



GOLD FIELDS

Q3 C2015

RESULTS FOR THE PERIOD
ENDED 30 SEPTEMBER 2015

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**Third Quarter Results
Period ending 30 September
2015**



Operator

Good afternoon ladies and gentlemen and welcome to the Gold Fields third quarter results conference call. All participants will be in listen only. There will be an opportunity for you to ask questions at the end of today's presentation. If you need assistance during the conference please signal an operator by pressing star and then zero. Please also note that this conference is being recorded. At this time I would like to hand the conference over to Nick Holland. Please go ahead.

Nick Holland – CEO

Thank you, Ari. Good afternoon or good morning ladies and gentlemen depending on where you are in the world today. Thank you for joining us today to discuss Gold Fields' results for quarter three of the 2015 financial year. On the call with me today are Paul Schmidt, our Chief Financial Officer, and Avishkar Nagaser Head of Investor Relations.

We are pleased to report a solid set of results for the quarter, with the group generating \$75 million in net cash flow from operations despite the lower US dollar gold price. And just to remind you, that is after all costs have been factored in.

Operational and financial highlights for the quarter include, number one, group attributable equivalent gold production increased by 4% to 557,000 ounces with most operations producing more gold in the September quarter.

Two, our ongoing efforts to improve safety allowed us to achieve a fatality free quarter.

Three, all-in sustaining costs decreased by 8% to \$948 per ounce – that is all-in sustaining costs – and total all-in cost decreased by 9% to \$961 per ounce.

Four, the group realised a free cash flow margin of 11% at a gold price of \$1,103 per ounce in Q3 2015, compared with 9% at a gold price of \$1,174 per ounce in the June quarter.

Five, on the back of the strong cash generation, we reduced our net debt balance further by \$50 million and took that down to \$1,427 million. The net debt to EBITDA ratio at the end of the quarter – that is the key measure that gets looked at – was 1.41 times and that continues to come down. We have a long-term objective by the end of 2016 to try and get that down to a 1 to 1 ratio. As we continue to make cash I'm sure we will continue to improve on that ratio.

Some general comments.

As the gold price continues to languish, we constantly review our portfolio. While the weaker currencies offer some respite in most regions, **Ghana** is fully exposed to the US Dollar gold price. In particular, Damang is challenged in the current environment and as such, we are considering various options for Damang which include a recapitalisation of the mine to expose the higher grade ore that sits in and around or under the original Damang pit that was successfully mined and made good money for Gold Fields over a period of ten years.

The alternative strategy would be to preserve the inherent value of Damang until gold prices recover. We are doing an independent review of all of the technical and commercial aspects of all these different options



and we should be in a position to announce a decision in early 2016.

Turning to **South Deep**. That delivered a much improved quarter in Q3 2015, with gold production up 42% to 55,000 ounces driven by a 30% increase in tonnes milled and a 13% increase in underground yield. Progress was made on a number of important activities at the mine during Q3 2015, including a 57% increase in destress mining. If you will recall we have often said the destress is very important to open up the ore body and provide flexibility for increased mining volume into the future.

The conversion from low profile to high profile destress mining commenced in the quarter and is expected to simplify and de-risk the mining process. Essentially we will be opening up these cavities once, supporting them once. And the lead time between opening up these cavities and mining the long hole open stopes should be quicker. And that I think will be a good risk mitigation for deformation in particular.

The transition to high profile destress is expected to continue until early 2017. In essence we think to get the entire four corridors across the 1.2km strike length is probably going to take us 18 months from where we are now. But it will happen across the entire frame of that strike length and will happen proportionately over time.

South Deep's production for the full year is expected to be between 5.9 tonnes of gold and 6 tonnes of gold, 190,000 to 193,000 ounces. And that would mean that the second half of 2015 will be around 50% higher than the first half of 2015. Given the fact that we are almost halfway through Q4 we have reasonable resolution on these numbers.

So 2016 we are in the planning process, but what I can tell you is that as we also expect Q4 for South Deep to be better than Q3 notwithstanding the 42% increase in Q3. We think we are going to do better again in Q4. And also we expect to do better again in 2016. Remember the target we've given of getting the mine to a cash break even by the end of 2016. I think we are making reasonable progress towards that goal.

The **Australia region** had another good quarter, generating net cash of \$64 million. Gold production increased by 6% to 249,000 ounces, with all-in costs in US Dollar terms 15% lower at \$859 per ounce. And that puts Australia firmly in the lowest quartile of gold producers in terms of costs.

Attributable gold production at the **West Africa** operations decreased as anticipated by 2% to 174,000 ounces, driven by lower production at Tarkwa due to lower grades mined. Despite the lower production, the region reported a 7% decrease in all-in costs to \$962 per ounce with net cash flow for the quarter of \$32 million.

Attributable gold production at **Cerro Corona**, that's equivalent gold production, decreased by 5% to 79,000 ounces mainly due lower gold and copper head grades. Consequently, all-in costs per equivalent ounce increased by 10% to \$731 per ounce. The mine generated net cash flow of \$16 million for the quarter.

I think **if we look at the international operations in totality, recognising that South Deep is a mine in build-up, the international ops came in at all-in costs of about \$900 for the quarter**. And again I would reiterate that that places the international regions of Gold Fields, the three regions of Australia, West Africa and South America in the lowest cost quartile in the gold industry.

Looking ahead, we expect our FY15 production to be within 1% to 2% of our guidance that we gave at the beginning of the year. However, costs are expected to be better than previously guided. I think we have given some indication in the book. And with that, we will now take questions from you which either myself,



Paul or Avishkar will attempt to deal with. Thank you very much Ari.

Operator

Thank you Mr Holland. At this time if you would like to ask a question please press star then one. The first question is from Kane Slutzkin of UBS. Please go ahead.

Kane Slutzkin – UBS

Good afternoon guys. Two questions please. Can we touch on the grades in Australia, particularly at Granny Smith? You shot over 7g per ton there. I know you have spoken in the past that you certainly saw upside relative to Barrick's old plans. Maybe you can comment whether you think that grade is sustainable and how we should be thinking about it into 2016. Just on South Deep, obviously there has been some improvement there. I was just wondering, is there a possibility you can mine some of the VCR conventionally in the interim and in that way you generate a bit of cash to further stem the burn or get to break even at a quicker rate. I don't know if that is a possibility or if it is economic to do so. That's it.

Nick Holland – CEO

Okay, Kane. Thanks. Let me deal with the second question first. The VCR at South Deep does contain if you look at the resource and reserve statement it contains about 5 million ounces at about 10g per ton I think was the declaration last year. If you can recall we stopped mining the VCR in 2008 when we decided we were going to concentrate on the Ellsberg package given that that was the heart of the ore body. That said though, we are starting to look at the VCR again to see what the viability is of us bringing that back. I can't tell you at this stage what the numbers look like because we are commissioning a study of that, and whether or not that would need to be mined on a conventional basis or not. But the one thing that is clear if you look at the geological interpretation it looks very much like an analogue of the VCR that you find at Kloof 4 shaft which is 4km away, and that has been a very successful ore body over the years.

There is definitely something there. We need to do more work. I don't know what the development cost would be to get back into it. We have not mined it for seven years, so it is very early in preliminary views at this stage. Yes, there is potential. Is it viable? What sort of cost would it cost us to get in? What sort of investment to get in there? We have got to do some work on it. I'm not too sure when that work is going to be finished. But if we think there is an opportunity to fill spare hoisting capacity and plant capacity, which clearly we do have right now, we will certainly give thought to that.

What I would say on Granny Smith, we are not going to give guidance for 2016 at this stage. We only give that in February, Kane. But if you look at where we are mining at the moment we are starting to get into the zone 100 ore body. If you can recall that was the deepest of the different horizontal lodes that we are mining. We are getting into zone 100. That is going to become the centre of gravity particularly as we finish zones 80 and 90 over the next year or so. And I think the grades are reasonable. I think if you go and look at the reserve statement you will get a good view of that. And Granny Smith has been kind to us in giving us good reconciliations against our ore reserve declarations. That is not to say it will continue into the future, but so far it has worked out quite well both in terms of tonnes and grade. Wallaby is a great underground mine and certainly is one of the jewels in the crown. So good to see. Hopefully we can maintain somewhere in the 6g to 7g range going forward. That is as specific as I can be at this point in time, Kane.



Kane Slutzkin – UBS

Thanks Nick.

Operator

Our next question is from Adrian Hammond of Standard Bank. Please go ahead.

Adrian Hammond – Standard Bank

Hi Nick. Well done on an improved performance at South Deep. I have a few questions on South Deep just to clear up my understanding. Correct me if I'm wrong. You are now rolling out a new high profile 5x5 destress method?

Nick Holland – CEO

It is 5m vertically and 4.5 metres width.

Adrian Hammond – Standard Bank

Has this been tested?

Nick Holland – CEO

We have done some pilot work that we started earlier in the year. We have done a few areas and it looks like it is okay. We have got our geotechnical review board. These are the experts that we brought in from different parts of the world to come and assist, including South Africa. They are at the mine at the moment and they are reviewing all the work we are doing. So yes, we have done limited tests on a pilot basis. But a lot of the design work is based on numerical modelling of what they think is the right size, the crush pillars that will be needed, the mining spans etc. So we have got some pilot work, but I wouldn't say we've got a lot. But nevertheless we've got enough confidence we believe to move the entire mine onto the high profile basis based on the work that they've done.

Adrian Hammond – Standard Bank

And how is it going so far?

Nick Holland – CEO

Well it's early days. It is I think progressing reasonably well. The feedback we are getting is quite positive from the team. But there is a lot of work still to do. We've got 12 to 18 months of test work to do.

Adrian Hammond – Standard Bank

Initially I think it was 4x4 and it was highlighted that there were concerns around rock mechanics at 3.5m. How is this now possible at 5m?



Nick Holland – CEO

Crush pillars. They have got crush pillars, the localised crush pillars. Under the previous destress methodology we had 2.5m crush pillars. Now we are onto 4.5m crush pillars. The other thing is we have reduced the mining span across the four corridors. We were at 240m. We are now down to 180m. So we've got a much stiffer system throughout the mine. As I say they put this into all of their black boxes that they run and they've come out with these numbers that they feel quite comfortable with. As I say, they have been underground looking at the early work that we've done and so far we are not getting any red lights. We are going to get these guys to be with us through the whole journey. We are not going to bring them in right at the end and say how does it look. They are going to be coming out on a regular basis. They will be here again in January to see what the progress is. And what we're going to do is some of the low profile destress cuts that are very mature, that are nearly done, we are going to continue doing low profile. It doesn't make sense to convert those. But the cuts that are fairly immature, early-stage cuts, we are going to convert those as well. So I think Nico is quite comfortable that based on the pilot work done so far that we can make the conversion. The other thing is we are not doing this whole scale upfront. We are doing it in a staged process. So if we see anything we don't like or some modifications we need to put in we can obviously do that.

Adrian Hammond – Standard Bank

Thanks. On the workshop, has there been progress on that and the congestion issues? Has that complemented the performance in the last quarter in any way?

Nick Holland – CEO

I don't think so, but the workshop is being commissioned. So it is almost fully commissioned at this stage. I think the thing that has helped us in the last quarter is we got a lot of new gear in. we bought 27 pieces of category one equipment, drill rigs, trucks, loaders. The bulk of that is now commissioned. And of course new fleet away has good availabilities to start with. I wouldn't say that we've cracked the code on the maintenance. It is far too early to claim victor there. That is an area that is going to require quite a lot of work still. But on the new equipment that has come in, that has certainly improved the availabilities and helped us. I think the other thing that has made a difference is that we have concentrated on making sure that the daily and weekly plans are on it and that we properly resource particularly the open stopes. The open stopes are the meat and potatoes of this particular operation. So the team has spent quite a lot of time make sure that we are manning up the open stopes, we are not under-breaking, we are not over-breaking, and we are mining on line and on grade. That has been a big focus for us. And it comes through in the grade when you do things correctly.

Adrian Hammond – Standard Bank

Great. Thank you very much.

Nick Holland – CEO

You're welcome.

Operator

Our next question is from Andrew Byrne of Barclays. Please go ahead.



Andrew Byrne – Barclays

Hi. Good afternoon guys. I know you haven't finalised the plan for next year and I know you don't want to give our guidance too early. But just big picture, given that some of the pushback is around the sustainability of capex levels, not particularly at Gold Fields but across the industry as a whole, I just wondered if you could highlight is there are any major capex programmes that need to take place next year that would be a big delta. And secondly I was wondering how the exploration programme in Australia is going given the spend you've got there.

Nick Holland – CEO

We are not in the position to talk numbers for 2016 as you can imagine. I'm not sure that I would say there is anything really significant at this stage, other than if we decide to press ahead with Damang. You know I think if we decided to do the Damang pushback and go under the original pit and expand around the pit into the saddle as well as the Damang pit cutback too clearly it would be significant expenditure to all of the waste stripping. As I've mentioned earlier we are doing the study, so that will dictate whether or not that goes ahead. So that would be the one item that I think is in flux at the moment. But other than that I think it is pretty much sustaining capital that will continue into the future. Paul, anything you want to highlight? Not really. No big ticket items that we can think of at this stage, Andrew. In February we will give you chapter and verse.

I think exploration in Australia has gone well. We have drilled out a lot of metres. I think between all of the four mines we estimate that we will drill about 450,000 metres which is an all-time record. We are still collating most of the results. The trick now is we've got to get everything assayed. Then we have got to populate all of the geological models and then see how we pan out. So I wouldn't really want to say too much except to say that at all of the mines there are some very interesting things coming out. But I know that it is a big issue for investors and analysts. I suspect what we will do when we give the year end results and the guidance for 2016 we will give a more comprehensive update once we have collated all the results and populated the models. But certainly there is some interesting stuff coming out which I think looks good for the future. Sorry I can't be more specific at this point.

Andrew Byrne – Barclays

No, that's fine. And a final question from me. Obviously the cost environment varies from region to region. You have got benefits in West Australia. Ghana is as you were with the exception of electricity. But one of the big deltas is obviously around oil price. You hedged through much of 2009. Can you give an indication of what you expect your oil fuel to go down to in 2016 versus 2015 on a global basis?

Paul Schmidt – CFO

Andrew, we haven't completed the plan for next year. It is going to be difficult. Obviously we are expecting a reduction, but it is a small reduction. As we said before in Ghana and Peru there is a regulated market by the government and it is not easy to try and calculate how much they will release. We have seen a release in Ghana but not to the full extent of the oil price. When the oil price went up we didn't feel the full brunt either, and now it is payback time to the government when they fill their coffers again to try and build up that subsidy that they will use in the future. So maybe when we give the ops plan in February we will try and give you more indication of what the impact of the lower oil price is.



Andrew Byrne – Barclays

Thank you very much.

Operator

A reminder, if you would like to ask a question please press star then one. Our next question is from Patrick Mann of Deutsche Bank. Please go ahead.

Patrick Mann – Deutsche Bank

Hi there guys. Good afternoon. Just following on from the earlier question around the rock mechanics and managing to do the high-profile destress. You were mentioning the crush pillars increasing quite significantly in size. Given the long hole stoping and the destress mining is this going to reduce the total volume over the life of mine that you can take out? I'm trying to reconcile what happens if you have these larger crush pillars. It feels like a smaller tonnage that you can extract using this method.

Nick Holland – CEO

What it will do, Patrick, is it will allow you to advance quicker having bigger crush pillars. The key here is to get greater advance going forward so you can access the open stoping horizon. That is one of the benefits. The other thing is all of this gets mined anyway. We are all on strike here. It is a question of sequence. Remember the way the mine is mined, we have primaries and secondary's. We mine the primaries, then we have a secondary next to it. Once we have finished mining the primaries we backfill and then we come back and mine the secondary's. So it all gets mined over the life, except obviously for the stability pillars between the corridors. That will also probably get mined, but it gets mined much later. But the crush pillars will get mined down the road.

It is really a function of trying to advance quicker. I mean the one thing that sticks out from this is moving to a 5x4.5 metre destress cut it is all on strike, right, so it is on reef. The other benefit that you might get of having bigger destress is not that we avoid mining it three times which is what we are currently doing – we mine it once and support it once – but also you should be getting more tonnes per metre advanced because the cavity is bigger. And that is on reef, which is one of the other benefits which could offset some of the lag effects of leaving some crush pillars behind until later.

Look, to be frank, we don't have a strong resolution yet on what the likely steady state profile is going to be, hence the reason we've said we are not going to give you a new long-term plan until early 2017. Until this whole transition has rolled out it is going to be difficult to estimate the full impact of this. You can imagine in 2016 it is a transition year. We are going to be moving stopes across to high profile. The teams are going to have to get used to it. But those are some of the benefits of moving to this. We will move quicker with bigger crush pillars and of course we will mine once instead of having to come back, mine out the hanging wall, re-support and make the whole cavity bigger before you can access the open stopes. All of that now goes. We have one cavity. We do it once. So I think when we do the February results we will spend a bit more time on this because I think by then we will have a better idea of how the transition is going.

Patrick Mann – Deutsche Bank

Great thanks. One more if I may. I thought the plan at Damang was to bring in contract miners and use the cash inflow from the fleet to fund the capital expenditure and fund some of the stripping. Has that



option to move to contractor mining fallen away completely or would that still form part of the potential recapitalisation plan and potentially help fund it?

Nick Holland – CEO

It is all part of the same package of work we have to do. It is not off the table, but we need to understand the economics of moving quite a lot of waste before we can access the ore at depth. And then on top of that if it makes sense from a financial perspective moving to contractor mining might enable us to partly fund some of that upfront expenditure. So it is all part of the package.

Patrick Mann – Deutsche Bank

Great. Thank you.

Operator

Our next question is from Justin Chan of GNP. Please go ahead.

Justin Chan

Hi gentlemen. So touching on Damang again, understanding that the feasibility study hasn't been done yet, do you guys have a sense of timeline regarding how long it might take to access the higher grade sections of the ore body should you decide to recapitalise?

Nick Holland – CEO

No. we don't have that information with any degree of certainty. Until the study is done I'm going to kick the touch on that. Until we get resolution it would be difficult to estimate. We're not talking years. It is a question of whether it is... well, let me give you a range. I can give you a range. Maybe it is somewhere between 12 and 24 months, somewhere within that range. Again I'm just saying that's a high level estimate. It might change, so don't hold us to that please.

Justin Chan

Absolutely. That's very much appreciated. A secondary question would be right now you're going through a very high grade section of Granny Smith. Going into next year is that expected to continue or is that scheduling now moving to a different part of the ore body? Likewise at St Ives what are your expectations on grade going into next year?

Nick Holland – CEO

We are not going to get specific on 2016 until we give the guidance on that. As I mentioned earlier – we had a question on this earlier – I said Granny Smith would be somewhere between 6g and 7g per ton. It is all out of the Wallaby underground. St Ives I'm not going to be specific because we are changing the mining mix there with Athena coming out, Invincible picking up, Neptune Stage 2 coming in. So it is going to be a different profile, so I am not in a position to talk about 2016's grade for St Ives.

Justin Chan



Okay. And my last question, this quarter we have seen capex come down from the two quarters previous. Notwithstanding any capital projects going forward, which we have discussed, is that reflecting market conditions? Will that now be a new run rate going forward or was that part of the original plan and going forward we should see something maybe more similar to previous quarters?

Nick Holland – CEO

All I would do is reiterate that on an all-in cost basis which includes capital we are within the guidance we previously gave. We are below the guidance.

Paul Schmidt – CFO

We did guide \$650 million of capital for the year. That is still on track. What we are going to do next year I can't tell you now. That we will tell you in February. But we are still on track for around \$650 million for 2015.

Justin Chan

Okay, thanks guys.

Operator

Our next question is from Tanya Jakusconek of Scotia Capital. Please go ahead.

Tanya Jakusconek – Scotiabank

Good afternoon gentlemen. I have a question back on Damang. Did I hear you correctly, Nick, that one of the options could be to put the operation on care and maintenance if the operations didn't pan out on the other front?

Nick Holland – CEO

You heard correctly, Tanya. That is exactly one of the options.

Tanya Jakusconek – Scotiabank

Okay. And if we were to go on care and maintenance what would be involved at that site?

Nick Holland – CEO

Well obviously there will be people who are affected. We have 1,000 employees. We have 1,000 contractors. One of the thoughts we've had is to continue to process the low-grade stockpiles on the mine through the plant and keep the plant going. We would also obviously continue with administration and security arrangements on the site. I think we would continue some low level geological work. In terms of the rest of the people we would have to sit down and have a proper discussion with all the stakeholders. We started that debate already so all of the stakeholders have been informed including the government and the trade unions. They are all apprised of the current financial position and the prospects. So that whole process would gather momentum if we decided to elect to go the care and maintenance route.



Tanya Jakusconeck – Scotiabank

Would it be safe to assume that this would be something that would be decided... if we went under \$1,000 it would be quite a stress on the system?

Nick Holland – CEO

I think under \$1,000 gold the gold industry will be looking at itself quite closely. Even at current prices, Tanya. The question is we've got a good ore body at depth. It is good grades. We are seeing very similar grades to what we mined at Damang over the last 12 years up until when the pit was closed. The question is can we absorb the upfront cost. I think once we are in it I think we will make money at lower prices. The question is can we get a return on the strip at these prices. I'm not too concerned about preserving the optionality of this for higher prices. It is a good ore body, but it may not work at these prices. We will do our best to limit the impact on all of the different stakeholders.

Tanya Jakusconeck – Scotiabank

Okay. We will wait for your studies early next year. Maybe just on Q3, can you let us know what the impact of currency and fuel was on your cost structure versus your guidance or your budget for the quarter?

Paul Schmidt – CFO

I can't tell you what the fuel impact was, but the impact of currency on the all-in costs, of the decrease quarter on quarter of \$98, \$28 was because of currency. The balance was because of increased production and lower cost globally.

Tanya Jakusconeck – Scotiabank

Okay. And just coming back to South Deep, so that I understood correctly, Nick, the 1.2 km strike length that you were talking about, you think you will have all of these destress blocks opened up in 18 months, so sometime in 2017?

Nick Holland – CEO

What we will have by then is we will have converted the mine to high profile. So in other words across the entire strike length there will no longer be any low-profile destress. There will only be high-profile destress.

Tanya Jakusconeck – Scotiabank

Okay. Thank you.

Operator

Our next question is from Leroy [unclear] of RMB Morgan Stanley

Leroy – RMB Morgan Stanley

Good afternoon guys. Just two questions from my side. Obviously in Ghana where you don't get the relief



from the currency you are watching your costs quite carefully. And with that what are you expecting for labour increases? I know that was something that was being negotiated a few months ago. Secondly on Cerro Corona, it seems like your increase is attributable to weaker grades. How long would that cycle be expected to continue and are you expecting those grades to go back up to the previous quarter's level?

Nick Holland – CEO

On the first question, Ghana wages are still being negotiated so we don't have an answer for you at this point in time. On the second question, I think on Cerro Corona you have to look at the reserve grades. And we have often said although we've had a positive reconciliation against the reserve grades for seven years of operation ultimately we will start migrating back closer to the reserve grades. And I think that is what you have seen this particular quarter. That said I still think the next two or three years will be pretty good and we may be able to do a little bit better than that. This is a function of where we are in the pit. Remember we have to take out the pit in a sequence. We have to take out all of the pit to a certain level. And depending on where you are in the pit you get higher or lower grades. There is a barren core in the middle. And typically when you get more volume that is closer to the barren core for example the grades can decline. Sometimes when you're mining on the periphery of the ore body the grades can decline. So you should look at that in relation to where you're mining. But ultimately I would guide you back to the reserve grades that we published in the report.

Operator

Our next question is from Leon Esterhuizen of CIBC. Please go ahead.

Leon Esterhuizen – CIBC

Hi guys. Just a quick one. On the tonnages at South Deep you had quite a nice jump this quarter. I see you are only doing 130,000 tonnes a month anyway. And I just want to check with you, is the mine at this stage fully booked to handle 300,000 tonnes per month? Is that the capacity? And number two, just judging by the numbers you reported this quarter it looks like if you go from 130,000 to 160,000 tonnes a month you would be at break-even. I'm trying to get a handle on the volume growth out of South Deep. How many more of these bulk stopes are coming on line? How fast do they come on line? It just looks like you're going to get to break-even a hell of a lot quicker than you were guiding to before. Just if you can address that please.

Nick Holland – CEO

Hi Leon. I think in terms of the infrastructure the infrastructure is certainly geared to do 330,000 tonnes as it has been for a while. I think on the hoisting side there are a few minor modifications we need to do which we haven't done because the volume was always going to come a bit later. But that is not going to take a lot of time and money. But the area that is not ready to go to 300,000 is obviously we need to open up the ore body to get to and sustain that level of production. And we are some years away from that. Part of our message to you as analysts and of course to shareholders is that we are going to try and give you a better long-term feel by the end of next year as to what we see the volumes being like, when we build up, what we get to, and whether or not we can actually fill the capacity of the mine and the plant.

And I don't know the answer to that question now. I think the conversion to high profile does complicate the issue because we are going to be going through another year of transition whilst at the same time trying to get some sort of resolution of what the long term is. So a few moving parts around here .but that said,



we do want to continue the momentum. We are focussing heavily on making sure that the high-grade open stopes, mined spatially correctly of course, are brought online as soon as possible. And the numbers coming through this quarter we are in, and obviously into next year as well. As I have said before we want to continue the momentum into Q4. We think we will. We think Q4 will be better than Q3. We expect 2016 again to be better than 2015. Who knows? Let's see what happens, whether or not we can get to break even at or earlier than the end of next year. We will see what happens. Thank you.

Leon Esterhuizen – CIBC

Thanks nick.

Operator

Our next question is from Alan Cooke of JP Morgan. Please go ahead.

Alan Cooke – JP Morgan

Hi Nick. Hi Paul. Just two quick questions please. On that Damang pushback when you're looking at it is there any opportunity to look at or negotiate a stability agreement with the government? I know you guys have been trying to do that in Ghana for some time. But is that something that will improve the returns on the pushback at Damang and is it something that is possible?

Nick Holland – CEO

We have continued. As you know the discussions with government have been going on for a long time on stability agreements. They continue to go on. Of course any kind of more preferential royalty and tax arrangements similar to what other companies in Ghana are getting would be beneficial for sure. There is no doubt about it. We have been in discussions for a long time. It is hard to predict whether or not we will be successful. Clearly we think it is important. We have made that point to government. But we don't control the process. All we can do is keep talking and see where we end up. I know this is a debate that is going on with other companies. So let's see where we go.

Alan Cooke – JP Morgan

Okay, thanks Nick. And the last one on the fleet composition and the mix in South Deep, it seems like there are going to be some changes there again as you move from low profile to high profile. Are we going to see more capex for the high profile fleet, and what might the costs be on an estimate basis? And does that mean we will see more scrapping to come through on that low-profile fleet as you take that out over the next 18 months?

Paul Schmidt

Alan, capital at South Deep will be similar year on year. That I can tell you. It is most probably about R1 billion.

Alan Cooke – JP Morgan

So we shouldn't be thinking of additional capex over and above?



Paul Schmidt – CFO

No, no. There is no money for that. [Overtalking].

Alan Cooke – JP Morgan

Thank you very much. Thanks.

Operator

Ladies and gentlemen, we have come to the end of the allotted time for questions and answers. Mr Holland, back to you, sir, for closing comments.

Nick Holland – CEO

Thanks everyone for dialling in. we've had a good attendance today looking at the list. Thanks for your time. Thanks for your interest. It is a difficult time for the gold market and we're not too sure where the gold price is going to go for the rest of the year with the risk of a rate increase in the US. I think the view that Paul and I have got is the sooner we get certainty on that the better. I just want to wish all of you a festive time over Christmas, a safe time with your families, and if you're on the roads please be careful. Thank you very much and bye bye.

Operator

On behalf of Gold Fields that concludes today's call. Thank you for joining us. You may now disconnect your lines.

END OF TRANSCRIPT