Gold Fields believes the necessary steps for achieving the Group s short- and medium-term production targets include:

- the continued build-up in production at South Deep which is scheduled to increase production for fiscal 2010 to a total 300,000 ounces, and to build up to an annualized production rate of between 750,000 and 800,000 ounces by the end of 2014;

- the stabilization of production at Driefontein, Kloof and Beatrix at a steady state level of approximately 836,000 ounces (6.5 tons per quarter), 707,000 ounces (5.5 tons per quarter) and 424,000 ounces (3.3 tons per quarter) per annum respectively, and maintaining production at these levels for at least the next five years, and close to these levels for the next 10 years;

- stabilizing the Tarkwa mine at full production of approximately 750,000 ounces per annum now that the CIL expansion is complete, and to build up to a steady state level of approximately 800,000 ounces over the course of fiscal 2010, as various optimization projects start to deliver further incremental production increases;

- increasing gold production at Damang to a steady state level of at least 240,000 ounces per annum by completing the secondary crusher project, and to sustain production at this level by doubling the current life of mine to at least 15 years through an aggressive near mine exploration program which is under way;

- returning St. Ives to a steady state production level of between 440,000 and 460,000 ounces per annum during fiscal 2010 as the open pit development improvement project and the underground development improvement project delivers results, and then to build up to at least 500,000 ounces after the new Athena underground mine comes into production during the second quarter of fiscal 2011. An extensive near mine exploration program is under way across the entire St. Ives tenement with the objective to double the life of this mine, at the 500,000 ounces per annum production level, to at least 10 years;

- ensuring that Agnew maintains production at a steady state level of between 190,000 and 200,000 ounces per annum by extending the current life of mine to five years through an aggressive near mine exploration program; and

- maintaining production at Cerro Corona at the steady state level of approximately 320,000 attributable gold equivalent ounces per annum (based on gold and copper prices of $1,100 per ounce of gold and $3.00 per pound of copper), while seeking incremental production growth from the on-surface stockpile of approximately six million tons of oxide ore, as well as through the potential conversion of an additional approximately 30 million tons of ore at depth by securing additional tailings management capacity at the mine.

The fourth priority under *Sweating Our Assets* relates to the proactive management of costs with a view to maintaining a free cash flow margin of at least $200 per ounce of gold produced, at an assumed long-term baseline gold price of $950 per ounce, and to maintain the size of the margin commensurate with changes in the gold price received. To this end, Gold Fields has introduced the concept of notional cash expenditure, or NCE, which is defined as operating costs plus additions to property plant and equipment, as well as brownfields exploration. Operating costs is defined as production costs (exclusive of depreciation and amortization) plus corporate expenditure, employment termination costs and accretion expense on provision for environmental rehabilitation. Gold Fields reports NCE on a per equivalent ounce basis. Management considers NCE per ounce to be an important measure as it believes NCE per equivalent ounce provides more information than other commonly used measures, such as total cash costs per equivalent ounce, regarding the real cost to Gold Fields of producing an equivalent ounce of gold, reflecting not only the ongoing costs of production but also the investment cost of maintaining production at steady state levels and bringing mines into production. Management also believes that NCE per equivalent ounce is a useful indication of the cash Gold Fields has available for paying taxes, repaying debt, funding exploration and paying dividends and the like.

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NCE is not a U.S. GAAP measure. An investor should not consider NCE or operating costs 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. NCE and operating costs as presented in this annual report may not be comparable to other similarly titled measures of performance of other companies. See Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2009 and 2008 Notional Cash Expenditure .

Growing Gold Fields

Growing Gold Fields is about growing the value of the business on a per share basis. It is not about size, or the number of ounces produced, but about the quality of the portfolio and the generation of real value for shareholders, on a per share basis.

In the medium-term, Gold Fields target is to regionalize and grow itself into a truly global gold producer, with a goal of approximately one million gold equivalent ounces per annum either in, or close to, production in each of its West Africa, Australasia and South America Regions, and between 2.2 and 2.5 million ounces in the South Africa Region.

The bulk of this growth is expected to come from improvements at existing mines as described in the *Sweating Our Assets* section above, organic growth resulting from near mine exploration success, and from greenfields exploration success.

While growth through the acquisition of assets is not entirely ruled out, Gold Fields recognizes that value-adding opportunities are not readily available in the current market environment. The company has coined a phrase, *no M&A heroics* , to describe its approach to the acquisition of assets. Against this back-drop, the Company continues to monitor the market for accretive M&A opportunities.

The objective of the growth strategy is not merely to add ounces to the portfolio, but to add ounces that will improve the quality of the asset base and grow value on a NAV/share, EBITDA/share and cash earnings/share basis, and lower the overall NCE of the Group.

Owing to the shortage of large, viable gold projects, Gold Fields has lowered its size selection criteria compared to previous years. To be considered by Gold Fields, generally growth projects must have the potential to meet certain target criteria (which vary depending on other strategic objectives and the quality of the project) described as *The Rule of Twos* : the potential for a minimum of 2,000,000 (formerly 5,000,000) ounces of reserves; production rates in the range of 200,000 (formerly 500,000) gold equivalent ounces per year; and a positive real internal rate of return of at least 5% for producing assets and brownfields projects, and at least 10% for greenfields projects, adjusted for project-specific risks, at a long-term gold price of $950 per ounce.

Emphasis is also placed on reviewing non-geological aspects of prospective projects, such as social, political, environmental and commercial risks, ensuring that an appropriate risk versus reward tradeoff analysis is factored into the decision. Gold Fields is prepared to consider projects with a higher risk profile if it believes they will offer superior returns. The focus will remain on gold and its by-product metals.

In fiscal 2010, Gold Fields plans to spend about $40 million on near mine exploration, and about $80 million on greenfields exploration, the latter largely in the three targeted international regions.

Outside South Africa, the three key regions of West Africa, Australasia and South America have been identified as containing prospective emerging gold and mineral belts with medium to long-term potential where Gold Fields has existing operational capabilities. Gold Fields objective in each of these regions is to develop one million ounce per annum production profiles. In appropriate circumstances, Gold Fields will also consider opportunities outside its key regions of focus.

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During fiscal 2009 Gold Fields has made considerable progress with the development of its greenfields exploration pipeline. For the first time since its inception the Company now has four exploration projects in the advanced drilling category. These include the Yanfolila Project in Mali, the Chucapaca Project in Peru the Talas Project in Kyrgyzstan, and the APP Project in Finland. In addition the Company has a large number of exploration projects in earlier stages of development. The objective during fiscal 2010 is to progress all of the advanced stage projects significantly, and to get at least one of the projects to a scoping study level.

For acquisitions of assets or companies outside South Africa, South African exchange control regulations limit Gold Fields ability to provide guarantees or borrow outside South Africa without express approval from the SARB. However, the government has indicated that its intention is to gradually phase out the remaining exchange controls over time and Gold Fields has a good track record in gaining approval for its offshore acquisitions and in growing its international operations.

Securing Our Future

Securing Our Future is about ensuring the long-term sustainability of the business. It encompasses safety and Human Resources, as well as a wide range of environmental social and economic parameters that impact on the business today and into the future. It is about acquiring and maintaining a social license to operate in each of the jurisdictions in which the Company operates.

Gold Fields has embraced the concept of sustainable development and incorporated it into its vision statement in order to maintain the long-term sustainability of the business. The Company has developed a Sustainable Development Framework which is closely aligned with the sustainable development principles of the International Council for Minerals and Metals (ICMM), and the Global Compact, both of which Gold Fields is a member of. The Sustainable Development Framework consists of a Sustainable Development Policy, with subsidiary policies, strategies and practice guides in each of the following eight pillars of sustainability, namely: Health and Safety; Human Rights; Stakeholder Engagement; Risk Management; Community; Ethics and Corporate Governance; Environment; and Materials Stewardship.

While the Chief Executive Officer has assumed overall executive responsibility for Sustainable Development within the Group, each one of the Regional Heads is responsible for the implementation of the Framework in their respective regions.

Safety

Safety has always been of critical importance to Gold Fields and the renewed commitment to safety introduced during fiscal 2008 has resulted in a reduction in fatalities and a reduction in work-related injuries. During fiscal 2009, 21 workers in South Africa lost their lives compared to 47 during fiscal 2008. Outside South Africa, there were no fatalities in fiscal 2009, compared to 4 in fiscal 2008. The Company will continue with its commitment to safety, making the safe operation of its mines its top strategic priority. Indeed, Gold Fields has publicly stated that, if it cannot mine safely, it will not mine. As part of its commitment, the Company has undertaken the following initiatives:

in South Africa, a Safe Production Management Program was designed and is being rolled out across all the operations. Through a process of review of all historical serious safety incidences and through extensive consultation with numerous parties, the Gold Fields Safe Production Rules have been developed with the fundamental message in the Safe Production Rules being the statement made by the Chief Executive Officer: If we cannot mine safely, we will not mine . The Safe Production Rules have been printed in a booklet format and distributed to all employees. Future exposure to the Safe Production Rules for all new employees and contractors will be through the induction program where the Safe Production Rules will be presented. The rules work hand-in-hand with other initiatives like the Stop, Think, Fix, Verify and then Continue campaign, which has had a tremendous impact on employees safety behavior and awareness;

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in February 2008, the South African operational bonus system was changed to provide an equal weighting between production and safety performance. A similar principle has been applied to executive incentive compensation starting in fiscal 2009, with approximately 30% of executive bonus payments, including those of the Chief Executive Officer, now linked to health and safety performance;

full audits for compliance with the Gold Fields Full Compliance Health and Safety Management System (see Directors, Senior Management and Employees Employees Health and Safety Safety) are now to occur at least once a year, and quarterly or semi-annually until required levels of compliance are achieved;

a comprehensive review of pillar and remnant mining across all operations has been undertaken, resulting in a reduction of planned pillar mining at the Driefontein and Kloof operations in South Africa;

DuPont International conducted a comprehensive safety audit across all of Gold Fields operations, covering all aspects of Gold Fields health and safety management systems, strategies and plans. The project was completed during fiscal 2009 and all recommendations have been included in the Safe Production Management Program; and

a comprehensive review of the status of infrastructure across all of Gold Fields operations was initiated, which identified a number of items in South Africa that required immediate action to improve safety. In fiscal 2009, all South African operations reduced primary development for a period of time to address the status of secondary support.

Regional Delivery Model

Gold Fields views itself as a truly global mining company, but believes that in some circles it is perceived as predominantly a South African company with a few international operations. In order to change this perception and to improve delivery of its operational and growth aspirations, Gold Fields restructured its operations into four regions during fiscal 2009. These regions are: the South Africa Region; the West Africa Region; the South America Region; and the Australasia Region.

Most of the key regional executives have been appointed and good progress has been made in creating strong, entrepreneurial and appropriately resourced and incentivized management teams in each region. These teams are tasked with running the mines safely and efficiently, as well as driving and being significantly involved in the growth of the business within the region.

The corporate office has relocated to new premises separate from the South African regional office. Management believes this separation will enhance the ability of the corporate office to serve as a brain trust , focused on overall strategy, the allocation of capital and strategic guidance for the regions. The corporate office also establishes and monitors operational standards which apply across the regions in areas such as safety, health and environmental issues, finance and human resources.

Hedging

Gold Fields policy remains not to enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for future gold production. Gold Fields believes that investors in Gold Fields shares seek an unlimited exposure to movements in the U.S. dollar gold price and the resulting effect on Gold Fields earnings. However, commodity hedges are sometimes 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.

Gold Fields may, from time to time, establish currency and/or interest rate financial instruments to protect underlying cash flows or to take advantage of potential favorable currency movements.

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Specific Strategic Goals and Objectives for fiscal 2010

The specific strategic goals and objectives for fiscal 2010 flows from the strategy and were designed to consolidate the operational gains made during fiscal 2009. The specific strategic goals and objectives for fiscal 2010 are:

1) to further enhance the efforts on health and safety. While the ultimate goal remains the total elimination of all serious and fatal accidents on all operations, during 2010 the aim is to achieve at least a 33% improvement in all safety measures in the South Africa Region and at least 20% in the International Regions;

2) to open up ore bodies by stepping up development. This has become particularly urgent in South Africa where the focus on secondary support over the past year has seen resources diverted away from development. As a result, flexibility has been affected, as was expected. The target is to have at least 24-months of opened-up reserves at each of the long-life shafts in the Group. Improved flexibility will also support the achievement of the targeted production run-rate, on a sustainable basis.

3) to achieve greater predictability, reliability and consistency in quarterly production while working towards the goal of producing at a run-rate of between 925,000 and 950,000 ounces of gold per quarter during fiscal 2010, and moving closer to the one million ounce of production per quarter target within the following 12 months;

4) to build momentum at South Deep by increasing production to an average of approximately 300,000 ounces for fiscal 2010, while advancing the Twin Shaft infrastructure for completion in fiscal 2012, and focusing on the development of the ore body below 95-level, which will facilitate the ultimate build-up to full production of between 750,000 and 800,000 ounces per annum by December 2014;

5) to increase the skills levels across the organization by attracting and retaining key personnel through a more aggressive recruitment program, as well as by further enhancing education and training initiatives;

6) to improve the Group s ability to develop and deliver capital projects within scope, on budget and on time by developing a strong project culture;

7) to further improve performance in the field of sustainable development and, in particular, to improve environmental performance;

8) to further entrench the regionalization strategy by bolstering the executive teams in each of the regions, in order to enhance operational delivery and to drive the growth strategy;

9) to increase greenfields and near mine exploration to U.S.$80 million and U.S.$40 million, respectively;

10) to deliver at least one of the advanced-stage exploration projects to scoping study stage;

11) to complete the Uranium feasibility study in South Africa by early in 2010; and

12) to complete the feasibility study of the new Athena underground mine at St. Ives in Australia, initial construction of which has commenced.

Reserves of Gold Fields as of June 30, 2009

Methodology

While there are some differences between the definition of the South African Code for Reporting of Mineral Resources and Mineral Reserves, or SAMREC Code, and that of the Securities and Exchange Commission s, or SEC s, industry guide number 7, only reserves at each of Gold Fields operations and exploration projects as of June 30, 2009 which qualify as reserves for purposes of the SEC s industry guide number 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. 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 tons to be processed at mill feed head grades, allowing for estimated mining dilution, recovery and other factors.

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Gold Fields reports reserves using cut-off grades (international operations and South Deep) and pay limits (South Africa excluding South Deep) to ensure the reserves realistically reflect both the cost structures and required margins relevant to each mining operation. Cut-off grade is the grade that distinguishes the material within an orebody that is to be extracted and treated from the remaining material. The pay limit is the grade at which an orebody can be mined without profit or loss calculated using an appropriate gold price and working costs, plus modifying factors. Modifying factors used to calculate the pay limit grades include adjustments to mill delivered amounts, due to dilution incurred in the course of mining. Modifying factors applied in estimating reserves are primarily historical, but commonly incorporate adjustments for planned operational improvements such as those described below under Description of Mining Business Productivity Initiatives. Tonnage and grade may include some mineralization below the selected pay limit and cut-off grade to ensure that the reserve comprises blocks of adequate size and continuity. Reserves also take into account cost levels at each operation and are supported by mine plans.

The estimation of reserves at the South African underground operations is based on surface drilling, underground drilling, surface three-dimensional reflection seismics, orebody facies modeling, structural modeling, underground mapping channel sampling and geostatistical estimation. The reefs are initially explored by drilling from the surface on an approximately 500-meter to 2,000-meter grid. Once underground access is available, drilling is undertaken on an approximately 30-meter by 60-meter grid. Underground channel sampling perpendicular to the reef is undertaken at three-meter intervals in development areas and five-meter intervals at stope faces.

The following sets out the reserve estimation methodologies for the different categories of reserves at the underground operations of each of the South African mines.

Driefontein

Reserve Classification	Sample Spacing Range Min/Max (meters)	Maximum Distance Data is Projected (meters)
Proved	3 to 180	110
Probable (AI)[1]	3 to 1,140	570
Probable (BI)[1]	3 to 2,840	1,420

Note:

(1) AI is above infrastructure; BI is below infrastructure.

For proved reserves, the orebody is opened up and sampled on a three-meter spacing for development (such as raises), and a five meter grid for stoping, together with underground borehole spacings ranging from tens to hundreds of meters. Blocks classified as proved are therefore generally adjacent to closely spaced sampling and generally pierced by a relatively dense irregular pattern of boreholes. Estimation is constrained within both geologically homogenous structural and facies zones, and is generally derived from either ordinary or simple kriged small-scale grids, ranging from 10-meter to 20-meter block sizes.

For above infrastructure probable reserves, the estimates are founded on significant numbers of samples on a three-meter spacing for development, and a five-meter grid for stoping bordering these areas. In addition underground borehole spacings ranging from tens to hundreds of meters are used together with surface boreholes and seismic surveys. Blocks classified as probable (AI) are generally adjacent to blocks classified as proved. Estimation is constrained within homogenous structural and facies zones, and is generally derived from either ordinary or simple kriged medium- to macro-scale-sized grids ranging from 40-meter to 420-meter sizes, or through declustered averaging or Sichel t techniques. For planning purposes, these blocks are further evaluated to facilitate the selection of blocks above the pay limit.

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For below infrastructure probable reserves, the estimates access the significant numbers of samples on a three-meter spacing for development, and a five-meter grid for stoping above these areas. In addition underground borehole spacings ranging from tens to hundreds of meters are used together with surface boreholes and seismic surveys. Blocks classified as probable (BI) are generally downdip of blocks classified as proved or probable (AI). Estimation is constrained within homogenous structural and facies zones, and is generally derived from either ordinary or simple kriged medium- to macro-scale-sized grids ranging from 40 meters to 420 meter sizes, or through declustered averaging or Sichel t techniques. For planning purposes, these blocks are further evaluated to facilitate the selection of blocks above the pay limit.

Kloof

Reserve Classification	Sample Spacing Range Min/Max (meters)	Maximum Distance Data is Projected (meters)
Proved	3 to 150	150
Probable (AI)[1]	3 to 718	360
Probable (BI)[1]	3 to 1,390	890

Note:

(1) AI is above infrastructure; BI is below infrastructure.
Estimations for proved reserves are made on the same basis as at Driefontein.

Estimations for above infrastructure probable reserves are made on the same basis as at Driefontein, but with medium-sized kriged grids starting from 40 meters to macro blocks of 400 meters. For planning purposes, these blocks are further evaluated to facilitate the selection of blocks above the pay limit.

Estimations for below infrastructure probable reserves are made on the same basis as at Driefontein, but with medium-sized kriged grids starting from 40 meters to macro blocks of 400 meters. The distinction between estimation techniques for above infrastructure and below infrastructure probable reserves is the same as at Driefontein. For planning purposes, these blocks are further evaluated to facilitate the selection of blocks above the pay limit.

Beatrix

Reserve Classification	Sample Spacing Range Min/Max (meters)	Maximum Distance Data is Projected (meters)
Proved	3 to 120	120
Probable (AI)[1]	3 to 820	700
Probable (BI)[1]	3 to 580	740

Note:

(1) AI is above infrastructure; BI is below infrastructure.
Estimations for proved reserves are made on the same basis as at Driefontein but with kriging blocks ranging from 16 meters to 32 meters.

Estimations for above infrastructure probable reserves are made on the same basis as at Driefontein but with medium-sized kriged blocks of 32 meters, and macro geological zone estimates being made through declustered averaging or Sichel t techniques or macro-scale-sized kriged grids of up to 128 meters. For planning purposes these blocks are further evaluated to facilitate the selection of blocks above the pay limit.

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Estimations for below infrastructure probable reserves are made on the same basis as at Driefontein but with medium-sized kriged blocks being 32 meters, to macro geological zone estimates through declustered averaging or Sichel t techniques or macro scale sized kriged grids of up to 128 meters. The distinction between estimation techniques for above infrastructure and below infrastructure probable reserves is the same as at Driefontein. For planning purposes, these blocks are further evaluated to facilitate the selection of blocks above the pay limit.

South Deep

Reserve Classification	Sample Spacing Range Min/Max (meters)	Maximum Distance Data is Projected (meters)
Proved	0 to 100	220
Probable (AI)[1]	100 to 180	450
Probable (BI)[1]	>180	1,200

Note:

(1) AI is above infrastructure; BI is below infrastructure.

For proved reserves, the orebody must be fully destressed and drilling is planned at an approximate 30-meter by 30-meter grid-spacing for development (such as access ramps and drives), and similarly for stoping. Estimation is constrained within both geologically homogenous structural and facies zones, and is generally derived from either ordinary or simple kriged small-scale grids.

For above infrastructure 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 elevations and surfaces. Reserves classified as probable above infrastructure are generally adjacent to those classified as proven. Estimation is constrained within homogenous structural and facies zones, and is generally derived from simple and ordinary kriging and through declustered averaging techniques.

The below infrastructure probable reserves are based on the December 2005 pre-acquisition reserve figures as defined by an Independent Review Panel acting on behalf of the Barrick Gold Western Areas Joint Venture between BGSA (formerly, Placer Dome South Africa Proprietary Limited) and Western Areas Limited. See Risk Factors Gold Fields has not independently confirmed the reliability of the South Deep, BGSA or Western Areas information for the period prior to their respective acquisitions by Gold Fields as included in this annual report.

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, internal technical corporate consultant and independent consultant review. 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 facies within each conglomerate horizon. These facies are extrapolated into new, undeveloped areas taking into account 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 25.0-meter grid of reverse circulation drilling. For the Damang open pit operation, estimation of reserves is based on a 20-meter to 80-meter grid of diamond drilling and in certain areas reverse circulation drilling on an eight-meter by five-meter drill grid.

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Australia

At the Australian operations, the estimation of reserves for both underground and open pit operations is based on exploration, sampling and testing information gathered through appropriate techniques, primarily from boreholes and mine development. The locations of sample points are spaced closely enough to deduce or confirm geological and grade continuity. Generally, drilling is undertaken on grids, which range between 20 meters by 20 meters to 40 meters by 40 meters, although this may vary depending on the continuity of the orebody. Due to the variety and diversity of resources at St. Ives and Agnew, 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.

Reserve Statement

As of June 30, 2009, Gold Fields had aggregate attributable proved and probable gold reserves of approximately 78.9 million ounces as set forth in the following table.

Gold ore reserve statement as of June 30, 2009[1]

	Proved reserves			Probable reserves			Total reserves			Attributable gold production in the 12 months ended June 30, 2009[2]
	Tons (million)	Head Grade (g/t)	Gold (000 oz)	Tons (million)	Head Grade (g/t)	Gold (000 oz)	Tons (million)	Head Grade (g/t)	Gold (000 oz)	(000 oz)
Underground (UG)										
South Africa										
Driefontein (UG) (total)	17.6	7.4	4,157	48.0	9.0	13,832	65.6	8.5	17,989	761
Above infrastructure[3]	17.6	7.4	4,157	20.6	8.7	5,735	38.2	8.1	9,892	761
Below infrastructure[3]				27.4	9.2	8,097	27.4	9.2	8,097	
Kloof (UG) (total)	19.2	7.6	4,704	21.8	7.8	5,477	41.0	7.7	10,180	621
Above infrastructure[3]	19.2	7.6	4,704	18.4	7.8	4,609	37.6	7.7	9,313	621
Below infrastructure[3]				3.4	8.0	868	3.4	8.0	868	
South Deep (UG) (total)[6]	15.2	5.9	2,906	134.2	6.2	26,580	149.4	6.1	29,486	175
Above infrastructure[3][6]	15.2	5.9	2,906	67.6	6.6	14,265	82.8	6.5	17,171	175
Below infrastructure[3][6]				66.6	5.8	12,315	66.6	5.8	12,315	
Beatrix (UG) (total)	13.9	4.7	2,087	27.1	5.0	4,361	41.0	4.9	6,448	391
Above infrastructure[3]	13.9	4.7	2,087	24.7	5.0	3,990	38.6	4.9	6,077	391
Below infrastructure[3]				2.4	4.8	371	2.4	4.8	371	
Australia										
St. Ives	1.4	5.3	230	6.4	4.6	943	7.7	4.7	1,173	181
Agnew	0.6	8.9	186	1.9	8.7	526	2.5	8.7	712	192
Total Underground	**67.9**	**6.5**	**14,270**	**239.4**	**6.7**	**51,719**	**307.2**	**6.7**	**65,988**	**2,322**
Surface (Rock Dumps)										
Driefontein				9.6	0.7	213	9.6	0.7	213	69
Kloof				12.2	0.9	341	12.2	0.9	341	22
South Deep[6]										

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	Proved reserves			Probable reserves			Total reserves			Attributable gold production in the 12 months ended June 30, 2009[2]
	Tons (million)	Head Grade (g/t)	Gold (000 oz)	Tons (million)	Head Grade (g/t)	Gold (000 oz)	Tons (million)	Head Grade (g/t)	Gold (000 oz)	(000 oz)
Surface (Production Stockpile)										
Ghana										
Tarkwa	3.1	0.7	72				3.1	0.7	72	[4]
Damang				3.6	1.1	131	3.6	1.1	131	[4]
Australia										
St. Ives	4.1	1.1	139				4.1	1.1	139	[4]
Agnew	0.3	0.9	10				0.3	0.9	10	[4]
Peru										
Cerro Corona	1.0	1.2	39				1.0	1.2	39	[4]
Surface (Open Pit)										
Ghana										
Tarkwa	106.4	1.3	4,423	82.4	1.2	3,096	188.8	1.2	7,519	435
Damang[5]	2.5	1.8	147	19.6	1.6	1,016	22.0	1.7	1,163	142
Australia										
St. Ives[5]	0.5	1.8	30	17.8	1.7	980	18.3	1.7	1,010	247
Agnew[5]										
Peru										
Cerro Corona	17.3	1.1	610	53.8	0.9	1,628	71.1	1.0	2,238	85
Total Surface	**135.2**	**1.3**	**5,470**	**199.0**	**1.2**	**7,405**	**334.1**	**1.2**	**12,875**	**998**
Grand Total	**203.2**	**3.0**	**19,740**	**438.3**	**4.2**	**59,122**	**641.4**	**3.8**	**78,863**	**3,322**
Totals by Mine										
Driefontein	17.6	7.4	4,157	57.6	7.6	14,045	75.2	7.5	18,202	830
Kloof	19.2	7.6	4,704	34.0	5.3	5,818	53.2	6.2	10,521	643
South Deep[6]	15.2	5.9	2,906	134.2	6.2	26,580	149.4	6.1	29,486	175
Beatrix	13.9	4.7	2,087	27.1	5.0	4,361	41.0	4.9	6,448	391
Tarkwa	109.5	1.3	4,495	82.4	1.2	3,096	192.0	1.2	7,591	435
Damang	2.5	1.8	147	23.2	1.5	1,147	25.7	1.6	1,294	142
St. Ives	6.0	2.1	399	24.1	2.5	1,922	30.1	2.4	2,322	428
Agnew	1.0	6.3	196	1.9	8.7	526	2.9	7.8	722	192
Cerro Corona	18.3	1.1	649	53.8	0.9	1,628	72.1	1.0	2,277	85
Grand Total	**203.2**	**3.0**	**19,740**	**438.3**	**4.2**	**59,122**	**641.4**	**3.8**	**78,863**	**3,322**

Notes:

(1) (a) Quoted as mill delivered metric tons 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 factors are as follows: (1) Driefontein 97.0%; (2) Kloof 97.6%; (3) Beatrix 96.1%; (4) South Deep 97.3%; (5) Tarkwa 97.0% for milling, 64.0% for heap leach; (6) Damang 92.5% to 93.5%; (7) St. Ives 85% to 95% for milling, 57% to 75% for heap leach; (8) Agnew 92.6%; and (9) Cerro Corona 55% to 75% for gold. 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 operations have 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.

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(b) For Driefontein, Kloof and Beatrix, a gold price of Rand 230,000 per kilogram ($800 per ounce at an exchange rate of Rand 8.95 per $1.00) was applied in calculating ore reserve figures. For the Tarkwa and Damang operations, ore reserve figures are based on an optimized pit at a gold price of $800 per ounce. For the Australian operations, ore reserve figures are based on a gold price of A$1,000 per ounce ($800 per ounce at an exchange rate of A$1.25 per $1.00). Open pit ore reserves at the Australian operations are similarly based on optimized pits. The gold price used for reserves is the approximate three-year trailing average, calculated on a monthly basis, of the London afternoon fixing price of gold for both the U.S.$ and A$. The gold price in Rand used for South African reserves represents a two-year trailing average. These prices are approximately 53% higher in South African Rand terms, 23% higher in U.S. dollar terms and 33% higher in Australian dollar terms than the prices used for the June 30, 2008 declaration and reflect the effect of a consistently increasing gold price on the two- or three-year historical average. Gold Fields is still evaluating the overall reserve position at South Deep following its acquisition of the mine during fiscal 2007 and accordingly has included the reserves for the Upper Elsburg reefs in the Current Mine and in Phase 1 north of the Wrench Fault and also Phase 1 south of the Wrench Fault (above mine infrastructure) as remodeled, re-evaluated, designed and scheduled in accordance with Gold Fields standards and procedures. The remainder of the reserves are as declared by the Barrick Gold Western Areas Joint Venture (now, the South Deep Joint Venture) as at December 31, 2005, before its acquisition by Gold Fields. These historical reserves were calculated using a Rand price of 87,193 per kilogram ($400 per ounce at an exchange rate of Rand 6.78 per $1.00). For the Cerro Corona gold reserves, the optimized pit is based on a gold price of $800 per ounce and a copper price of $1.75 per pound, which, due to the nature of the deposit and the importance of net smelter returns, need to be considered together.

(c) For the South African operations, mine dilution relates to the difference between the mill tonnage and the stope face tonnage and includes other sources stoping (which is waste that is broken on the mining horizon, other than on the stope face), development to mill and tonnage discrepancy (which is the difference between the tonnage expected on the basis of the mine s measuring methods and the tonnage accounted for by the plant). For the International operations, dilution relates to unplanned waste and/or low-grade material being mined and delivered to the mill. Ranges are given for those operations that have multiple orebody styles and mining methodologies. The mine dilution factors are as follows: (i) Driefontein 23%; (ii) Kloof 24%; (iii) Beatrix 23%; (iv) South Deep 6%; (v) Tarkwa 11%; (vi) Damang 15% for hydrothermal and 20 cm for each of the hanging wall and footwall for paleoplacer; (vii) St. Ives 1% to 13% (open pits) and 5% to 20% (underground); (viii) Agnew 13% to 33%; and (ix) Cerro Corona 0%.

(d) The mining recovery factor relates to the proportion or percentage of ore mined from the defined orebody 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) Driefontein 81%; (ii) Kloof 78%; (iii) Beatrix 53%; (iv) Tarkwa 98%; (v) Damang 100%; (vi) St. Ives 95% to 99% (open pits) and 75% to 100% (underground); and (vii) Agnew 100%. The methodology of this factor is currently being reviewed across the operations, and South Deep continues to be excluded from this summary pending completion of the review of the original acquisition model.

(e) The pay limit (South African operations) and cut-off grade (International operations) 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) Driefontein 1170 cm.g/t; (ii) Kloof 1310 cm.g/t; (iii) Beatrix 840 cm.g/t; (iv) South Deep 4.0g/t (at South Deep, the values are expressed in g/t, as focus is on tonnage rather than square meters, and they are only applicable to the area remodeled by Gold Fields); (v) Tarkwa 0.30 g/t for heap leach and 0.43 g/t for mill feed; (vi) Damang 0.62 g/t for fresh ore and 0.43 g/t for oxide ore; (vii) St. Ives 0.41 g/t to 0.81 g/t for heap leach, 0.41 g/t to 0.81 g/t for mill feed open pit, and 2.2 g/t to 4.9 g/t for mill feed underground; (viii) Agnew 0.28 g/t for mill feed stockpiles, and 3.6 to 4.6 g/t for mill feed underground; and (ix) Cerro Corona $10.92 net smelter return (combined copper and gold).

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(f) Totals may not sum due to rounding. Where this occurs it is not deemed significant.

(2) Actual gold produced after metallurgical recovery.

(3) Above infrastructure reserves relate to mineralization which is located at a level at which an operation currently has infrastructure sufficient to allow mining operations to occur. Below infrastructure reserves relate to mineralization which is located at a level at which an operation currently does not have infrastructure sufficient to allow mining operations to occur, but where the operation has made plans to install additional infrastructure in the future which will allow mining to occur at that level. The current studies for below infrastructure reserves at Driefontein, which contemplate accessing the area via a sub-vertical shaft complex, are currently being reviewed versus multiple declines, which may materially impact the below infrastructure reserve ounces at this operation.

(4) Includes some gold produced from stockpile material, which cannot be separately measured.

(5) Excludes inferred material within the pit design.

(6) See Risk Factors Gold Fields has not independently confirmed the reliability of the South Deep, BGSA or Western Areas information for the period prior to their respective acquisitions by Gold Fields included in this annual report and note (1)(b) above.

The following table sets forth the proved and probable copper reserves of the Cerro Corona mine as of June 30, 2009 that are attributable to Gold Fields.

Copper ore reserve statement as of June 30, 2009[(1)(2)]

	Proved Reserves			Probable Reserves			Total Reserves			Attributable copper production in the 12 months ended June 30, 2009 (million lbs)
	Tons (million)	Grade Cu (%)	Cu (million lbs)	Tons (million)	Grade Cu (%)	Cu (million lbs)	Tons (million)	Grade Cu (%)	Cu (million lbs)	
Surface (Open Pit) Peru										
Cerro Corona	18.3	0.6	226	53.8	0.5	571	72.1	0.5	797	43.1

Notes:

(1) Metallurgical recovery factors have not been applied to the reserve figures. The approximate metallurgical factor for copper at Cerro Corona is 58% to 89%.

(2) For the copper reserves, the optimized pit is based on a gold price of $800 per ounce and a copper price of $1.75 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 very sensitive to fluctuations in the price of gold. At gold prices significantly different than the gold price of $800 per ounce used to estimate Gold Fields attributable gold reserves (excluding copper) of 78.9 million ounces of gold as of June 30, 2009 listed above, Gold Fields operations would have had materially different reserves. Based on the same methodology and assumptions as were used to estimate Gold Fields reserves as of June 30, 2009 listed above, but applying different gold prices that are 10% above and below the $800 per ounce gold price used to estimate Gold Fields attributable reserves, the attributable gold reserves of Gold Fields operations, **excluding South Deep,** would have been as follows:

	$720/oz	**$800/oz (000 oz)**	**$880/oz**
Driefontein[(1)]	17,293	18,202	18,692
Kloof[(1)]	9,461	10,521	10,992
Beatrix[(1)]	5,588	6,448	7,275
Tarkwa	6,611	7,591	8,576
Damang	1,095	1,294	1,415
St. Ives	2,188	2,322	2,534
Agnew	626	722	977
Cerro Corona[(2)]	2,277	2,277	2,277

Notes:

(1) South African operations reserves include run-of-mine ore stockpiles and low-grade strategic stockpiles. Gold Fields is still evaluating the overall reserve position at South Deep following its acquisition of the mine during fiscal 2007. It has included the Phase 2 reserves for South Deep declared by the Placer Dome Western Areas Limited Joint Venture as at December 31, 2005, calculated using a U.S. dollar price of $400 per ounce and has updated to June 30, 2009 for remodeling of the Upper Elsburg reefs in the Current Mine, Phase 1 north of the Wrench Fault and also Phase 1 south of the Wrench Fault (above mine infrastructure). Therefore, it is not feasible to present a comparable sensitivity analysis for South Deep. See Risk Factors Gold Fields has not independently confirmed the reliability of the South Deep, BGSA or Western Areas information for the period prior to their respective acquisitions by Gold Fields included in this annual report.

(2) 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 prices is insufficient to affect the level of gold reserves.

The London afternoon fixing price for gold on November 30, 2009 was U.S.$1,176 per ounce. Gold Fields attributable gold reserves decreased from 80.5 million ounces at June 30, 2008 to 78.9 million ounces at June 30, 2009, primarily due to mining depletion.

The amount of copper mineralization that Gold Fields can economically extract, and therefore can classify as reserves, could be sensitive to fluctuations in the price of copper. However, under the current tailings dam design at Cerro Corona, reserves would not respond to an upward movement of the copper price because of current capacity constraints at the tailings storage facility for Cerro Corona and a decrease of 10% in copper prices is insufficient to affect the level of copper reserves.

The London Metal Exchange, or LME, cash buyer price for copper on November 30, 2009 was U.S.$6,815 per ton.

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

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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, any changes to which may require Gold Fields to lower its estimated reserves.

Geology

The majority of Gold Fields gold production is derived from deep-level underground gold mines located along the northern and western margins of the Witwatersrand Basin in South Africa. These properties include the Driefontein operation, the Kloof operation, the Beatrix operation and the South Deep operation. These mines are typical of the many Witwatersrand Basin operations, 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 1200 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 Archaean 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 gold fields 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.

The 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.

For a discussion of the geological features present at the Tarkwa, Damang, St. Ives, Agnew and the Cerro Corona mines, see the geology discussion contained in the description of each of those mines found below under Gold Fields Mining Operations Ghana Operations Tarkwa Mine, Gold Fields Mining Operations Ghana Operations Damang Mine, Gold Fields Mining Operations Australia Operations St. Ives, Mining Operations Australia Operations Agnew , Gold Fields Mining Operations Peru Operations Cerro Corona.

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 the extension of existing orebodies and identification of new orebodies both at existing sites and at undeveloped sites. Once a potential orebody has been discovered, exploration is extended and intensified in order to enable clearer definition of the orebody and the potential portions to be mined. Geological techniques are constantly refined to improve the economic viability of prospecting and mining activities.

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Mining

Gold Fields currently mines only gold, with copper and silver as by-products. The mining process can be divided into two principal activities: (1) developing access to the orebody; and (2) extracting the orebody once accessed. These two processes apply to both surface and underground mines.

Underground Mining

Developing Access to the Orebody

For Gold Fields South African underground mines, access to orebodies is provided through vertical, inclined and declined shaft systems. If additional depth is required to fully exploit the reef, and it is economically feasible, then secondary (sub-vertical) or tertiary shafts are sunk from the underground levels. Horizontal development at various intervals of a shaft, known as levels, extends access to the horizon of the reef to be mined. On-reef development then provides specific mining access. South African mine layouts generally follow a linear, crisscross pattern, while Australian mines have more varied layouts and typically use a spiral-shaped decline layout to descend alongside the orebody.

Extracting the Orebody

Once an orebody has been accessed, drilling, blasting, supporting and cleaning activities are carried out on a daily basis. At Driefontein, Kloof and Beatrix, the broken ore is scraped into and down gullies to ore passes, where it is channeled to the crosscut below. The ore is then hauled by rail to shaft ore passes, where it is tipped into loading stations for hoisting to the surface. At South Deep, now a fully mechanized mine, ore is hauled by trucks along decline corridors to ore pass systems which connect to corridor crosscuts below. The ore is then transported by rail and tipped into loading stations for hoisting to the surface. At the Australian operations, the broken ore is loaded straight from the stope face into trucks, using mechanical loaders, and hauled to the surface via the decline. Mining methods employed at Gold Fields operations include longwall mining, closely spaced dip pillar mining and conventional scattered mining. In Australia, extraction methods are highly mechanized, with mechanized equipment used within the declines and at the stope for drilling, loading and hauling.

Open Pit Mining

Developing Access to the Orebody

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.

Extracting the Orebody

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

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 corporate management and centralized support functions. The current philosophy is one of top-down/bottom-up management, with the non-financial operational objectives at each mine defined by the personnel at the mine based on parameters, objectives and guidelines provided by Gold Fields head office. This is based on the premise that the people on the ground have the best understanding of what is realistically achievable.

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Each operation compiles a detailed one-year operational plan that rolls 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. See Directors, Senior Management and Employees Executive Committee. The operational plan is presented to the Gold Fields Executive Committee, which takes it to the Board for approval before the commencement of each fiscal year. The planning process is sequential and is based upon geological models, evaluation models, mine design, depletion schedules and, ultimately, financial analysis. Capital planning is formalized pursuant to Gold Fields capital spending planning process. Projects are categorized in terms of total expenditure, and all projects involving amounts exceeding Rand 100 million (South Africa), A$15 million (Australia) and U.S.$15 million (Ghana/Peru) are submitted to the Gold Fields Board for approval. Material changes to the plans have to be referred back to the Executive Committee and the Board.

The South African operations have implemented an integrated electronic reserve and resource information system, called IRRIS, to enhance LoM planning capabilities. This system provides a common planning platform to facilitate quicker, more flexible and more accurate short- and long-term planning and more timely identification of production shortfalls. Short-term planning on the operations is conducted monthly and aligned with the operational plan. Financial and economic parameters for the LoM and the operational plan are issued to the operations from the Executive Committee and relevant survey and evaluation factors are determined in accordance with Gold Fields guidelines. Significant changes in the LoM plans may occur from year to year as a result of mining experience, new ore discoveries, changes in the ore reserve estimates, changes in mining methods and rates, process changes, investment in new equipment and technology, input costs and gold prices.

Processing

Gold Fields currently has 15 gold processing facilities (8 in South Africa, 3 in Ghana, 3 in Australia and 1 in Peru) which treat ore to extract gold and, in the case of Cerro Corona, copper. A typical processing plant circuit includes two phases: comminution and treatment.

Comminution

Comminution is the process of 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 minimum 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 CIL or CIP process. The activated carbon is then eluted with gold recovered by electrowinning.

Gold Fields has two active heap leach operations. In the heap leach process, crushed ore is stacked on impervious leach pads and a cyanide leaching solution is sprayed on the pile. The solution percolates through the heap and dissolves liberated gold. A system of underdrains removes the gold-containing solution, which is then passed through columns containing activated carbon. The loaded carbon is then eluted and the gold recovered by electrowinning.

As a final recovery step, gold recovered from the carbon using the above processes is smelted to produce rough gold bars. These bars are then transported to the refinery which is responsible for refining the bars to good delivery status.

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

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Productivity and Cost Initiatives

Towards the end of fiscal 2008, the Gold Fields South African operations reviewed a number of their productivity and cost projects in order to ensure that focus was only on those projects with substantial value beyond the next two to five years. The result of the review was the identification of a suite of projects called Project M , as noted below:

Project 1M *One-meter extra face advance* is a productivity initiative that aims to improve quality mining volumes by increasing the face advance by an extra meter per month to an average of 8 meters per month by the end of fiscal 2010.

Project 2M *Mechanization of flat-end development*, which is development on the horizontal plane, is a technology sub-group initiative aimed at mechanizing all flat-end development at the long-life shafts by the end of fiscal 2010 in order to improve safety and increase reserve flexibility.

Project 3M is a suite of projects focused on reducing energy and utilities consumption, work-place absenteeism and surface costs. Project 3M comprises:

The Energy and Utilities Project which focuses on reducing, by 10% by fiscal 2010, the consumption of power, compressed air and water. It also aims to reduce diesel consumption by 20% within a one-year period. This project is driven primarily at reducing the safety risk to employees of interruptible power supply, maintaining the integrity of equipment and machinery in the face of power supply risks and minimizing the erosion of operating margins due to higher power tariffs and oil prices.

Some of the key initiatives include on-line monitoring of power consumption, main fan vane control, energy-efficient lighting, energy-efficient machinery and equipment, and reducing air and water wastage through stope shut-off valves. In the case of diesel, strict controls are being enforced, supported by the continued replacement of diesel with battery locomotives and outsourcing and upgrade of the old surface vehicle fleet.

The Management of Workplace Absenteeism Project focuses on reducing workplace absenteeism by 4% by fiscal 2010 in order to minimize the impact of lost shifts on production. Some of the key initiatives under this project include reducing unnecessary time spent by employees in training, work orientation and recruitment and healthcare assessment processes by creating a one-stop engagement and health-assessment center, particularly for Driefontein and Kloof. Stricter controls have been implemented to manage sick leave and its abuse, while maintaining focus on continual improvement of wellness programs and employee and union relations.

The Above-ground Cost Project focuses on reducing surface costs by at least R100 million per annum. Various initiatives are in place including review of surface labor, improving workshop performance, implementing salvage and reclamation programs, enhancing procurement processes, and efficient management and utilization of inventories through a vigorous application of standards and norms.

Project 4M *Achievement of the Mine Health and Safety Council (MHSC) Milestones, as agreed to on June 15, 2003*. This initiative focuses on the Mine Health and Safety Council, or the MHSC, milestones agreed to on June 15, 2003 by a tripartite health and safety summit comprising representatives from Government, organized labor unions and associations, and mining companies. The focus is on achieving occupational health and safety targets and milestones over a 10-year period. The commitment was driven by the need to achieve greater improvements in occupational health and safety in the mining industry. In order to meet the noise-induced hearing loss target, the company is focusing on the noise at source. A target was set that no machine or piece of equipment may generate a noise level in excess of 110 dB after December 2013. A number of action plans have been put in place to meet this target based on the highest potential exposure source. Progress is monitored quarterly. See Directors, Senior Management and Employees Employees Health and Safety Safety.

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Refining and Marketing

South Africa

Gold Fields has appointed Rand Refinery Limited, or Rand Refinery, to refine all of Gold Fields South African-produced gold. Rand Refinery is a non-listed public company in which Gold Fields holds a 34.9% interest, with the remaining interests held by other South African gold producers.

Since October 1, 2004, Gold Fields treasury department arranges the sale of all the gold production from the South African operations. Rand Refinery advises Gold Fields on a daily basis of the amount of gold available for sale. Gold Fields sells the gold at a price benchmarked against the London afternoon fixing price. Two business days after the sale of gold, Gold Fields deposits an amount in U.S. dollars equal to the value of the gold at the London afternoon fixing price into Rand Refinery s nominated U.S. dollar account. Rand Refinery deducts refining charges payable by Gold Fields relating to such amount of gold and deposits the balance of the proceeds into the nominated U.S. dollar account of Gold Fields.

Ghana

All gold produced by Gold Fields at the Tarkwa and Damang mines in Ghana is refined by Rand Refinery pursuant to two non-exclusive evergreen agreements entered into in October 2004 between Rand Refinery and Gold Fields Ghana Limited, or Gold Fields Ghana, and between Rand Refinery and Abosso Goldfields Limited, or Abosso. Under these agreements, Rand Refinery collects, refines and sells gold as instructed by Gold Fields Ghana and Abosso. Rand Refinery assumes responsibility for the gold upon collection at either the Tarkwa or Damang mine. The gold is then transported to the Rand Refinery premises in Johannesburg, South Africa, where it is refined. Gold Fields Ghana and Abosso reimburse Rand Refinery for transportation costs. Under these agreements, Rand Refinery sells the refined gold on behalf of Gold Fields Ghana and Abosso at the London afternoon fixing price for gold on the date of delivery. Rand Refinery receives refining fees for gold received, and a realization fee for gold refined. Each of these agreements continues until either party terminates it upon 90 days written notice.

Australia

In Australia, all gold produced by St. Ives and Agnew is refined by AGR Matthey, which is a partnership between WA Mint, Australian Gold Alliance and Johnson Matthey (Australia), under an evergreen agreement which became effective on September 1, 2002. The agreement is between St. Ives Gold Mining Company Pty Ltd, Agnew Gold Mining Company Pty Ltd and AGR Matthey. AGR Matthey applies competitive charges for the collection, transport and refining services. The collection and transportation fees are calculated by the weight of the unrefined gold and a nominal fixed fee component. The refining fees are calculated per ounce of refined gold produced which includes small refining losses of both gold and silver. AGR Matthey takes responsibility for the unrefined gold at collection from St. Ives and Agnew where they engage a sub-contractor, Brinks Australia. Brinks delivers the unrefined gold to AGR Matthey in Perth, Australia, where it is refined and the refined ounces of gold and silver are credited to the relevant metal accounts held by St. Ives and Agnew with AGR Matthey. St. Ives and Agnew then inform Gold Fields treasury in the corporate office in Johannesburg of the amount of fine gold available for sale in Perth, Australia. After such confirmation, Gold Fields treasury either sells the gold directly to AGR Matthey, at the London afternoon fixing price, or swaps it into London for a competitive fee per ounce, meaning AGR Matthey provides that volume of fine gold in London for sale by Gold Fields. In the case of a location swap, AGR Matthey is instructed to credit St. Ives or Agnew s metal account held with Deutsche Bank, London. Once the gold is sold to a third-party, Deutsche Bank in London is instructed by Gold Fields to deliver the gold to the relevant counterparty bank. All silver is sold to AGR Matthey at market rates. The agreement with AGR Matthey continues indefinitely until terminated by either party upon 90 days written notice.

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Peru

La Cima has three contracts for the sale of the entire output of concentrate from the Cerro Corona mine, one with a Japanese refiner, one with a South Korean refiner and one with a German refiner. Two of the contracts expire on December 31, 2015, while the third contract expires on December 31, 2014. Under these contracts, La Cima is to sell approximately one-third 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 and gold under each of the contracts is based on average LME copper prices and London Bullion Market Association gold prices, respectively.

World Gold Council

Gold Fields supports and participates in the gold marketing activities of the World Gold Council, or WGC, and, prior to January 1, 2009, contributed to the WGC in support of its activities at a rate of $1.75 per ounce of the gold it produced in South Africa (excluding gold produced from the South Deep Project) and Australia and $1.75 per ounce of its attributable production from Tarkwa and Damang. From January 1, 2009, the amount contributed per ounce increased to $1.85.

Services

Mining activities require extensive services, located both on the surface and underground at the mines. Services include:

- mining-related services such as engineering, rock mechanics, ventilation and refrigeration, materials handling, operational performance evaluation and capital planning;
- safety and training;
- housing and health-related services, including hostel and hospital operations;
- reserves management, including sampling and estimation, geological services, including mine planning and design, and mine survey;
- metallurgy;
- equipment maintenance; and
- assay services.

Most of these services are provided directly by Gold Fields, either at the operational level or through the head office, although some are provided by third-party contractors.

Gold Fields Mining Operations

Gold Fields conducts underground mining operations at each site except Tarkwa, Damang and Cerro Corona and conducts some processing of surface rock dump material at Driefontein, Kloof and South Deep. Processing of surface rock dump material at Agnew was completed in October 2008. Gold Fields conducts open pit mining at Tarkwa, Damang, St. Ives (which also conducts underground mining) and Cerro Corona and also processes material from production stockpiles at Tarkwa, Damang and St. Ives.

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Total Operations

The following chart details the operating and production results (including gold equivalents) for each of fiscal 2007, 2008 and 2009 for all operations owned by Gold Fields during that fiscal year. The results of operations for mines acquired during the relevant period are included as from the date of control, which is December 1, 2006 for South Deep. The results of operations for mines sold during the relevant period are included through the date of execution of the sale agreement, which was November 30, 2007 for Choco 10 in Venezuela.

	Year ended June 30,		
	2007	**2008**	**2009**
Production			
Tons (000)	52,166	50,376	52,907
Recovered grade (g/t)	2.6	2.4	2.2
Gold produced (000 oz)[1]	4,285	3,915	3,691
Results of operations ($ million)			
Revenues	2,735.2	3,206.2	3,228.3
Total production costs[2]	2,052.5	2,387.9	2,430.5
Total cash costs[3]	1,692.5	1,975.2	1,986.1
Cash profit[4]	1,042.7	1,231.0	1,242.2
Cost per ounce of gold ($)			
Total production costs	482	610	659
Total cash costs	394	505	538
Notional cash expenditure per ounce of gold produced ($)[5]	596	822	763

Notes:

(1) In fiscal 2007, 4.024 million ounces were attributable to Gold Fields, in fiscal 2008, 3.670 million ounces were attributable to Gold Fields, and in fiscal 2009, 3.414 million ounces were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana and Peru operation during fiscal 2009, attributable to minority shareholders in the Ghana and Venezuela operation during fiscal 2008 and attributable to minority shareholders in the Ghana, Venezuela and South Deep operations in fiscal 2007.

(2) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2009 and 2009 Costs and Expenses and Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2008 and 2007 Costs and Expenses .

(3) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2009 and 2009 Costs and Expenses and Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2008 and 2007 Costs and Expenses .

(4) Cash profit represents revenues less total cash costs.

(5) For a reconciliation of Gold Fields notional cash expenditure to its production costs for fiscal 2009, 2008 and 2007, see Operating and Financial Review and Prospects Costs Notional Cash Expenditure.

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Underground Operations

The following chart details the operating and production results for Gold Fields underground operations for fiscal 2007, 2008 and 2009. The underground operations include all of the mines in the South African operations and the underground portions of the mines in the Australian operations. The results of operations for mines acquired during the relevant period are included as from the date of control, which is December 1, 2006 for South Deep.

	Year ended June 30,		
	2007	**2008**	**2009**
Production			
Tons (000)	13,386	12,017	11,541
Recovered grade (g/t)	6.7	6.7	6.2
Gold produced (000 oz)[1]	2,884	2,585	2,300
Results of operations ($million)			
Revenues	1,840.2	2,100.5	2,015.2
Total production costs[2]	1,346.4	1,535.0	1,508.9
Total cash costs[3]	1,086.5	1,244.7	1,216.6
Cash profit[4]	753.7	855.8	798.6
Cost per ounce of gold ($)			
Total production costs	474	594	656
Total cash costs	377	481	529

Notes:

(1) In fiscal 2007, 2,881 million ounces were attributable to Gold Fields. In fiscal 2008, all 2.585 million ounces were attributable to Gold Fields and in fiscal 2009, all 2,300 million ounces were attributable to Gold Fields.

(2) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2009 and 2009 Costs and Expenses and Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2008 and 2007 Costs and Expenses .

(3) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2009 and 2009 Costs and Expenses and Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2008 and 2007 Costs and Expenses .

(4) Cash profit represents revenues less total cash costs.

Tons milled from the underground operations decreased from 12.0 million tons in fiscal 2008 to 11.5 million tons in fiscal 2009. At the South African operations, the decrease was mainly due to the addressing of the backlog in secondary support and infrastructure rehabilitation across all operations. The amount of gold produced from underground operations decreased from 2.585 million ounces in fiscal 2008 to 2.300 million ounces in fiscal 2009. This decrease was also due to the addressing of the backlog in secondary support, lower underground grades and infrastructure rehabilitation across all operations.

Surface Operations

The following chart details the operating and production results (including gold equivalents) for Gold Fields surface operations for fiscal 2007, 2008 and 2009. Surface operations include all of the mines in the Ghana, Venezuela and Peru operations, the open pit portions of the mines in the Australian operations and the surface rock dump material at the mines in the South African operation. The results of operations for mines

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acquired during the relevant period are included as from the date of control, which is December 1, 2006 for South Deep. The results of operations for Choco 10 are included only through the date of the sale, which was November 30, 2007.

	Year ended June 30,		
	2007	2008	2009
Production			
Tons (000)	38,780	38,359	41,366
Recovered grade (g/t)	1.1	1.1	1.0
Gold produced (000 oz)[1]	1,401	1,330	1,391
Results of operations ($ million)			
Revenues	895.0	1,105.7	1,213.1
Total production costs[2]	706.1	852.9	921.6
Total cash costs[3]	606.1	730.5	769.5
Cash profit[4]	288.9	375.2	443.6
Cost per ounce of gold ($)			
Total production costs	504	642	663
Total cash costs	432	550	553

Notes:

(1) In fiscal 2007, 1.142 million ounces were attributable to Gold Fields, in fiscal 2008, 1.085 million ounces were attributable to Gold Fields and in fiscal 2009, 1.114 million ounces were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana and Peru operations in fiscal 2009, attributable to minority shareholders in both the Ghana and Venezuela operations in fiscal 2008 and attributable to minority shareholders in Ghana, Venezuela and South Deep in fiscal 2007.

(2) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2009 and 2009 Costs and Expenses and Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2008 and 2007 Costs and Expenses .

(3) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2009 and 2009 Costs and Expenses and Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2008 and 2007 Costs and Expenses .

(4) Cash profit represents revenues less total cash costs.

Tons milled and treated from the surface operations increased from 38.4 million tons in fiscal 2008 to 41.4 million tons in fiscal 2009, primarily because of the inclusion of the Cerro Corona operation in Peru.

Driefontein Operation

Introduction

The Driefontein gold mine is located in the Northwest Province of South Africa in the Far West Rand mining district, some 70 kilometers southwest of Johannesburg. Driefontein operates under mining rights covering a total area of approximately 8,600 hectares. It is an underground mine with nominal surface reserves represented by rock dumps that have been accumulated through the operating history of the mine. Driefontein has multiple operating shaft systems and three metallurgical plants and operates at depths of between 700 meters and 3,420 meters

below surface. The Driefontein operation has access to the national electricity grid and water, road and rail infrastructure and is located near regional urban centers where it can routinely obtain needed supplies. In the fiscal year ended June 30, 2009, it produced 0.830 million ounces of gold. As of June 30, 2009, Driefontein had approximately 19,200 employees, including approximately 3,200 employed by outside contractors.

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History

Driefontein was formed from the consolidation in 1981 of the East Driefontein and West Driefontein mines. Gold mining began at Driefontein in 1952.

Geology

Driefontein is located in the West Wits Line that forms part of the Far West Rand of the Witwatersrand Basin. The operation is geologically divided into an eastern section and a western section, separated by a bank anticline and associated faulting. Gold mineralization at Driefontein is contained within three reef horizons. The Carbon Leader Reef, or Carbon Leader, the Ventersdorp Contact Reef, or VCR, and the Middelvlei Reef, or MVR, occur at depths of between 500 meters and 4,000 meters. Stratigraphically, the Carbon Leader is situated 40 to 70 meters below the VCR and MVR and is a generally high-grade reef comprising different facies and dips to the south at approximately 25 degrees. The Carbon Leader subcrops against the VCR in the eastern part of the mine. The west-dipping Bank Fault defines the eastern limit of both reefs. The VCR is most extensively developed in the east, and subcrops to the west. The MVR is a secondary reef, situated approximately 50 meters above the Carbon Leader, and, at present, it is a minor contributor to reserves and production. The average gold grades vary with lithofacies changes in all of the reefs.

Mining

In the northern, older portions of Driefontein, which include Shaft Nos. 2, 6 and 8, production is focused on remnant pillar extraction and accessing and mining of secondary reef horizons. In the southern, newer portions of the mine, which include Shaft Nos. 1 and 4, the focus is on scattered or longwall mining. In the western portion of the mine, at Shafts No. 10 and 6 Tertiary, extensive reclamation and cleaning operations are being conducted. The shafts at the deepest levels of the mine, consisting of Shaft No. 1 Tertiary and Shaft No. 5 Sub-Vertical, employ the closely spaced dip pillar mining method. This method provides additional mining flexibility. Following increased seismicity, impacting on footwall development at Shaft Nos. 1 and 5, the mine instituted a comprehensive strategy to increase the support density in all major off-reef development. Most of the development at Shaft Nos. 1, 4 and 5 was halted in September 2008, and crews were redeployed in order to address the accumulating backlog in implementing secondary support at these shafts. An estimated 90% of the high priority backlog was completed by January 2009. Development at Shaft Nos. 1, 4 and 5 recommenced in January 2009. Development at Shaft No. 7 recommenced in July 2009. In order to prevent secondary support from falling behind again, the mine also introduced the one pass system, where crews will install their own secondary support as they mine. Gold Fields believes this will limit the deterioration of the hanging wall and, to a degree, the footwall infrastructure due to seismicity. Gold Fields expects to complete the backlog by the end of fiscal 2010.

Reviews of pillar mining were also conducted during the year, which led to the stoppage of extraction of numerous higher-grade pillars across the mine. These stoppages had a significant impact on gold production during the year.

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Detailed below are the operating and production results at Driefontein for the past three fiscal years.

	Year ended June 30,		
	2007	2008	2009
Production			
Tons (000)	6,652	5,981	6,217
Recovered grade (g/t)	4.8	4.8	4.2
Gold produced (000 oz)	1,017	928	830
Results of operations ($million)			
Revenues	648.2	756.8	726.5
Total production costs[1]	425.9	477.6	448.7
Total cash costs[2]	355.0	384.5	373.8
Cash profit[3]	293.2	372.3	352.7
Cost per ounce of gold ($)			
Total production costs	419	515	541
Total cash costs	349	414	450
Notional cash expenditure per ounce of gold produced ($)[4]	481	584	610

Notes:

(1) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2009 and 2009 Costs and Expenses and Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2008 and 2007 Costs and Expenses .

(2) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2009 and 2009 Costs and Expenses and Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2008 and 2007 Costs and Expenses .

(3) Cash profit represents revenues less total cash costs.

(4) For a reconciliation of Gold Fields notional cash expenditure to its production costs for fiscal 2009, 2008 and 2007, see Operating and Financial Review and Prospects Costs Notional Cash Expenditure.

The increase in tonnage from fiscal 2008 to 2009 was primarily due to an increase in surface ore milled. Gold production decreased primarily due to a drop in both underground mill tons and yield. Underground production and yield was severely affected by stoppages relating to safety. In addition, numerous higher-grade areas had to be abandoned during the year due to unacceptable risk levels. Gold Fields experienced an increase in total cash costs and total production costs per ounce of gold from fiscal 2008 to fiscal 2009 at Driefontein, mainly due to lower gold production and increased input costs.

In order to improve operational excellence, in fiscal 2009, Driefontein focused on the implementation of various new technologies and initiatives. These initiatives are aimed at improving mining efficiencies and streamlining the mining process, and include the purchase of a boxhole borer, various mechanized loaders, new era locomotives and development drill rigs.

The Driefontein operation is engaged in both underground and rock dump mining, and is thus subject to all of the underground and rock dump mining risks discussed in Risk Factors. The primary safety challenges facing the Driefontein underground operation include falls of ground, seismicity, flammable gas, water intrusion and temperatures. Water intrusion is dealt with through drilling, cementation sealing techniques and

an extensive water-pumping network. Also, because rock temperatures tend to increase with depth, Driefontein requires an extensive cooling infrastructure. Driefontein has instituted a number of initiatives to reduce the risks posed by seismicity, including a detailed analysis of previous seismic events, preconditioning and backfilling, the use of hydraulic props, monitoring seismic risk parameters to allow quicker reactions to changes and centralized blasting. In addition, during fiscal 2009, Driefontein adopted a revised stope support standard in all areas with

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friable hangwall and in areas that have the Westonaria Formation Lava hangwall. Continued reviews of remnant and pillar mining areas were also conducted during the year leading to the stoppage of extraction at numerous higher risk areas across the mine. Driefontein has contracted with external seismologists and rock engineers as a seismic task team to assess and improve seismic strategies.

On January 24, 2008, Gold Fields suspended all mining activity at its South African operations, due to Eskom advising their Key Industrial Consumers, of which Gold Fields is one, that they could not guarantee supply. On January 28, 2008, the power supply was restored to 71% of total average consumption allowing Gold Fields to begin ramping up production at its South African operations. 50% of Gold Fields normal electrical consumption is required simply to pump, ventilate and refrigerate its operations. Therefore, the amount of power available on January 28, 2008, was sufficient for essential maintenance, pumping, ventilation, refrigeration, opening up faces and ensuring working areas were safe to operate, but not for production or beneficiation purposes. By mid-March 2008, the total power available to Gold Fields South African mines was approximately 95% of the historical average consumption profile at Driefontein and Kloof, and 90% at the Beatrix and South Deep mines. Gold Fields power needs in South Africa will increase as it builds up production at its South Deep mine. It has requested an additional allocation from Eskom and Eskom has indicated that the additional requested capacity will be granted. If a power conservation program is implemented, Gold Fields expects that the power allocations of each of its operations will be tradable. As a result, Gold Fields expects to be able to shift power usage from one mine to another as necessary. See Risk Factors Some of Gold Fields power suppliers have forced it to halt or curtail activities at its mines, due to severe power disruptions. Power stoppages, fluctuations and power cost increases may adversely affect Gold Fields results of operations and its financial condition .

As a result of the electricity issues, sinking operations at Shaft No. 9 have been suspended indefinitely. Gold Fields plans to continue to perform essential maintenance on the shaft so that the deepening project may be resumed quickly if Gold Fields decides to do so. In the interim, Driefontein will continue with the drilling program in the area below the lowest area currently being mined, targeting the area expected to be accessed by Shaft No. 9. Gold Fields is also conducting an optimization study on mining below current infrastructure. This study is currently investigating a viable alternative to the Shaft No. 9 project, such as a phased mini-decline start system.

Driefontein continued to process low-grade surface material in fiscal 2009, for which the biggest risk is a decrease in grade of the remaining dumps. In order to manage this risk, the grade of the rock dumps is monitored on a daily basis. Grade management is undertaken through the screening of material to separate out the smaller fraction sizes of ore, which tend to be of higher grade. This process reduces the tonnage that will be available for processing. The surface operation safety risks include problems with ground stability, moving machinery and dust generation. Driefontein has a risk management system in place that guides the mining of the rock dumps to minimize these risks.

In total, during fiscal 2009, there were seven fatalities at Driefontein and, to date in fiscal 2010, there have been three fatalities. Of the 10 fatalities, six were due to seismic events, one due to a winches and rigging related accident, one due to an accident related to a discharge of gas and two due to tramming related accidents. The serious injury frequency rate (see Defined Terms and Conventions) for fiscal 2009 was 3.0 serious injuries for every million hours worked, reflecting an improvement as compared to the serious injury frequency rate of 4.4 for fiscal 2008 and 7.1 for fiscal 2007. The fatal injury frequency rate decreased from 0.26 in fiscal 2008 to 0.16 fatalities for every million hours worked in fiscal 2009. In fiscal 2007, the fatal injury frequency rate was 0.26 fatalities for every million hours worked. A major source of accidents in the mine remains falls of ground, which make up about a third of all accidents. Based on the results of the Presidential Safety Audit conducted in 2007, as well as the Du Pont audit in fiscal 2009, Gold Fields is designing a safety management system called the Safe Production Management System, to address outstanding issues identified and to assist Driefontein and the other South African operations to improve health and safety to best practice levels. The mine also continued with the Masiphephe safety program, which incorporates elements of the Safe Production Management System, during the year. On June 12, 2009, the mine completed in excess of 2.85 million fatality-free shifts, which is a record

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achievement for the mine and set a new benchmark for deep-level gold mining in South Africa. Driefontein again maintained its Occupational Health and Safety Assessment Series, or OHSAS 18001 certification, through external audits conducted in fiscal 2009.

During fiscal 2009, after each major mine incident or accident, Driefontein received, and complied with, various instructions to halt operations from the Principal Inspector of the Gauteng area of the DMR. As part of Gold Fields compliance with these instructions, Driefontein participated in the Health and Safety Audit which checked legal compliance of the mine. The Department of Mineral Resources has expressed its satisfaction with the mine s remedial measures. See Directors, Senior Management and Employees Employees Safety .

During fiscal 2009, there were three industrial actions that affected production at Driefontein. On July 23, 2008, there was a one-day regional work stoppage in Gauteng province in support of COSATU s protest against the electricity crisis in South Africa followed by another one-day COSATU national stay-away on August 6, 2008 for the same reason. The third action was an isolated illegal work stoppage that lasted for a day at Driefontein s Shaft No. 1. For more information about labor relations at Driefontein, see Directors, Senior Management and Employees Employees Labor Relations South Africa. Driefontein s productivity improvement strategies continue to be hampered by high levels of worker absenteeism. Although the mine has succeeded in reducing the absenteeism rate, the sick rate, which is one factor of the absenteeism rate, remains an area of concern. Driefontein is continuing with a wellness program as an initiative aimed at improving the health of employees generally. The previous shortage of skilled labor at Driefontein has been eased following closures in other areas of the mining industry.

The total shaft hoisting capacity of Driefontein is detailed below.

Shaft System	Hoisting capacity (tons/month)
No. 1	105,000
No. 2	165,000
No. 4	107,000
No. 5	150,000
No. 6[(1)]	96,000
No. 7	190,000
No. 8	96,000
No. 10[(1)]	121,000

Note:

(1) Shaft Nos. 6 Tertiary and 10 are currently only operated on a limited scale, with the focus on reclamation and cleaning.

Assuming that Gold Fields does not increase or decrease reserve estimates at Driefontein and that there are no changes to the current mine plan at Driefontein, Driefontein s June 30, 2009 proven and probable reserves of 18.2 million ounces of gold will be sufficient to maintain production through approximately fiscal 2040. 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 thus could materially change the life of mine.

Driefontein achieved full compliance certification under the International Cyanide Management Code in October 2009.

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Processing

The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tons milled per month and metallurgical recovery factors during the fiscal year ended June 30, 2009, for each of the plants at Driefontein:

		Processing Techniques				
Plant	**Year commissioned[1]**	**Comminution phase**	**Treatment phase**	**Capacity[2] (tons/month)**	**Average milled for the year ended June 30, 2009 (tons/month)**	**Approximate recovery factor for the year ended June 30, 2009[4]**
No. 1 Plant	1972	SAG milling	CIP treatment and electrowinning	240,000	246,043	97%
No. 2 Plant	1964	SAG/ball milling	CIP treatment[3]	200,000	174,981	92%
No. 3 Plant	1998	SAG milling	CIP treatment[3]	115,000	97,098	92%

Notes:

(1) No. 1 Plant was substantially upgraded in fiscal 2004, and No. 2 Plant was substantially upgraded in fiscal 2003. No. 3 Plant was originally commissioned as a uranium plant and was upgraded to a gold plant in 1998. Therefore, No. 3 Plant lists the year commissioned as a gold plant.

(2) Nameplate capacity. 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.

(3) After CIP treatment, electrowinning occurs at No. 1 Plant.

(4) Percentages are rounded to the nearest whole percent.

In fiscal 2009, the Driefontein plants collectively extracted approximately 97% of the gold contained in ore delivered for processing.

Capital Expenditure

Gold Fields spent approximately $115 million on capital expenditures at the Driefontein operation in fiscal 2009, primarily on ore reserve development, shaft pillar extraction at Shaft No. 4, upgrading and building of accommodation units, historical tailings treatment operation, emergency power generators, the introduction of battery locomotives and continued implementation of new technology such as development drill rigs and a box-hole borer. Gold Fields has budgeted approximately $147 million of capital expenditures at Driefontein for fiscal 2010, principally for the Shaft No. 4 pillar extraction project, the Uranium Project feasibility study, ore reserve development, continuing mechanization and a residential area upgrade.

Kloof Operation

Introduction

Kloof is situated approximately 60 kilometers west of Johannesburg, near the towns of Carletonville and Westonaria in the Gauteng Province of South Africa. The Kloof mine operates under mining rights covering a total area of approximately 20,100 hectares. It is principally an

underground operation, with surface rock dump material being processed at both the Kloof and South Deep plants. Kloof currently has five operating shaft systems serviced by two metallurgical plants. Kloof is an intermediate to ultra-deep-level mine, with operating depths between 1,300 meters and 3,500 meters below surface. The Kloof operation has access to the national electricity grid and water, road and rail infrastructure and is located near regional urban centers where it can routinely obtain needed supplies. In the fiscal year ended June 30, 2009, it produced 0.643 million ounces of gold. As of June 30, 2009, Kloof had approximately 17,200 employees, including approximately 2,300 who were employed by outside contractors.

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History

Kloof s present scope of operations is the result of the consolidation of the Kloof, Libanon, Leeudoorn and Venterspost mines. Gold mining began in the area now covered by these operations in 1934.

Geology

The majority of production at Kloof is from the VCR, which occurs at depths of between 1,300 meters and 3,350 meters below surface. The VCR is a tabular orebody that has a general northeast-southwest strike and dips to the southeast at between 20 and 45 degrees. The Middelvlei Reef, or MVR, is classified as Kloof s secondary reef and minor production volumes are also delivered from the Kloof Reef, or KR, and Libanon Reef, or LR.

Kloof lies between the Bank Fault to the west, and the north trending West Rand Fault to the east. The latter truncates the VCR along the eastern boundary of the mine, with a 1- to 1.5-kilometer up throw to the east. Normal faults are developed sub-parallel to the westerly dipping West Rand Fault, with sympathetic north-northeast trending dykes that show little to no apparent offset of the stratigraphy. A conjugate set of faults and dykes occurs on a west-southwest trend, with throws of 1 to 15 meters. Structures that offset the VCR increase in frequency toward the southern portion of the mine as the Bank Fault is approached.

Mining

The current preferred mining method at Kloof is breast stoping with closely spaced dip pillar mining, with limited application of longwalling and remnant pillar mining in the mature areas. Shaft Nos. 1, 3, 4 and 7 provide the main centers of current production at Kloof, although for the first six months of fiscal 2009 essential maintenance work was performed on Main Shaft infrastructure which hampered production.

In fiscal 2009, Kloof faced several challenges in meeting several of its production targets. Planned production was severely affected by numerous safety-related shaft and full mine production stoppages that were imposed by the DMR, as well as safety stoppages required by management. Production was also adversely affected by the Shaft No. 1 maintenance work mentioned above, a slow return to standard production levels following the Christmas and Easter breaks, seismicity damage, an underground fire at Shaft No. 7 and an illegal stay-away by some miners at Kloof for two months beginning on June 11, 2008. Although grade variability of the primary VCR reef was high, total underground average yield was 4% lower than in fiscal 2008.

The planned extraction of the high-grade Shaft No. 1, or Main Shaft, pillar has been deferred until fiscal 2014 after an external audit review by GroundWorks Consulting revealed that the geotechnical information concerning the Main Shaft pillar area is insufficient to guide the pillar extraction and associated activities required to assist in the safe and profitable extraction of this pillar. The Main Shaft pillar extraction project s original extraction report was reviewed subsequent to a full geotechnical investigation. The report highlighted that mining of the pillar fringes are possible, but indicate significant seismic risk associated with the inherent geological structure. Further seismic analysis and a review of the design is required to minimize the seismic risk. The final design on how to mine the shaft pillar with the necessary bracket and regional stability pillars is currently being modeled and the final mining sequence and seismic risk analysis will then be completed. Mining of the outskirts of the pillar, though, has begun.

At Shaft No. 3, plans are on track to reopen those areas that were isolated during the power crisis of fiscal 2008, and at Shaft No. 4, an additional refrigeration plant has been commissioned and should assist in improving environmental conditions underground. Shaft No. 7 has all major infrastructure in place and working conditions are conducive to production delivery. As of the date of this annual report, Shaft No. 8 is predominantly mining the lower-grade MVR reef with reduced remnant mining on the VCR horizon due to the presence of complex geological structures which have to be negotiated and which result in reef elimination and gold losses. In line with the overall Gold Fields productivity initiatives, Kloof continues to focus on optimizing mine design and configuration, while ensuring that the high-productivity drivers of workforce motivation and competence are addressed through training and incentive schemes.

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Short-term grade management is well entrenched and, together with the initiatives put into operation to drive the mine call factor, or MCF, and quality mining program, it is envisaged that the full potential of the mining grade can be realized. The objectives of the quality management program are to ensure that the mine reduces the grade gap between the stope face and the plant, optimizing the size of rock fragments delivered to the plant and ensuring that effective cleaning methods of ore accumulations are employed. A feasibility study for the modified Kloof Extension Area, or KEA, project, now called the 55 Line Decline, is underway. This project consists of a three-level, 14-degree conveyor decline and a service way, and will target the southern portion of the original KEA. Planned infill drilling at Shaft No. 4 will further test the extent of certain higher-grade Sandy 1 facies below the current infrastructure. Additional drilling is also planned to target the MVR area to the south of Shaft No. 1 sub-vertical.

During the first quarter of fiscal 2010, it became evident that the production trajectory and forward gold profile for Kloof was showing misalignment with Kloof s operational plan. There had been a decrease in the mining grades as well as a loss of high-grade panels due to seismicity.

Gold Fields has undertaken a comprehensive review of the mine s fiscal 2010 operational plan, taking into consideration the latest information on areas affected by seismicity, geology, evaluation, face length flexibility, payability, mining mix, production rates, quality factors and costs. This work is critical to producing a safe production baseline for Kloof that can be used as a realistic point of departure before building in new opportunities and expediting a number of quality aspects waiting to be leveraged. Gold Fields now believes that Kloof will produce between five and five and a half tons per quarter until it has improved flexibility.

Detailed below are the operating and production results at Kloof for the past three fiscal years.

	Year ended June 30,		
	2007	2008	2009
Production			
Tons (000)	3,829	3,953	3,319
Recovered grade (g/t)	7.5	6.5	6.0
Gold produced (000 oz)	923	821	643
Results of operations ($million)			
Revenues	587.0	660.9	562.3
Total production costs[1]	423.1	445.6	413.7
Total cash costs[2]	338.6	354.6	328.7
Cash profit[3]	248.4	306.3	233.6
Cost per ounce of gold ($)			
Total production costs	458	543	643
Total cash costs	367	432	511
Notional cash expenditure per ounce of gold produced ($)[4]	501	602	698

Notes:

(1) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2009 and 2009 Costs and Expenses and Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2008 and 2007 Costs and Expenses .

(2) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2009 and 2009 Costs and Expenses and Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2008 and 2007 Costs and Expenses .

(3) Cash profit represents revenues less total cash costs.

(4) For a reconciliation of Gold Fields notional cash expenditure to its production costs for fiscal 2009, 2008 and 2007, see Operating and Financial Review and Prospects Costs Notional Cash Expenditure.

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The decrease in tonnage from fiscal 2008 to 2009 was primarily as a result of planned reductions in production due to the maintenance work on Shaft No. 1. Gold production for fiscal 2009 decreased by 21.7% to 0.643 million ounces from 0.821 million ounces in fiscal 2008, due to the planned decreases in production, maintenance on Shaft No. 1 and numerous safety-related stoppages during the year. Recovered grade decreased from 6.5 g/t in fiscal 2008 to 6.0 g/t in fiscal 2009, primarily due to the higher proportion of lower-grade surface tons processed during fiscal 2009. Total cash costs per ounce increased in fiscal 2009, due to the planned decrease in production and commodity price increases.

The Kloof operation is engaged in underground and rock dump mining, and is thus subject to all of the underground and rock dump risks discussed in Risk Factors. A significant challenge facing the Kloof operation is seismicity, and a lesser risk is flammable gas. Gold Fields seeks to reduce the impact of seismicity at Kloof by using the closely spaced dip pillar mining method. In addition, during fiscal 2009, Kloof adopted a revised stope support standard in all areas with friable hangwall and in areas that have the Westonaria Formation Lava hangwall. Early detection and increased ventilation of the shafts are being used to minimize the risk of incidents caused by flammable gas. Also Kloof requires extensive cooling infrastructure to maintain comfortable conditions for workers due to the extreme depth of its operations.

As discussed in regards to Driefontein, the Kloof operation experienced a total suspension of production during the third quarter of fiscal 2008 due to power constraints. See Information on the Company Gold Fields Mining Operations Driefontein Operation Mining . An application for additional power was made to Eskom in fiscal 2009. This has been granted and Kloof is now permitted a greater power allocation that it used prior to the power crisis. This additional power is required for the installation of new ventilation equipment and the running of the mills at higher capacity. In addition, in the unlikely event of a total power outage for a prolonged period, Kloof has installed and commissioned an emergency generation plant to allow mine personnel to be evacuated speedily. If a power conservation program is implemented, Gold Fields expects that the power allocations of each of its operations will be tradable. As a result, Gold Fields expects to be able to shift power usage from one mine to another as necessary.

Ten workers lost their lives at Kloof in fiscal 2009, in nine separate incidents. One was related to an ore-pass incident, one as a result of a conveyance incident, one related to blasting, one due to falling from a height, one from a gravity incide