

Regional overview



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Regional overview: 1. Americas

1.1 Overview

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1.1.1 Introduction

Our South America Region hosts our Cerro Corona mine – as well as the major Chucapaca growth project.

Operations

The Cerro Corona mine – in which we hold a 99.5% interest through our Gold Fields La Cima subsidiary – produces both copper and gold.

Growth projects

Three advanced projects are currently in the Americas Region (for detailed information, refer to the Mineral Resource and Mineral Reserve Supplement to the IAR):

- **Woodjam Project**, which is 51% attributable to GFL, which consists of porphyry copper and gold deposits in British Columbia, Canada, with Inferred Mineral Resources of 0.6 million ounces gold and 1,705 million pounds copper
- **Chucapaca Project** is 51% attributable to GFL and is a gold, copper and silver deposit in southern Peru, with Mineral Resources of 6.1 million ounces gold, 46.1 million ounces silver and 254 million pounds copper
- **Salares Norte** is 100% owned by Gold Fields and is a gold-silver advanced drilling project in the Diego de Almagro Commune, Atacama Region, Chile

Figure 1.1: Contribution to Group – Americas Region

Measure	% of Group total
Attributable production	15
Attributable gold Mineral Resources ¹	3
Attributable gold Mineral Reserves	4
National value distribution	15
Employees	3

¹Excludes projects

Figure 1.2: Regional map – Americas Region



Figure 1.3: Attributable equivalent gold production

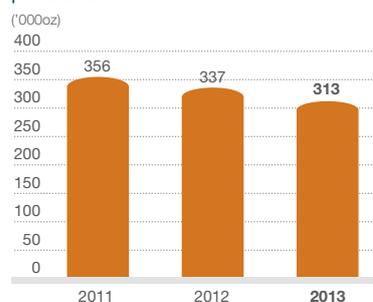


Figure 1.4: All-in Cost ('AIC') margin

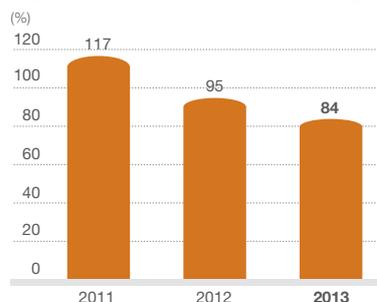


Figure 1.5: Attributable gold Mineral Reserves and Resources

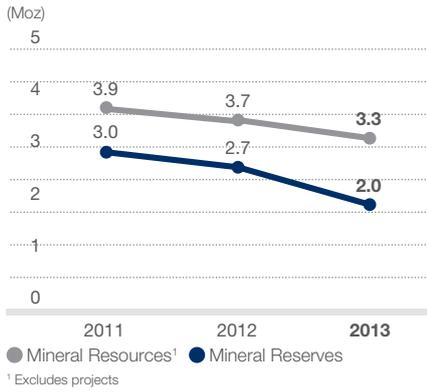
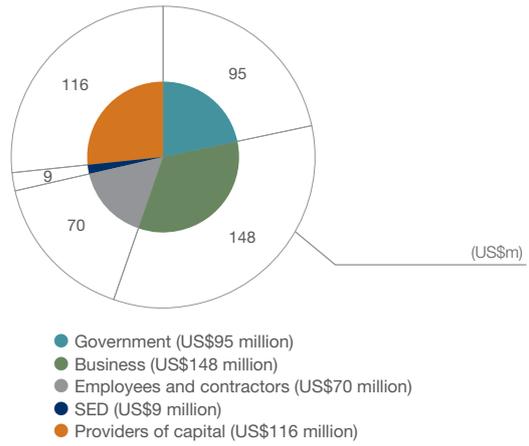


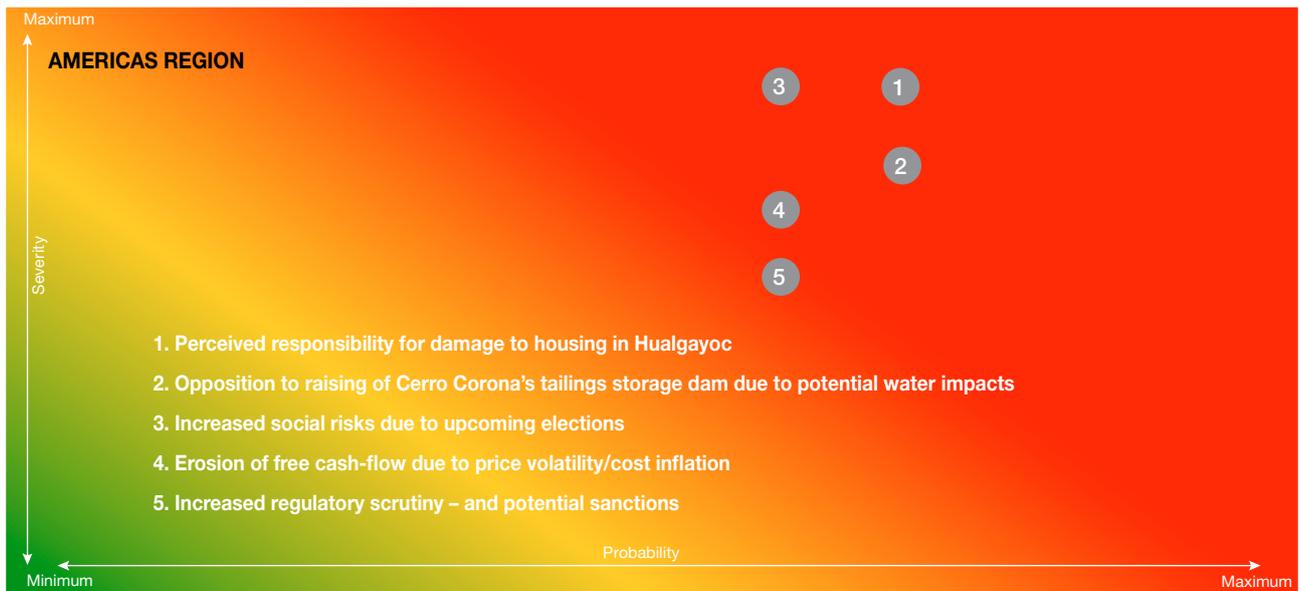
Figure 1.6: National value distribution



1.1.2 Risks

The heat map below sets out the top five risks for the Americas Region, as identified through our Enterprise Risk Management ('ERM') process.

Figure 1.7: Heat map and mitigating factors (top five) – Americas Region



Regional overview: 1. Americas continued

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Risk	Description	Mitigating strategies
1	Perceived responsibility for damage to houses in Hualgayoc	<ul style="list-style-type: none"> Engagement to explain houses are being affected by their poor structural condition – not by our mining activity Engagement with local government and others to expedite the urgent stabilisation of the houses
2	Opposition to the raising of Cerro Corona's tailings storage dam due to potential water impacts	<ul style="list-style-type: none"> Engagement with local stakeholders regarding the relocation of the Las Tomas Spring to a higher elevation Utilisation of an alternative spring, which has been successfully tested with local stakeholders Examination of alternative impact avoidance, mitigation and remediation measures
3	Increased social risks due to upcoming elections	<ul style="list-style-type: none"> Ongoing monitoring and evaluation of national and local political developments Comprehensive adherence to all community commitments Ongoing stakeholder engagement and monitoring at local- and national-level Coordination with peer companies and national government to help prevent social conflict Contingency planning to address the potential impacts of social conflict
4	Erosion of free cash-flow due to price volatility/cost inflation	<ul style="list-style-type: none"> Close focus on the achievement of Cerro Corona's approved production plan Implementation of strict cost containment and reduction measures
5	Increased regulatory scrutiny – and potential sanctions	<ul style="list-style-type: none"> Full compliance with relevant regulations and constant monitoring to detect potential deviations Detailed examination of the legal/factual basis of potential sanctions Comprehensive adherence to all community commitments

1.2 Operation: Cerro Corona

1.2.1 Introduction

- Located in the highest part of the western Cordilleras of the Andes in the north of Peru
- Produces gold and copper concentrate from a large open pit
- Processes ore through a standard sulphide floatation tank
- Copper-gold concentrate is trucked to the port of Salaverry for export

1.2.2 Strategic overview

- Cerro Corona remains Gold Fields' most profitable operation
- Both the Oxides Project and Sulphides Project – which would have seen an expansion in production – have been cancelled due to inadequate forecast returns

1.2.3 2013 performance overview

- Gold equivalent production decreased by 7% to 316,700 ounces (2012: 342,100 ounces). This was due to expected lower gold and copper grades, resulting in lower gold ounces and copper tonnes
- Net operating costs decreased by 11% to US\$142 million (2012: US\$160 million). This was due to a decrease in statutory workers' participation in profits due to lower profitability – as well as a higher build-up of inventory in 2013
- Despite a reduction in net operating costs, Cerro Corona also saw a significant increase in its AIC per ounce to US\$206/oz (2012: US\$82/oz) – reflecting lower production and reduced copper credits
- Cerro Corona suffered its first workplace fatality in November 2013 following the death of contractor Wildo Rafael Campos during vehicle maintenance. A range of enhanced safety measures have been implemented as a result – including stronger training, validation and monitoring of contractors and their supervisors

1.2.4 Near-mine exploration

- Preliminary deep drilling beneath the existing pit has intersected porphyry-style copper-gold mineralisation – although initial assay results show decreasing copper and gold grades at depth, beyond the current life-of-mine (LOM) pit.
- Future work will be focused on increasing the confidence in lithology contact definition.

1.2.5 2014 outlook

Planned production at Cerro Corona is estimated at around 290,000 eq oz at an AIC of US\$865/oz. (Production of gold-only ounces is planned at 140,000 ounces at an AIC of US\$490/oz.) This plan assumes a gold price of US\$1,300/oz and a copper price of US\$3/lb.

Figure 1.8: Operational indicators – Cerro Corona

Category	2013	2012	2011	2010	2009
Total employees	355	373	367	350	337
Gold produced – attributable ('000 eq oz)	313	337	356	328	268
Total cash cost (US\$/eq oz)	491	492	437	363	361
AIC (US\$/oz)	206	82	(242)	n/a	n/a
Gold price (US\$/oz)	1,263	1,588	1,463	1,201	970
Operating profit (US\$m)	248	396	403	341	206
Operating costs (US\$m)	161	171	157	146	122
Operating margin (%)	64	71	72	71	62
AIC margin (%)	84	95	117	n/a	n/a
Fatal Injury Frequency Rate	0.17	0.00	0.00	0.00	0.00
Lost-Time Injury Frequency Rate	0.17	0	0.18	0	0.32
Total Recordable Injury Frequency Rate ¹	0.34	n/a	n/a	n/a	n/a
Energy consumption (TJ)	1,010	1,122	1,006	895	425
CO ₂ emissions ('000 tonnes) (Scope 1 and 2)	70.3	80.2	70.8	49.4	22.8
Water withdrawal (million litres)	3,625	3,297	3,582	574	187

¹2013 is the baseline year

Figure 1.9: Growth indicators – Cerro Corona

Category	2013	% of Group total ¹
Attributable gold Mineral Resource (Moz)	3.30	3
Attributable gold Mineral Reserve (Moz)	2.02	4
Attributable copper Mineral Resource (Mlb)	1,119	100
Attributable copper Mineral Reserve (Mlb)	708	100

¹Excluding projects

Regional overview: 2. Australasia

2.1 Overview

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2.1.1 Introduction

Until 2013 Gold Fields had two mines in Australia – Agnew and St Ives. This number has since increased to four following the purchase in October 2013 of the Darlot, Granny Smith and Lawlers mines from Barrick Gold at a cost of US\$262 million (Lawlers was integrated with the Agnew mine to form a single operation).

Operations

The addition of the Darlot, Granny Smith and Lawlers mines (collectively known as the Yilgarn South Assets) to Gold Fields’ portfolio means the majority of Group production (43%) now takes place in Western Australia, one of the most favourable mining jurisdictions in the world.

Furthermore, the acquisition of the Yilgarn South Assets reflects Gold Fields’ new strategy of pursuing growth opportunities that can deliver immediate or near-term cash generation. Additional drivers behind the purchase include:

- The addition of around 580,000 ounces a year to Group production – at a cost lower than the Group average
- The addition of 1.23 million ounces in Mineral Reserves and 4.20 million ounces of Mineral Resources to the Group
- Ongoing ‘de-risking’ of our overall production portfolio – including through the targeting of new production in Organisation for Economic Cooperation and Development (‘OECD’) jurisdictions
- Operational and regional synergies between our new and existing mines in Australia
- Considerable near-mine exploration opportunities

Growth projects

The Region hosts the Far Southeast (FSE) project in the Philippines, which is 40% attributable to GFL and which has Mineral Resources of 19.8 million ounces gold and 9,921 million pounds copper. For detailed information, refer to the Mineral Resource and Mineral Reserve Supplement to the IAR.

Efforts to obtain the Free Prior and Informed Consent (‘FPIC’) of local indigenous communities took a major step forward in 2013, with the Kankana-ey elders and leaders demonstrating their overwhelming support for the project. The FPIC of the local Kankana-ey people is required by law if we are to secure a Foreign Technical Assistance Agreement (‘FTAA’). The FTAA is – in turn – necessary for any foreign company seeking to acquire a majority interest in a project of this nature. Plans are in place to finalise a Memorandum of Agreement with the Kankana-ey community in 2014 and an FTAA is expected to be in place in 2015.

Figure 2.1: Regional map – Australasia Region



Figure 2.2: Contribution to Group – Australasia Region

Measure	% of Group total
Attributable gold production	35
Attributable Mineral Resources ¹	12
Attributable Mineral Reserves	8
National value distribution	29
Employees	17

¹Excludes projects

Figure 2.3: Attributable gold production

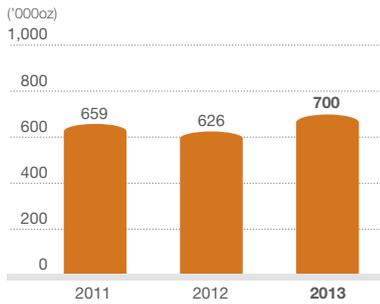


Figure 2.4: AIC margin

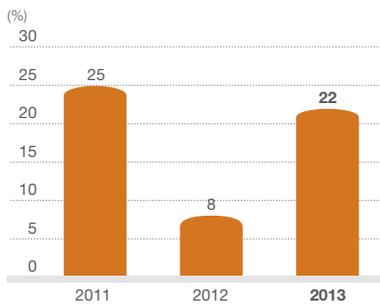
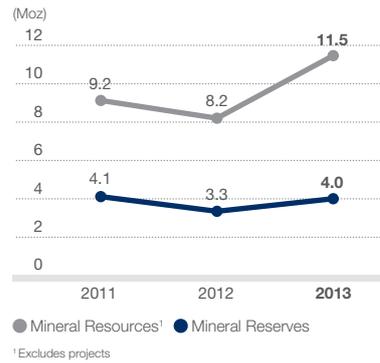
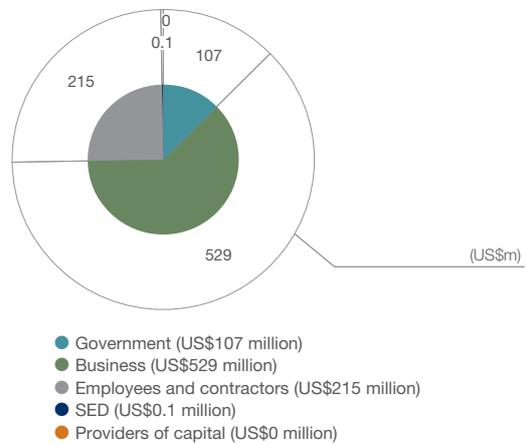


Figure 2.5: Attributable Mineral Reserves and Resources



¹Excludes projects

Figure 2.6: National value distribution



Regional overview: 2. Australasia continued

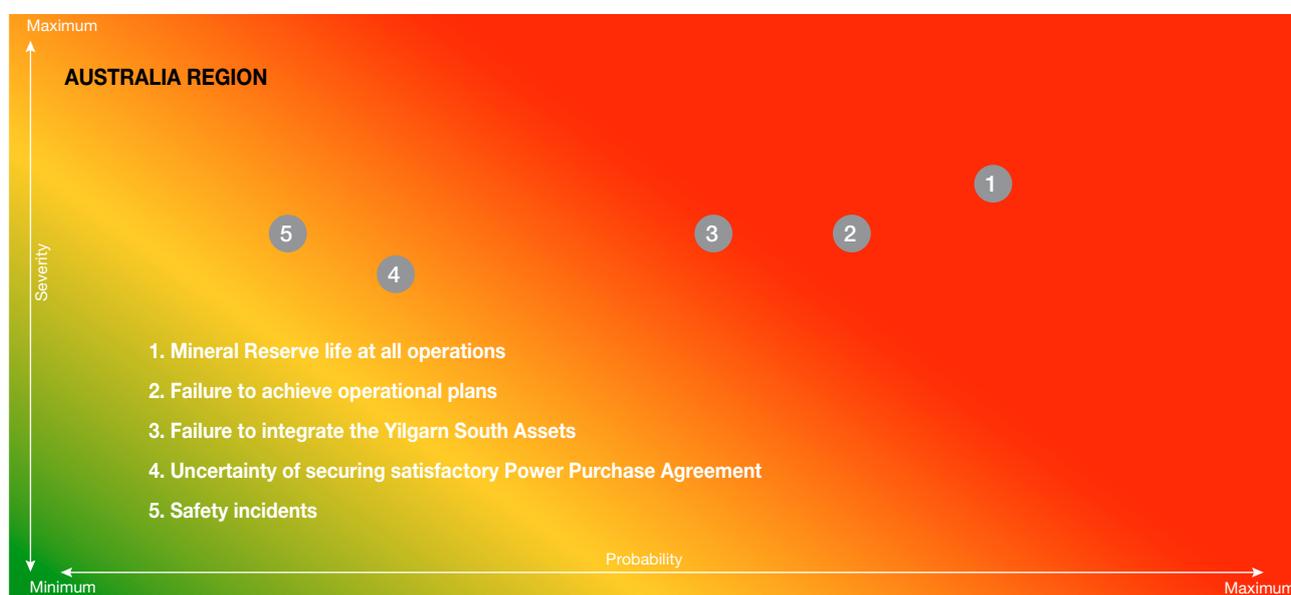
2.1 Overview

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2.1.2 Risks

The heat map below sets out the top five risks for the Australasia Region, as identified through our Enterprise Risk Management ('ERM') process.

Figure 2.7: Heat map and mitigating factors (top five) – Australasia Region



Risk	Description	Mitigating strategies
1	Mineral Reserve life at all operations	<ul style="list-style-type: none"> Significant near-mine exploration programmes to delineate further Mineral Reserves Ongoing business re-engineering to achieve the cost savings and productivity gains necessary to reduce cut-off grades Comprehensive operational reviews at the new Yilgarn South Assets Alignment of exploration spend with regional 1 million ounce production profile
2	Failure to achieve operational plans	<ul style="list-style-type: none"> Ongoing and aggressive cost reduction programmes Completion of operational reviews at all mines – plus alignment of the new Yilgarn South Assets with recommendations Ongoing business re-engineering processes at our existing mines – and implementation at the new Yilgarn South Assets
3	Failure to integrate the Yilgarn South Assets	<ul style="list-style-type: none"> Immediate operational reviews on acquisition – and implementation of subsequent recommendations Regular and ongoing communication with management and employees at the Yilgarn South Assets Roll-out of the Gold Fields DNA programme Alignment of Yilgarn South Assets with business objectives – as well as Visible Felt Leadership
4	Uncertainty of securing satisfactory Power Purchase Agreements	<ul style="list-style-type: none"> Tenders under way for power supply arrangements at Agnew/Lawlers Granny Smith power supply arrangements to be reviewed in 2014 Darlot power supply arrangement to be reviewed in 2015
5	Safety incidents	<ul style="list-style-type: none"> Full health and safety resourcing and roll-out of a new safety strategy Appointment of a regional health and safety specialist to ensure best practice across the region 'Deep dive' audits at St Ives to identify shortcomings and change behaviour Heightened focus on contractor safety management Enhanced safety training and awareness-raising Active participation by all managers in the Visible Felt Leadership initiative

2.2 Operation: Agnew/Lawlers

2.2.1 Introduction

- Located approximately 20km west of the town of Leinster, 1,100km north-east of Perth
- Sits within the same prospective geological region as St Ives
- Agnew produces from the Waroonga underground mining complex (comprising the Kim, Main and Rajah ore bodies), as well as the Songvang open pit

2.2.2 Strategic overview

- The Lawlers mine – which was purchased from Barrick Gold in October 2013 – was integrated into the Agnew mine due to the existence of important operational synergies. Lawlers' own processing plant has been closed and placed on care and maintenance and all of its ore is now processed via Agnew's own Carbon-In-Leach ('CIL') processing plant. This was a key consideration behind the purchase of the Yilgarn South Assets
- As part of Gold Fields' cash optimisation strategy, production at Agnew has been focused on the higher-grade Kim Lode – with lower overall production from Agnew as a result

2.2.3 2013 performance overview

- Production increased by 22% to 215,600 ounces (2012: 176,600 ounces). This was largely due to the inclusion of additional output from Lawlers in the fourth quarter – partially off-set by the cessation of mining at Agnew's Main Lode and Rajah ore bodies

- Net operating costs decreased by 3% to A\$141 million (US\$136 million) – compared to A\$146 million (US\$151 million) in 2012. This reflected efficiencies gained by withdrawal from the high-cost Main Lode and Rajah ore bodies at Agnew – and the focusing of activity on the Kim Lode. These gains were partially off-set by additional costs associated with Lawlers in the fourth quarter (A\$21 million or US\$20 million)

2.2.4 Near-mine exploration

- In the second half of 2013 Agnew-focused exploration drilling on targets in the Waroonga North area – near to the Kim Lode
- Surface diamond drilling at Agnew has identified mineralised intersections containing visible gold – and assay results highlight the potential for high-grade shoots in the area
- Underground diamond drilling of Agnew's Kath target (just 100 metres north of the Kim Lode) has also identified visible gold – as well as the potential for a narrow, high-grade shoot just 70 meters from existing underground infrastructure

2.2.5 2014 outlook

Planned production at Agnew/Lawlers is estimated at around 260,000 ounces at an AIC of A\$1,170/oz (US\$1,110/oz). This plan assumes a gold price of US\$1,300/oz.

Figure 2.8: Optimising our operations indicators – Agnew/Lawlers

Category	2013	2012 ³	2011 ³	2010 ³	2009 ³
Total employees	313 ¹	256	235	212	158
Gold produced – attributable ('000oz)	216 ¹	177	194	152	188
Total cash cost (A\$/oz)	646 ¹	799	675	684	536
AIC (A\$/oz)	949 ¹	1,210	1,074	n/a	n/a
Gold price (A\$/oz)	1,451 ¹	1,610	1,564	1,326	1,241
Operating profit (A\$m)	172 ¹	139	175	96	133
Operating costs (A\$m)	140 ¹	143	134	105	99
Operating margin (%)	55 ¹	49	58	48	57
AIC margin (%)	35 ¹	25	31	n/a	n/a
Fatal Injury Frequency Rate	0.00 ²	0.00	0.00	0.00	0.00
Lost-Time Injury Frequency Rate	14.58 ²	3.93	2.72	1.11	2.13
Total Recordable Injury Frequency Rate ⁴	21.88 ²	n/a	n/a	n/a	n/a
Energy consumption (TJ)	426 ²	420	439	339	356
CO ₂ emissions ('000 tonnes) (Scope 1 and 2)	47.9 ²	49.4	49.6	40.6	42.9
Water withdrawal (million litres)	803 ²	1,094	1,287	1,213	1,564

¹Includes Lawlers Q4 2013

²Excludes Lawlers Q4 2013

³Agnew only

⁴2013 is the baseline year

Figure 2.9: Growing Gold Fields indicators – Agnew/Lawlers

Category	2013	% of Group total ¹
Attributable Mineral Resources (Moz)	3.66	4
Attributable Mineral Reserves (Moz)	0.95	2

¹Excluding projects

Regional overview: 2. Australasia continued

2.3 Operation: Darlot

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2.3.1 Introduction

- The Darlot gold mine is located around 60km east of Leinster in Western Australia

2.3.2 Strategic overview

- Darlot is undergoing a comprehensive operational review to improve production performance
- This is being supported by an increase in operational investment
- Particular areas of focus include improvements to current mining methods and reduced dilution

2.3.3 2013 performance overview

- Production at Darlot was 19,700 ounces in the fourth quarter of 2013 (78,800 ounces annualised)
- Net operating costs were A\$21 million (US\$20 million) in the fourth quarter of 2013 (A\$84 million/US\$80 million annualised)

2.3.4 Near-mine exploration

- The focus is on gaining a better understanding of Darlot's Mineral Reserve potential by the second quarter of 2014. This is with the aim of developing Darlot's 2015 mine plan

2.3.5 2014 outlook

Planned production at Darlot is estimated at around 80,000 ounces at an AIC of A\$1,385 (US\$1,315/oz). This plan assumes a gold price of US\$1,300/oz.

Figure 2.10: Optimising our operations indicators – Darlot

Category	Q4 2013
Total employees	224
Gold produced – attributable ('000oz)	20
Total cash cost (A\$/oz)	1,059
AIC (A\$/oz)	1,169
Gold price (A\$/oz)	1,361
Operating profit (A\$m)	6
Operating costs (A\$m)	22
Operating margin (%)	22
AIC margin (%)	14
Fatal Injury Frequency Rate	0
Lost-Time Injury Frequency Rate	0
Total Recordable Injury Frequency Rate ¹	11.9

¹2013 is the baseline year

Figure 2.11: Growing Gold Fields indicators – Darlot

Category	2013	% of Group total ¹
Attributable Mineral Resources (Moz)	0.27	0.3
Attributable Mineral Reserves (Moz)	0.16	0.3

¹Excluding projects

2.4 Operation: Granny Smith

2.4.1 Introduction

- The Granny Smith gold mine is located around 20km south of Laverton in Western Australia
- Production is focused on the Wallaby underground operation
- Ore is processed 11km away at the Granny Smith processing plant

2.4.2 Strategic overview

- The mine is the largest of the newly acquired Yilgarn South Assets – with significant upside potential and an increasing production profile
- The mine enjoys Mineral Resources of 3.25 million ounces and Mineral Reserves of 0.84 million ounces

2.4.3 2013 performance overview

- Gold production was 62,200 ounces in the fourth quarter of 2013 (248,800 ounces annualised)
- Net operating costs were A\$47 million (US\$45 million) in the fourth quarter of 2013 (A\$188 million/US\$194 million annualised)
- The mine's AIC was A\$917/oz (US\$888/oz) in the fourth quarter of 2013

2.4.4 Near-mine exploration

- There is believed to be considerable near-mine growth opportunities at the Granny Smith mine
- Mineralisation remains open laterally and at depth – and grades appear to improve with depth

2.4.5 2014 outlook

Planned production at Granny Smith is estimated at around 240,000 ounces at an AIC of A\$1,115 (US\$1,060/oz). This plan assumes a gold price of US\$1,300/oz.

Figure 2.12: Optimising our operations indicators – Granny Smith

Category	Q4 2013
Total employees	378
Gold produced – attributable ('000 oz)	62
Total cash cost (A\$/oz)	812
AIC (A\$/oz)	917
Gold price (A\$/oz)	1,368
Operating profit (A\$m)	39
Operating costs (A\$m)	50
Operating margin (%)	45
AIC margin (%)	33
Fatal Injury Frequency Rate	0
Lost-Time Injury Frequency Rate	5.31
Total Recordable Injury Frequency Rate ¹	5.31

¹2013 is the baseline year

Figure 2.13: Growing Gold Fields indicators – Granny Smith

Category	2013	% of Group total ¹
Attributable Mineral Resources (Moz)	3.25	3
Attributable Mineral Reserves (Moz)	0.84	2

¹Excluding projects

Regional overview: 2. Australasia continued

2.5 Operation: St Ives

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2.5.1 Introduction

- St Ives is located in the highly prospective geological region of the Norseman-Wiluna Greenstone Belt – 80km south of Kalgoorlie in Western Australia
- The mine produces from four underground mines, three open pits and a number of surface stockpile sources
- Processing takes place through a CIL plant

2.5.2 Strategic overview

- The decision to close St Ives' marginal heap leach operation (a process that was initiated in the fourth quarter of 2012) has reduced production at the mine by between 30,000 and 40,000 ounces per year
- Nonetheless, the conversion of St Ives to CIL processing only has increased its overall margins – in line with the Group strategy of prioritising cash generation over production volumes

2.5.3 2013 performance overview

- Production at St Ives decreased by 10% to 402,700 ounces (2012: 449,800 ounces). This was largely due to the cessation of crushing and stacking at the marginal heap leach facility – as well as the lower grade of open-pit ore and planned maintenance of the Lefroy Mill
- Net operating costs decreased by 8% to A\$348 million (US\$337 million) – compared to A\$379 million (US\$393 million) in 2012. This reflected a decrease in the volume of lower-grade, open-pit ore mined and processed – as well as the cessation of the heap leach operations at the end of 2012. These factors were slightly off-set by an increase in the amount of higher-grade underground ore mined and processed

2.5.4 Near-mine exploration

- Exploration at St Ives is focused on the Invincible resource, which was discovered in 2012
- This has helped increase Invincible's Inferred Mineral Resource from 1.08 million ounces to 1.33 million ounces at an average grade of 4.5g/t (split between 0.95 million ounces open pit and 0.38 million ounces underground)
- Exploration has also helped establish a maiden open-pit Mineral Reserve for Invincible of 0.49 million ounces at an average grade of 4.09g/t
- Furthermore, infill drilling and expansion has doubled Invincible's strike length to 2 kilometers. Drilling at depth indicates potential for further growth

2.5.5 2014 outlook

Planned production at St Ives is estimated at around 395,000 ounces at an AIC of A\$1,210 (US\$1,150/oz). This plan assumes a gold price of US\$1,300/oz.

Figure 2.14: Optimising our operations indicators – St Ives

Category	2013	2012	2011	2010	2009
Total employees	682	652	466	319	315
Gold produced – attributable ('000oz)	403	450	465	468	415
Total cash cost (A\$/oz)	861	827 ²	873	776	816
AIC (A\$/oz)	1,257	1,603	1,193	n/a	n/a
Gold price (A\$/oz)	1,460	1,615	1,532	1,336	1,241
Operating profit (A\$m)	240	347 ²	312	273	180
Operating costs (A\$m)	357	365 ²	403	376	345
Operating margin (%)	41	48 ²	44	44	35
AIC margin (%)	14	1	22	n/a	n/a
Fatal Injury Frequency Rate	0.00	0.00	0.00	0.00	0.00
Lost-Time Injury Frequency Rate	21.95	3.49	2.86	5.03	0.82
Total Recordable Injury Frequency Rate ¹	24.02	n/a	n/a	n/a	n/a
Energy consumption (TJ)	1,630	1,722	1,718	1,805	1,919
CO ₂ emissions ('000 tonnes) (Scope 1 and 2)	175.1	175.0	174.7	183.8	198.1
Water withdrawal (million litres)	14,182	10,074	10,686	16,309	23,291

¹2013 is the baseline year²2012 Restated for IFRIC 20

Figure 2.15: Growing Gold Fields indicators – St Ives

Category	2013	% of Group total ¹
Attributable Mineral Resources (Moz)	4.34	4
Attributable Mineral Reserves (Moz)	2.02	4

¹Excluding projects

Regional overview: 3. South Africa

3.1 Overview

3.1.1 Introduction

The South Africa Region represents Gold Fields’ historical centre – and has traditionally been the largest contributor to Group production, as well as the location of the vast majority of Gold Fields’ workforce. Following the unbundling of Sibanye Gold in February 2013, however, Gold Fields has just one operation in South Africa – the mechanised, deep underground South Deep mine. As a result, the region now accounts for only a modest proportion of Group production and a limited proportion of the workforce.

Despite this, South Deep is of key strategic importance to the long-term sustainability of Gold Fields, with a life of mine estimated to extend beyond 2060.

Operations

The underground mechanised South Deep mine represents the most significant gold development in South Africa.

Growth projects

As well as being a producing operation, the developing South Deep mine represents the most significant growth project in the Group. It is currently undergoing production ramp-up, with the aim of producing a total run-rate of between 650,000 and 700,000 ounces per year at an AIC of around US\$900/oz by the end of 2017 (assuming an exchange rate of R9.50:US\$1).

Figure 3.1: Contribution to Group – South Africa Region

Measure	% of Group total ¹
Attributable gold production	15
Attributable Mineral Resources	70
Attributable Mineral Reserves	72
National value distribution	18
Employees	40

¹Excluding growth projects

Figure 3.2: Regional map – South Africa Region

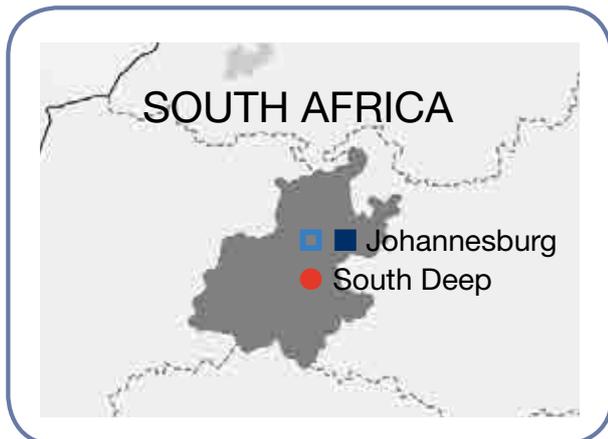
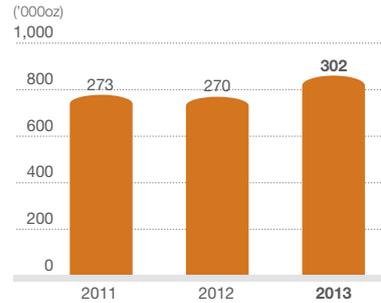
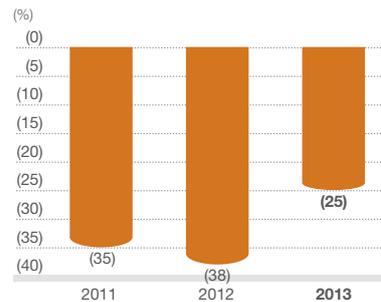


Figure 3.3: Attributable gold production¹



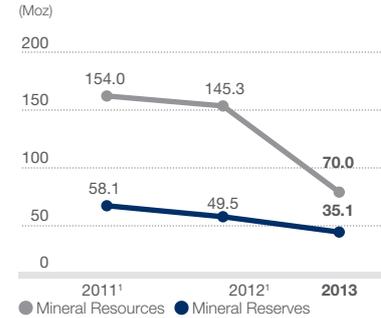
¹ South Deep only

Figure 3.4: AIC margin¹



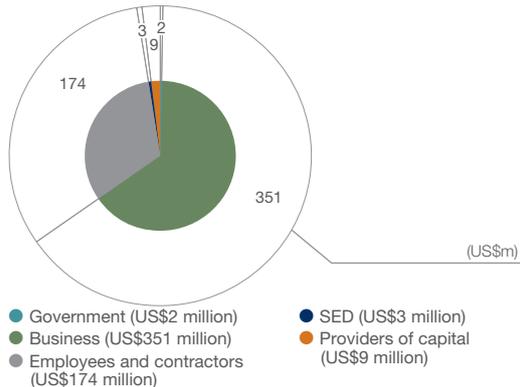
¹ South Deep only

Figure 3.5: Attributable Mineral Reserves and Resources



¹2011 and 2012 figures inclusive of Sibanye Gold Limited

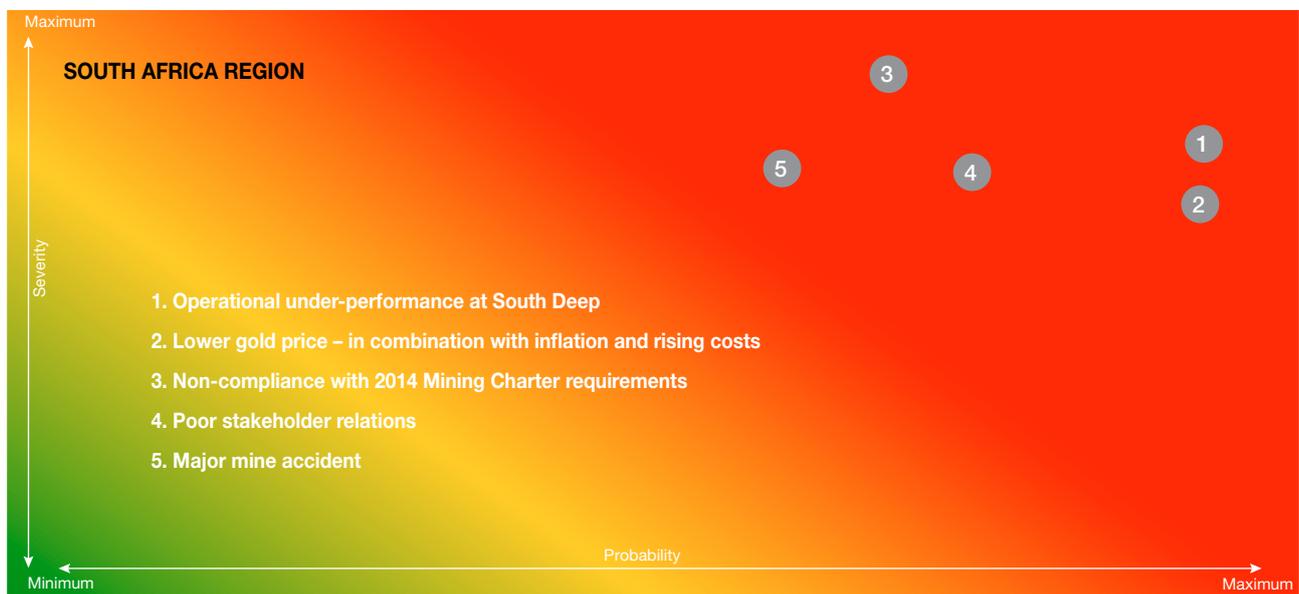
Figure 3.6: National value distribution



3.1.2 Risks

The heat map below sets out the top five risks for the South Africa Region, as identified through our Enterprise Risk Management ('ERM') process.

Figure 3.7: Heat map and mitigating factors (top five) – South Africa Region



Risk	Description	Mitigating strategies
1	Operational under-performance at South Deep	<ul style="list-style-type: none"> Implementation and bedding down of the new operating model Implementation of the findings of the life-of-mine review Embedding of mechanised mining culture and work programmes by new Australian team Multiple initiatives to improve destress mining rate and increase flexibility Enhanced training for artisans and operators
2	Lower gold price – in combination with cost and inflation	<ul style="list-style-type: none"> Ongoing monitoring of costs during operational and financial reviews Adoption of the World Gold Council's AIC measure – and focus on free cash-flow margin Cost optimisation including business re-engineering and spending controls New structures to improve heavy equipment availability and utilisation
3	Non-compliance with 2014 Mining Charter requirements	<ul style="list-style-type: none"> Submission of revised Social and Labour Plan ('SLP') to the Department of Mineral Resources ('DMR') in April 2013 (awaiting approval) Comprehensive house building and hostel conversion programme Implementation of recommendations from the external auditing of our Mining Charter compliance
4	Poor stakeholder relations	<ul style="list-style-type: none"> Establishment of employee relations forums to address business/operational matters with employees and trade unions Increased focus on direct relationships with individual employees, in addition to 'collective' labour institutions/processes High-level engagement with broader stakeholders including communities, regulatory authorities and other social partners
5	Major mine accident	<ul style="list-style-type: none"> Implementation of best practice health and safety management systems Quarterly health and safety meetings chaired by CEO – and introduction of a Visible Felt Leadership programme Ongoing initiatives to 'engineer-out risk' Introduction of a cultural and behavioural transformation programme

Regional overview: 3. South Africa

3.2 Operation: South Deep

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3.2.1 Introduction

- South Deep is a long-life, deep-level mechanised gold mine operating at between 2,400 and 3,000 meters below surface
- The mine, which enjoys one of the largest undeveloped ore bodies in the world, is located 45km south-west of Johannesburg

3.2.2 Strategic overview

- South Deep accounts for 70% of Gold Fields attributable Mineral Resources and 72% of its attributable Mineral Reserves – and enjoys significant cash-generation potential
- Over the past three years the operation transitioned from a construction project (i.e. with its primary focus on the installation of major capital infrastructure) to a mining project (i.e. with its primary focus on the development and opening up of the ore body)
- A comprehensive life-of-mine review was initiated in August 2013 to identify and address those factors impeding the momentum of production build-up
- The review, which was completed in February 2014, identified challenges with respect to:
 - Constrained underground ore handling and logistical infrastructure
 - Sub-optimal fleet availability and utilisation
 - Inadequate skills amongst operators and technicians
- A number of corrective strategies have been applied in light of the outcome of the review, including:
 - Introduction of a team of mechanised mining specialists from our Australian operations and the appointment of a new General Manager from our Agnew mine
 - Engineering-out of underground ore movement constraints and accelerated installation of necessary infrastructure (ranging from ore-passes to underground crushers)
 - Application of leading-edge fleet maintenance and management practices
- Importantly, the review also produced a revised new build-up schedule focused on achieving a full run-rate of 650,000 to 700,000 ounces per year by the end of 2017

3.2.3 2013 performance overview

- Production at South Deep increased by 12% to 302,100 ounces (2012: 270,400 ounces) – in line with guidance provided for 2013
- Destress mining (which is critical for the ongoing development of the mine) increased by 24% to 53,700m² – double the rate of two years ago. This was again in line with guidance provided for 2013. Similarly, reef tonnes mined increased by 26% to 154,032 tonnes a month (2012: 122,495 tonnes per month)
- Operating costs at the mine increased by about 6% to US\$322 million (2012: 303 million). This reflected annual wage increases, an increase in employees (in line with production ramp-up), a rise in electricity tariffs, higher maintenance costs and input cost inflation
- The mine took a range of steps to rationalise its cost-base in line with its updated production profile, including:
 - Right-sizing of its management team
 - Replacement of contractors with employees where possible
 - Renegotiation of supply contracts
 - Enhanced overtime management
 - Optimisation of support services

These measures will not negatively affect production build-up.

- These cost reduction measures helped reduce South Deep's AIC from US\$2,436/oz in the last quarter of 2012 to US\$1,436/oz in the last quarter of 2013 – a reduction of 41%
- South Deep recorded one fatality in April 2013, following the death of contractor Dionisio Ndlozi in a fall-of-ground accident at a destress section. All manual-support drilling in the hanging wall of destress sections has since been halted – and Gold Fields has implemented remote drilling across the mine

3.2.4 Near-mine exploration

- South Deep already enjoys substantial attributable Mineral Resources of 70.0 million ounces and Mineral Reserves of 35.1 million ounces
- The surface drilling programme has been suspended, however, the underground long inclined boreholes are continuing as well as the 30m x 30m grade control drilling.

3.2.5 2014 outlook

Planned production at South Deep is estimated at around 360,000 ounces at an AIC of US\$1,350/oz. This plan assumes a gold price of US\$1,300/oz.

As noted above, the mine's revised production build-up plan is targeting a run-rate of 650,000 to 700,000 ounces per year at an AIC of around US\$900/oz by the end of 2017. Critical success factors in this respect include:

- Enhanced underground ore-handling infrastructure
- Optimisation of mining fleet availability and utilisation
- Improved training and development for operators and technicians

Figure 3.8: Optimising our operations indicators – South Deep

Category	2013	2012	2011	2010	2009
Total employees	4,071	3,540	3,503	3,077	2,683
Gold produced – attributable (kg)	9,397	8,411	8,491	8,524	7,373
Gold produced – attributable ('000oz)	302	270	273	274	237
Total cash cost (R/kg)	322,564	290,952	249,146	215,157	183,358
Total cash cost (US\$/oz)	1,045	1,105	1,073	914	677
AIC (R/kg)	544,190	607,835	491,095	n/a	n/a
AIC (US\$/oz)	1,763	2,308	2,116	n/a	n/a
Gold price (R/kg)	434,915	438,961	363,538	288,022	259,921
Gold price (US\$/oz)	1,409	1,667	1,566	1,224	959
Operating profit (Rm)	998	1,212	948	584	509
Operating costs (Rm)	3,089	2,480	2,138	1,871	1,408
Operating margin (%)	24	33	31	24	27
AIC margin (%)	(25)	(38)	(35)	n/a	n/a
Fatal Injury Frequency Rate	0.06	0.00	0.04	0.07	0.08
Lost-Time Injury Frequency Rate	3.2	1.95	1.67	2.87	2.74
Total Recordable Injury Frequency Rate ¹	5.19	n/a	n/a	n/a	n/a
Energy consumption (TJ)	2,137	2,053	2,092	2,171	2,039
CO ₂ emissions ('000 tonnes) (Scope 1 and 2)	559.3	537.9	546.7	572.5	559.1
Water withdrawal (million litres)	3,370	3,847	4,674	2,926	2,770

¹2013 is the baseline year

Figure 3.9: Growing Gold Fields indicators – South Deep

Category	2013	% of Group total ¹
Attributable Mineral Resources (Moz)	70.04	70
Attributable Mineral Reserves (Moz)	35.11	72

¹Excluding growth projects

Regional overview: 4. West Africa

4.1 Overview

4.1.1 Introduction

Production in the West Africa Region is focused on our Damang and Tarkwa open pit mines in Ghana. Tarkwa is the largest gold producer in Gold Fields’ portfolio of mines and plays a key role in supporting cash flow generation within the Group.

Operations

Damang and Tarkwa are located within 30km of each other in south-western Ghana. Tarkwa is the largest open pit gold mine in Africa (by production) – with a substantial and well-defined Mineral Resource.

The smaller Damang mine is in a period of transition – with production having been prematurely shifted (due to rock wall instability) from the mature Damang pit to the adjacent Juno pit and Huni saddle.

Growth projects

Two advanced projects, which were previously within the MENA (Middle East and North Africa) Region and currently form part of the Planning and Corporate Development divestment strategy, are reported here (for detailed information, refer to the Mineral Resource and Mineral Reserve Supplement to the IAR):

- **Arctic Platinum Project** is 100% attributable to GFL and is located in Finland. The constrained open pit has Mineral Resources of 208.5 million tonnes for 9.8 million ounces palladium, 2.4 million ounces platinum and 0.8 million ounces gold with 1,034 million pounds copper and 438 million pounds nickel
- **The Yanfolila Project** which is a Birimian-aged, lode-gold style deposit in southern Mali, with open pit constrained Mineral Resources of 1.5 million ounces gold and is 5% attributable to GFL

Figure 4.1: Contribution to Group – West Africa Region

Measure	% of Group total ¹
Attributable gold production	35
Attributable Mineral Resources	15
Attributable Mineral Reserves	15
National value distribution	38
Employees	39

¹Excludes projects

Figure 4.2: Regional map – West Africa Region



Figure 4.3: Attributable gold production

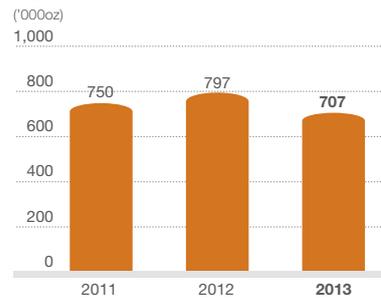


Figure 4.4: AIC margin

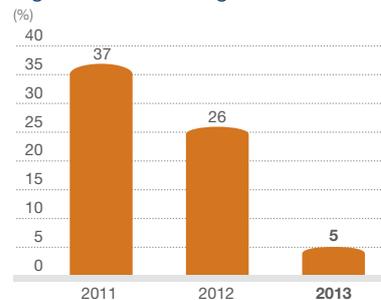


Figure 4.5: Attributable Mineral Reserves and Resources

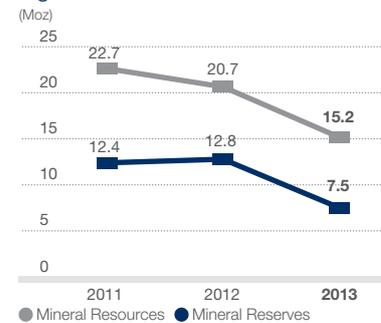
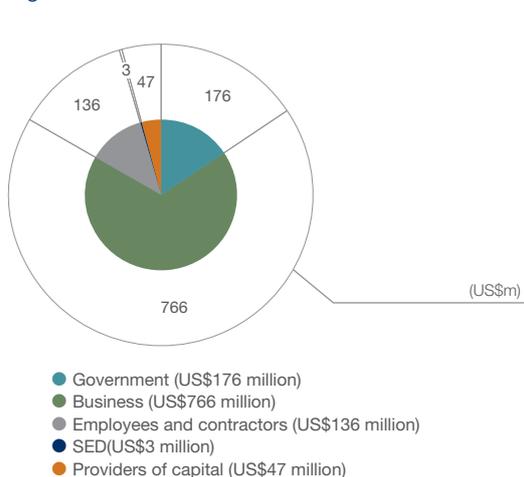


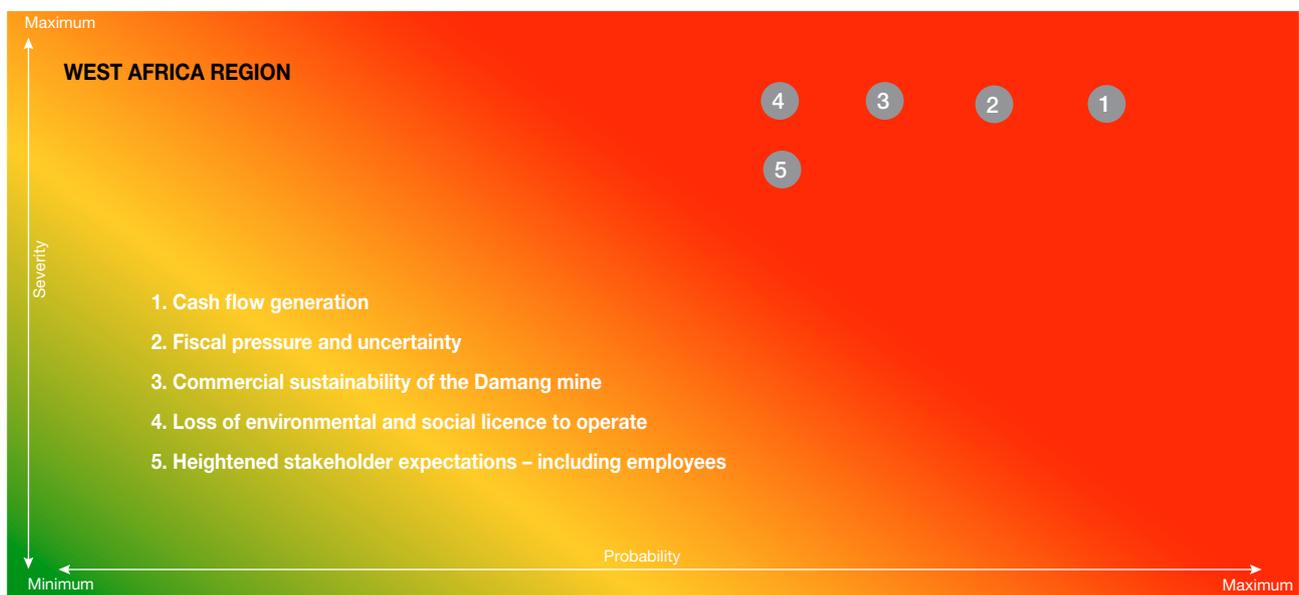
Figure 4.6: National value distribution



4.1.2 Risks

The heat map below sets out the top five risks for the West Africa Region, as identified through our Enterprise Risk Management ('ERM') process.

Figure 4.7: Heat map and mitigating factors (top five) – West Africa Region



Risk	Description	Mitigating strategies
1	Cash flow generation	<ul style="list-style-type: none"> Ongoing business process re-engineering Implementation of cost-efficiency processes Focus on 'production critical' projects Restructuring of regional organisation to achieve 'fit-for-purpose' structures Renegotiation of supplier contracts Managing access to/restructuring of capital to minimise cost
2	Fiscal pressure and uncertainty	<ul style="list-style-type: none"> Ongoing negotiations with government over a potential investment agreement – as well as the evaluation of alternative measures to off-set higher taxes and royalties Ongoing engagement with government regarding tax impacts Implementation of comprehensive tax audits by third parties Public awareness-raising around Gold Fields' contribution to the Ghanaian economy Ongoing monitoring of the business environment
3	Commercial sustainability of the Damang mine	<ul style="list-style-type: none"> Detailed business plan and life-of-mine assessment to identify a viable path forwards for the mine – and implementation of an effective recovery plan Advanced infill drilling program to improve confidence in the Mineral Resource model Full review of the mining/processing value chain
4	Loss of environmental and social licence to operate	<ul style="list-style-type: none"> Ongoing community awareness-raising and engagement programme Engagement with policy makers and regulators through the Chamber of Mines Enhanced medium- and long-term strategic planning Initiation of a comprehensive environmental turnaround plan Ongoing application of reverse osmosis water treatment facilities
5	Heightened stakeholder expectations – including employees	<ul style="list-style-type: none"> Implementation of community-focused Shared Value projects Engagement with employees to link real wage increases to productivity Improved stakeholder communication and engagement – with particular focus on employees Maintenance of scenario-planning to mitigate the impacts of potential industrial action

Regional overview: 4. West Africa continued

4.2 Operation: Damang

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4.2.1 Introduction

- Located approximately 30km north of our neighbouring Tarkwa mine
- Consists of four open pits, as well as surface stockpiles and a CIL processing plant

4.2.2 Strategic overview

- Instability at the eastern wall of the mature Damang pit resulted in a premature switch in activity to the higher-grade Juno pit and Huni saddle (which were still being exposed)
- In this context – as well as availability challenges at the CIL plant and a sharp drop in the gold price – a comprehensive life-of-mine review was carried out to examine whether Damang should stay in production or not
- This prompted a highly effective recovery plan that drove a 39% increase in production in the fourth quarter – as well as a 27% reduction in AIC
- As a result, Gold Fields took the decision to keep Damang in production. Based on its new Mineral Reserve of 1.1 million ounces it is expected to have a six-year life-of-mine

4.2.3 2013 performance overview

- Production at Damang decreased by 8% to 153,100 ounces (2012: 166,400 ounces)
- The decrease in production was primarily due to lower yields following the premature closure of the Damang pit for safety reasons. It was not possible to make an immediate switch in production to the Juno pit and Huni saddle, as these were still in the process of being stripped
- Other factors behind the decrease in production include decreased mill throughput – as well as illegal strike action early in the year
- Net operating costs at the mine decreased by 9% to US\$160 million (2012: US\$176 million). This reflected a US\$11 million inventory credit (compared with US\$4 million in 2012)

4.2.4 Near-mine exploration

- Initial framework drilling at the Bonsa hydrothermal project was completed in the first quarter
- Infill drilling confirmed an extended north-plunging mineralisation at Amoanda

4.2.5 2014 outlook

Planned production at Damang is estimated at around 165,000 ounces at an AIC of US\$1,240/oz. This plan assumes a gold price of US\$1,300/oz.

Figure 4.8: Optimising our operations indicators – Damang

Category	2013	2012	2011	2010	2009
Total employees	1,063	1,132	969	463	411
Gold produced – attributable ('000oz)	138	149	174	162	144
Total cash cost (US\$/oz)	1,060	1,053 ²	701	660	635
AIC (US\$/oz)	1,558	1,753	1,221	n/a	n/a
Gold price (US\$/oz)	1,414	1,670	1,565	1,230	963
Operating profit (US\$m)	56	102 ²	201	134	71
Operating costs (US\$m)	171	179 ²	142	146	122
Operating margin (%)	26	37 ²	59	48	36
AIC margin (%)	(10)	(5)	22	n/a	n/a
Fatal Injury Frequency Rate	0.00	0.00	0.00	0.00	0.00
Lost-Time Injury Frequency Rate	0.21	0.36	0.19	0.64	0.17
Total Recordable Injury Frequency Rate ¹	1.27	n/a	n/a	n/a	n/a
Energy consumption (TJ)	1,373	1,519	1,303	1,046	976
CO ₂ emissions ('000 tonnes) (Scope 1 and 2)	97.0	107.3	90.3	63.7	59.8
Water withdrawal (million litres)	2,069	1,817	5,127	3,011	906

¹ 2013 is the baseline year² 2012 restated IFRIC 20

Figure 4.9: Growing Gold Fields indicators – Damang

Category	2013	% of Group total ¹
Attributable Mineral Resources (Moz)	5.92	6
Attributable Mineral Reserves (Moz)	0.97	2

¹Excluding projects

Regional overview: 4. West Africa continued

4.3 Operation: Tarkwa

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4.3.1 Introduction

- The Tarkwa mine consists of six open pits
- Processing takes place through a CIL plant – with the mine's two heap leach facilities having now been closed
- The operation is focused on the surface mining of multiple reef horizons, with potential for underground mining in the future

4.3.2 Strategic overview

- Tarkwa currently offers the largest volume of stable production within the Group at a solid AIC of US\$1,096 in the fourth quarter of 2013
- In 2013, Tarkwa was subject to a major restructuring aimed at preserving its ability to generate cash despite the lower gold price
- Key elements of this restructuring included:
 - The closure/decommissioning of its marginal South Heap Leach facility and closure of the North Heap Leach facility at the end of 2013
 - A 20% reduction in its mining fleet
 - Cancellation of the Tarkwa Expansion Phase 6 ('TEP6') project (which would have seen the construction of a new CIL plant) due to inadequate forecast returns in the context of the gold price and Ghana's fiscal regime
- All production is now focused on the processing of higher-grade ore through Tarkwa's existing, high-recovery CIL plant – which is likely to materially improve the mine's AIC margin
- Although this approach will result in reduced output, it will directly support Group strategy in terms of prioritising cash generation over production volume

4.3.3 2013 performance overview

- Production at Tarkwa decreased by 12% to 632,200 ounces (2012: 718,800 ounces). This was primarily due to the closure the South Heap Leach facility – as well as illegal strike action early in the year, which cost around 21,000 ounces
- Net operating costs at the mine increased by 7% to US\$505 million (2012: US\$470 million). This was largely driven by annual wage increases, increased fuel costs and an inventory drawdown of US\$31 million (compared to credit cost of US\$25 million in 2012)

4.3.4 Near-mine exploration

No significant near-mine exploration took place at Tarkwa during 2013.

4.3.5 2014 outlook

Planned production at Tarkwa is estimated at around 520,000 ounces at an AIC of US\$1,100/oz. This plan assumes a gold price of US\$1,300/oz.

Figure 4.10: Optimising our operations indicators – Tarkwa

Category	2013	2012	2011	2010	2009
Total employees	2,890	2,769	2,575	2,073	1,917
Gold produced – attributable ('000oz)	569	647	576	523	473
Total cash cost (US\$/oz)	816	673	556	573	488
AIC (US\$/oz)	1,291	1,117	911	n/a	n/a
Gold price (US\$/oz)	1,413	1,668	1,565	1,223	966
Operating profit (US\$m)	389	729	752	480	320
Operating costs (US\$m)	474	494	436	416	342
Operating margin (%)	44	61	67	53	50
AIC margin (%)	9	33	42	n/a	n/a
Fatal Injury Frequency Rate	0.00	0.00	0.05	0.00	0.00
Lost-Time Injury Frequency Rate	0.38	0.15	0.21	0.43	0.13
Total Recordable Injury Frequency Rate ¹	0.83	n/a	n/a	n/a	n/a
Energy consumption (TJ)	3,992	3,982	3,853	3,743	3,397
CO ₂ emissions ('000 tonnes) (Scope 1 and 2)	284.7	283.6	270.5	246.7	225.2
Water withdrawal (million litres)	6,251	3,560	3,684	4,610	6,023

¹ 2013 is the baseline year

Figure 4.11: Growing Gold Fields indicators – Tarkwa

Category	2013	% of Group total ¹
Attributable Mineral Resources (Moz)	9.26	9
Attributable Mineral Reserves (Moz)	6.55	14

¹ Excluding projects