

Gold Fields Limited

2011 Investor Day

**Presentation 6 of 9**

**Australasia Region**

**Nick Holland**

**Chief Executive Officer**

*(On behalf of Richard Weston*

*Executive vice President: Australasia Region)*

Johannesburg  
5 December 2011



**GOLD FIELDS**



Australasia Region



## Forward looking statements

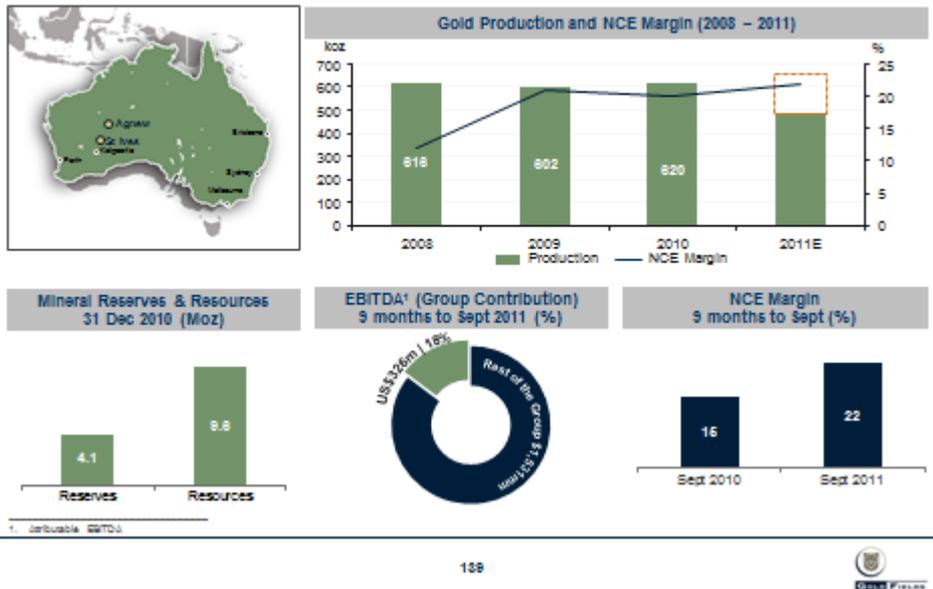
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In particular, the forward looking statements in this document include those relating to the global economy and outlook; changes and forecasts of gross domestic products; changes in legal, tax and other regulatory regimes; commodity prices; demand for gold and other metals and minerals; interest rate expectations; exploration and production costs; levels of expected production; Gold Fields' growth pipeline; levels and expected benefits of current and planned capital expenditures; future reserve, resource and other mineralisation levels; and the extent of cost efficiencies and savings to be achieved. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other important factors include among others: economic, business and political conditions in South Africa, Ghana, Australia, Peru and elsewhere; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, exploration and development activities; decreases in the market price of gold and/or copper; hazards associated with underground and surface gold mining; labour disruptions; availability terms and deployment of capital or credit; changes in government regulations, particularly taxation and environmental regulations; and new legislation affecting mining and mineral rights; changes in exchange rates; currency devaluations; the availability and cost of raw and finished materials; the cost of energy and water; inflation and other macro-economic factors; industrial action, temporary stoppages of mines for safety and unplanned maintenance reasons; and the impact of the AIDS and other occupational health risks experienced by Gold Fields' employees.

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## Australia - a 650,000 ounce region

### Replacing and growing the reserve base



Thanks, Peet.

Richard Weston could not be with us today due to a personal matter so I will talk through the Australasia Region.

Australia is producing at a rate of 650,000 ounces a year, and our strategy is to make sure that we can maintain that into the future by continuing to replace ounces as we mine them each year, as we have successfully done over the last number of year.

But more importantly, for us to improve the margin of these particular assets.

As you can see we have generated a year to date NCE margin of 22%, but we believe that with the current gold prices prevailing, by aggressively attacking the cost structure at St Ives, and driving extra volume at Agnew, that we can reduce the cost base further and reflect that in improved margins to the bottom line.

As you can see here we have a reserve of 4 million ounces and a resource of 9.6 million ounces in the Region. We have a good track record of converting resources to reserves and also of adding to resources, and we intend to fulfil that strategy further into the future.

## Australia: Fiscal and Economic Overview

The region is affected by the strong A\$ and high labour costs

### Carbon tax legislation

- Carbon Tax legislation effective 1 July 2012
- Net impact A\$8 million p.a. on Gold Fields Australia

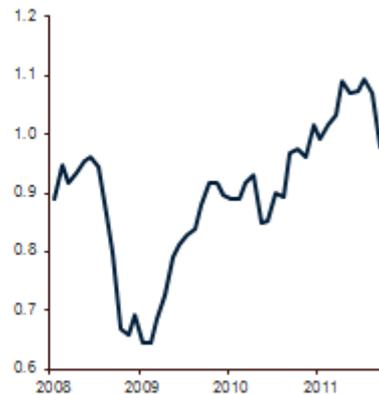
### Mineral Resource Rent Tax

- Legislation passed November 2011
- Applicable to iron ore and coal
- Gold excluded

### A\$ Exchange rate and inflation

- Australian dollar near historic highs
- Inflation remains consistent with Reserve Bank's 2 to 3% target band

A\$/US\$ exchange rate (2008 – 2011)



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If we look at Australia overall, I talked very briefly in the introduction about the carbon tax. The carbon tax is now legislated through both houses, the lower house and the upper house. That is going to be introduced with effect from 1<sup>st</sup> July. And that will add about A\$8 million a year to our costs in Australia. The mineral resource rent tax, which has been the subject of much debate, has also been passed, but only applicable to iron ore and coal. So far gold is excluded, and obviously we hope that will continue to be the case.

We're seeing a significant cost hike in Australia. In fact it is becoming quite an expensive place to do business. And that has obviously been exacerbated by the resource boom that we're seeing across the world, but particularly in Australia, as the quest for skills becomes more difficult. And that has been exacerbated too by the Australian Dollar which is currently trading more or less at parity with the US Dollar. That has been pretty volatile over time. I remember when we acquired these assets back in 2001 the Australian dollar was around 50c. So it is clear this is having a significant impact as we look at our costs in US Dollar terms. The bottom line is, we have to drive business process improvements even harder, and I will share with you what we're going to do.

## Achievements since 2008

Exploration has added 3.3Moz of Reserves in the Region at a cost of A\$35/oz

|   |  |
|---|--|
| <b>Exploration success</b>              | <ul style="list-style-type: none"> <li>▪ St Ives has added 2.2Moz of reserves before depletion since 2008               <ul style="list-style-type: none"> <li>– Jun 2008 1.9Moz of Reserves and 4.5Moz of Resources</li> <li>– Dec 2010 2.8Moz of Reserves and 5.8Moz of Resources</li> </ul> </li> <li>▪ Agnew has added 1.1Moz of reserves before depletion since 2008               <ul style="list-style-type: none"> <li>– Jun 2008 0.6Moz of Reserves and 3.1Moz of Resources</li> <li>– Dec 2010 1.3Moz of Reserves and 3.8Moz of Resources</li> </ul> </li> </ul> |
| <b>Athena/Hamlet Complex at St Ives</b> | <ul style="list-style-type: none"> <li>▪ Two new UG mines 5km from St Ives mill</li> <li>▪ Athena established at full levels of commercial production – on time and budget</li> <li>▪ Hamlet first ore in November 2011 - development in progress</li> <li>▪ Lower cost base underpin to secure future</li> </ul>  |
| <b>Cost Focus</b>                       | <ul style="list-style-type: none"> <li>▪ Royalty eliminated</li> <li>▪ Conversion to owner mining at St Ives (U/G) &amp; Agnew</li> <li>▪ Heap Leach optimisation</li> <li>▪ Open pit and underground productivity improvements</li> </ul>   |

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As I said earlier our strategy is to continue to run these assets at around about 650,000 ounces a year. We've been very successful in not only replacing what we mined but also adding to the reserves over the last few years. In fact we've added 3.3 million ounces to our reserves at a cost of A\$35 per ounce. And that bears out what Tommy and I were saying earlier. We've actually been very successful in adding to the lives of these operations way beyond what the initial resource life, never mind reserve life, was when we acquired the assets.

At St Ives we had 2.8 million ounces of reserves at December 2010. And at June 2008 we had 1.9 million ounces. So we've put back everything we've mined and, in fact, we've added to it as well.

And similarly at Agnew. In June 2008 we thought the mine would be coming to an end. We only had 0.6 million ounces of reserves. And at December 2010 we had 1.3 million ounces of reserves. So we significantly added to the reserve position. Our strategy is to continue to do this going forward.

What gives me confidence that we can sustain the production at St Ives at around 450,000 ounces is the fact that we have built one new underground mine called Athena. And in fact we're using the same portal (a portal is an entrance to an underground operation) to build a mine next to it called Hamlet. And these operations, as you will see a little later, are now providing a base load of high grade underground feed to the CIL plant, which will help us to de-risk the production profile of St Ives into the future. It will also lower the overall cost base as we expect to get an improvement in the overall underground grades.

As I said earlier, the focus is on costs. That's one of the reasons we bought back the royalty that existed when we bought these mines from Western Mining back in 2001. We retired that royalty, and I must say I'm very pleased we did so because had we had that royalty still in place today, we would be paying away significant amounts of the upside that we're seeing in the gold price instead



of keeping that for ourselves.

We've done the conversion to owner mining at the St Ives underground and also at Agnew. We're starting to see the benefits flow through in terms of reduced costs as we eliminate the margin that is typically enjoyed by the contractor. But secondly, we're also seeing improvements in productivity as we manage the entire supply chain through the entire mining process.

We're also looking at optimising our heap leach operation at St Ives. In fact, we've picked up our volume by over 30% in the last six months. We continue to drive operational improvements both from the open pits – and there are three of them right now at St Ives – and also from the undergrounds, and there are three of them at the moment as well.

## Strategic outlook

### Maintain stable baseload of 650koz, add FSE

#### Optimise Our Assets

- Ongoing BPR - 25% NCE margin target
- Complete owner mining and maintenance conversions
- Maintain regional production at 650,000 ounces per year

#### Grow Gold Fields

- Complete construction of Hamlet underground mine at St Ives
- Reserve growth and life extension at St Ives and Agnew
- Bring Far Southeast to account

#### Secure Our Future

- Focus on people
- "Beyond 2010" EIS for 10-year extension of St Ives approved
- Strengthen community and regulatory relationships

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So our strategy, as I've said, is to maintain that base load of 650,000 ounces.

We've got to get to at least a 25% NCE margin, and frankly at these prices we should be doing better than that. And that's what we will be driving for.

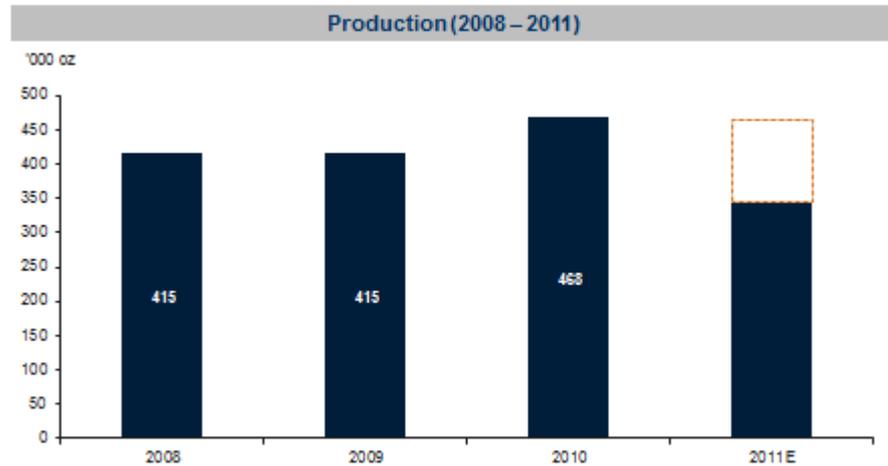
We're going to complete our conversion to owner mining at St Ives because at the moment the open pits are run by contractors. The mining costs are too high, and we're going to drive those down by acquiring our own fleet and doing owner mining ourselves.

That will also help us to reduce the cut-off grades at a lot of our pits, enabling us to look at optimal pit sizes, driving pits deeper and being able to benefit from the economies of scale that we'll get through that as well.

We want to complete the construction of Hamlet and add that to St Ives, and that will give us two underground mines of about 100,000 ounces of production each as a base load of underground operations. And we can supplement that with at least one other underground operation and at least two to three open pits. That would be the sort of mix I think you will see from St Ives going forward. We continue to drive additional resources and also the conversion to reserves.

Far Southeast of course is part of the Australasia Region, and in conjunction with the capital and projects group we want to bring that to account.

## St Ives: Achieving production targets



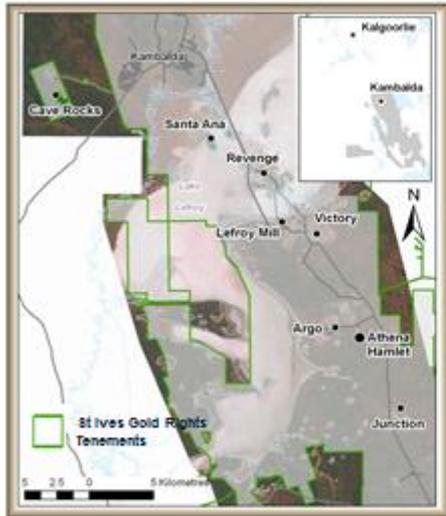
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So here is St Ives. You can see here the historical production and the estimate for 2011. As you can see from that we expect to be able to keep this operation steady at that sort of level.

## St Ives: One of Australia's premier gold camps

### A 20 million ounce camp



### St Ives Lease Area

- One of Australia's premier gold camps
- In excess of 11 Moz mined to end 2011
- Produced 4.8Moz since acquisition in 2001
- Exploration potential for another 5Moz

### Athena-Hamlet

- Greenfields discovery in 2006/2007
- Total reserve of 1.1Moz (Dec 2010) and growing
- Significant regional discovery
- Demonstration of exploration success
- Supporting St Ives' longer term future

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A lot of people forget that St Ives is actually one of Australia's premier gold camps. And in fact it is a 20 million ounce camp in western Australia. Why it is 20 million ounces is because we've mined 11 million ounces up to the end of 2011. We've mined 4.8 million ounces since we bought the assets in 2001, but since the commencement of operations, 11 million ounces have been mined.

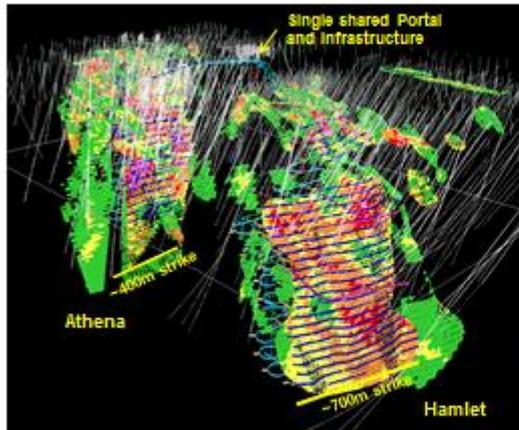
Now, the reserve and the resource is about 2.8 million ounces and 5 million ounces respectively. And we see potential for another 5 million ounces beyond that resource. So we're looking at an asset here that is going to be around for a long time to come. And it is prospective right through the entire property itself.

Athena and Hamlet I've talked about. This really is part of a greenfields discovery in 2006 and 2007. It was ideal to find something that was so close to the plant - it was only 5 kilometres from the plant. You might say why didn't we find it earlier. One of the reasons was that it was undercover. Typically when you're looking for new deposits that tend to be under cover you don't necessarily find them easily through your IP anomalies. So you actually have to drill through cover to find them.

We found Athena really by mistake. By drilling through that area we discovered it was part of a much bigger camp. So the Argo Athena camp that you see there at the bottom we believe has the potential to be something around 3 or 4 million ounces. And Argo, Athena and Hamlet together are probably going to be about half of that. So there is potential for a lot more.

And you can see some of the other areas too that we're going to be looking at. The Santa Anna area further up on the lease, the Revenge area and the Victory area. These are all potential open pit operations and underground operations that we could add to St Ives.

## St Ives: Athena/Hamlet Underground Complex



- Athena/Hamlet Reserves:
  - Combined 6.7Mt @ 5.2g/t for 1.13Moz
  - Athena : 2.2Mt @ 6.3g/t for 438koz
  - Hamlet : 4.5Mt @ 4.7g/t for 689koz
- Discovery to production in 4 years
- Athena: A\$100 million capital project
  - Delivered on time and on budget
  - Commercial production Q3 2011
- Hamlet development well advanced
- Further exploration potential, along strike and at depth

Note: Reserve price Dec 2010 = @125\$/oz; Resource price Dec 2010 = @190\$/oz

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Here is a section view if you look at Athena and Hamlet.

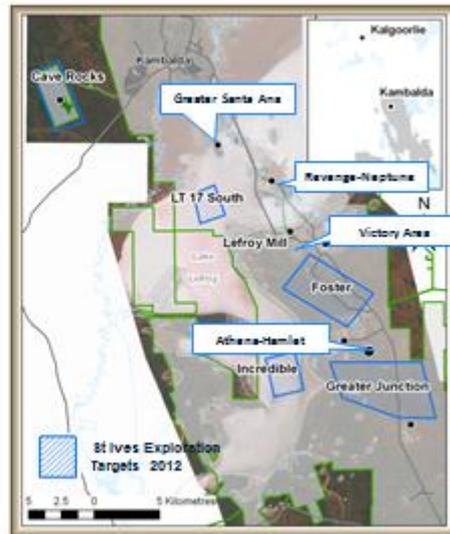
And what you can see here is the two ore bodies are right next to each other.

Here is Hamlet here. That is drilled deeper than Athena. That doesn't mean to say that Athena isn't going to go a lot deeper than this. We just haven't drilled it out yet. And that comes down to the efficiency of the drilling programme. We will get to it. And it is likely that this will continue at depth and also continue on strike.

One of the big benefits of building the two mines next to each other is that we access the two mines from a single shared portal and some shared infrastructure. For example we will have one paste fill plant that will service the two operations. And that provides us with economies of scale as we actually build up production here. So we think that these operations are going to get bigger. And certainly the exploration potential is not yet fully understood.

## St Ives regional exploration potential

- Further 5.5Moz exploration potential
- Brownfields projects to deliver growth
  - UG Extensions at Cave Rocks
  - Consolidation opportunity for large open pits at Santa Ana, Revenge-Neptune and Victory
- Additional focus on UG greenfields projects
- Foster / Greater Junction Area
  - Geological repeat of Argo-Athena Area



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I talked earlier about the potential to add another 5 million ounces at St Ives.

You can see here some of the opportunities that I've mentioned.

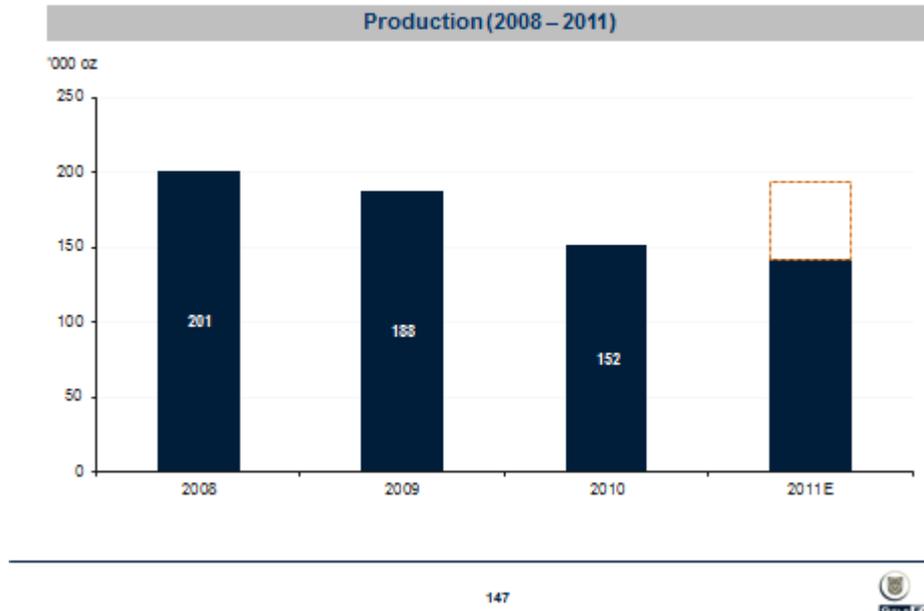
We're going to get to drill these over the next couple of years. We spend typically about A\$35 million a year drilling at St Ives. That drilling is doing two things. It is replacing the reserves that we mine out each year and it is adding to the reserves.

So our focus is going to be looking at some of the areas highlighted over here into the future. The greater Santa Anna, Revenge, Neptune and the Victory areas. And you can see they are all very close to each other. They're close to the plant.

And the other opportunity is to look at extending our existing operations. Cave Rocks over here is one of the underground operations. We thought the mine had come to the end of its life. Then we started doing some more drilling. I was very keen for us to extend the life because of all of the sunk capital into the infrastructure. And we've been quite fortunate in finding some additional upside there. We're trying to evaluate that, but the indications are that we should be able to keep Cave Rocks going for longer.

And then if we look at some of the other operations, if we can reduce the cut-off by reducing the cost base, we're going to provide more flexibility and more life. And that's one of the other reasons why we need to drive our costs down on these particular areas. So we will continue spending somewhere in the region of A\$35 million to A\$40 million a year, and we will be looking at some exciting opportunities to see how we can add to the reserve of St Ives and really crystallise the future of this operation.

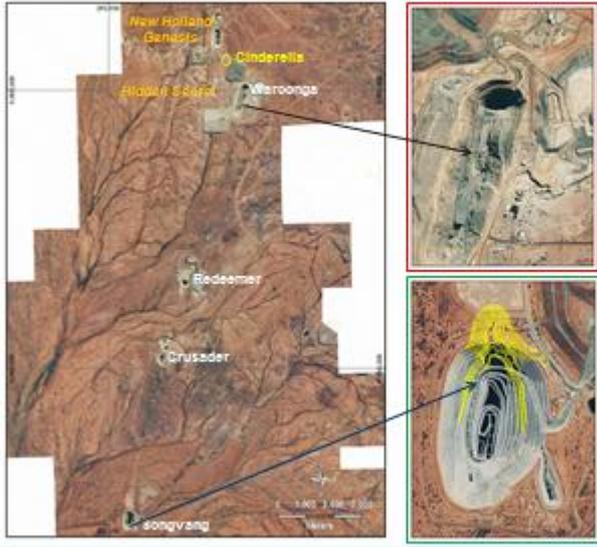
## Agnew



Agnew is very much a different animal from St Ives in that it is only an underground operation producing about 200,000 ounces per year.

When I say it is only an underground operation, that was until recently when we managed to find some surface sources. Why the surface sources were so important was that we weren't able to fill the mill with the underground material. Of course your processing costs tend to increase. So one of the strategic objectives we had way back when we talked to you a couple of years back was to see if we could find some additional ore sources to fill the gap that we had in the mill.

## Agnew: Surface exploration & reserve conversion potential



- Songvang mining completed early 2012, ore processed through 2012
- Cinderella drilling completed
- Maximise mill capacity in 2012 and 2013
- Large tenement position
- Delineation of additional surface and underground orebodies
- Grow and extend life of Agnew

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That has actually been very positive for us because we found the potential for another cut-back at Songvang. Here is Songvang at the bottom. Songvang was a pit we mined around about four or five years ago.

You can see the original outline of the pit over here. Then you can see the pushback that we're doing over here, whereby we're going to extract some additional ounces, probably about 100,000 ounces.

And we will finish mining that by around about January of next year. We started about four or five months ago. And we will process that incrementally through the mill right through to almost the end of next year.

So that will help to de-risk next year's plan and help us make sure that we can keep Agnew producing at the current levels.

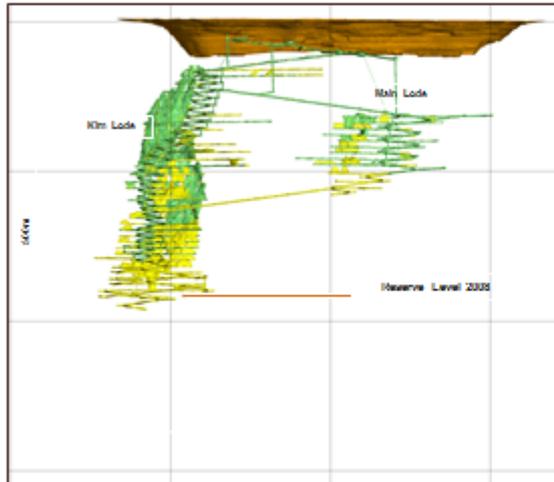
Now of course the next question going through our minds is where do we get the next additional source of ore to supplement the Waroonga underground operation which is the principle ore source.

And we're looking at something called Cinderella.

I always thought that was a bit of an unfortunate name because we know what happens to Cinderella at midnight. But we hope that Cinderella will in fact deliver the next open pit which will again help us to fill up the mill that we can't fill from just the Waroonga underground sources.

## Agnew: Kim orebody showing promise in 2008

### Waroonga Complex



Reserve June 2008 0.615 Moz



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Let's look at Waroonga itself.

Now, what you can see here is the base of the old Waroonga pit.

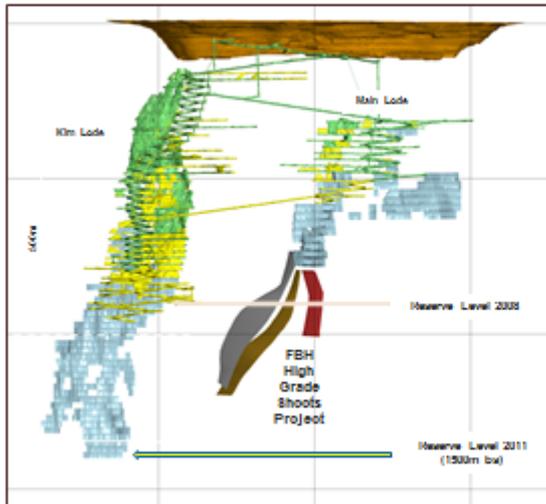
Waroonga used to be an open pit. That looks like a bath if you look at it from the side. It's basically the pit right down to its limits. And here is the portal from the base of the pit that goes into the Kim lode, which is the high grade lode, and then the Main lode which is the supplemental lode that we started mining a couple of years ago. There is something in between here called the Raja lode that goes down there.

Now, this is where we were in 2008.

We were sitting with about 600,000 ounces of reserves and we were thinking to ourselves, gee whiz, we've got three years to go and that's the end of Agnew. What a pity. We've got to do something about it, so what are we going to do?

Agnew: 1.14Moz\* added at an exploration cost of A\$35/oz

Waroonga Complex



|                       |          |
|-----------------------|----------|
| Reserve June 2008     | 0.62 Moz |
| Depletion 2008 - 2010 | 0.44 Moz |
| Addition 2008 - 2010  | 1.14 Moz |
| Reserve Dec 2010      | 1.32 Moz |

|  |                  |
|--|------------------|
| <span style="color: green;">■</span>     | Mining Pre-2008  |
| <span style="color: yellow;">■</span>    | Mining Post 2008 |
| <span style="color: blue;">■</span>      | Current Reserves |
| <span style="color: brown;">■</span>     | Fitzroy Target   |
| <span style="color: darkbrown;">■</span> | Bengal Target    |
| <span style="color: red;">■</span>       | Hastings Target  |

\* 1.14Moz reserves added

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This is what we did.

We started doing more exploration drilling. We aggressively drilled further down into the base of Kim, and what did we find? We found that the mineralisation continued at depth and that we could add all of these extra ounces to Kim. In addition we could add all of these extra ounces to Main.

And you can see what it has done to the overall reserve. The overall reserve has gone from 0.6 million ounces to 1.3 million ounces. We've added 1.14 million ounces over the last 18 months up to the end of 2010. Of course you'll have to wait till the end of this year to see what that number is going to be. But from a mine that looked like it was going to close, by aggressively drilling at depth we found high grade extensions of Kim. And remember, Kim historically has been a 10g/t plus ore body. And we've also found further extensions of Main lode.

Now, that's not the end because further down over here we found some high grade shoots which we called Fitzroy, Bengal and Hastings, the three different lodes, which look like they're going to be a different kind of mineralisation from Main lode in the sense that Main lode was a low-grade continuous bulk mining opportunity whereas here it looks like these are going to be significantly higher grade. We're doing further drilling and evaluation as we speak to get a better handle on all of this. I think that is going to be further upside that we should be able to report to you in due course.

Of course, getting this down to 1,500 metres has meant we've had to recapitalise Agnew and provide additional ventilation and return airways. Fortunately that expenditure has already been made and we have the capacity now to in fact get down to these sorts of levels. We've been pre-emptive on this. We've put the extra investment in.

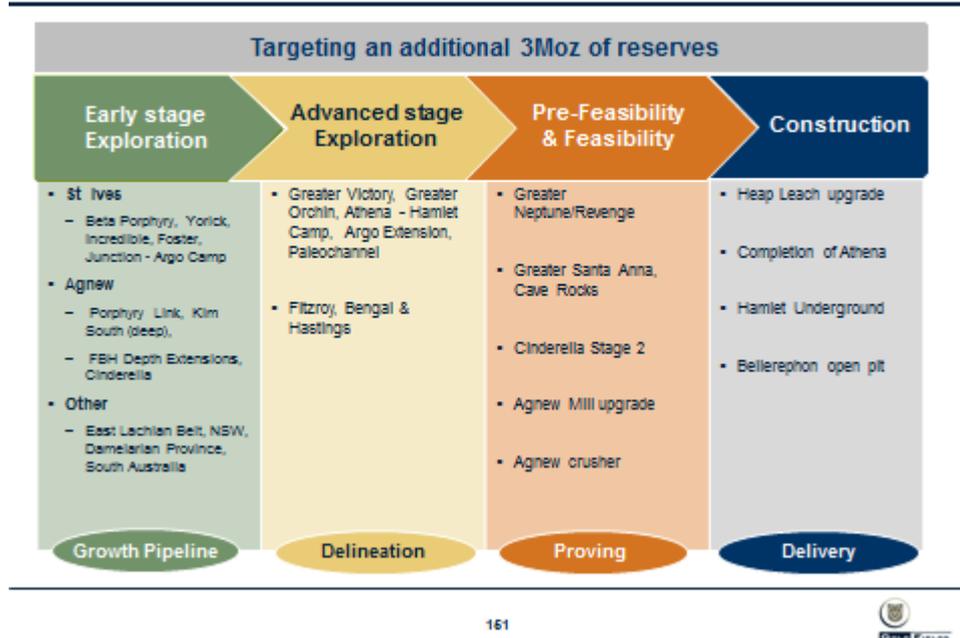
And I'm very confident now that Agnew is going to be a mine in the Gold Fields group for many



years to come, with much more upside. Remember we've still got the Raja lode here and we've still got to do some more drilling to see how far that might extend down as well.

So some interesting potential for Agnew.

## Australasia Region: Project Pipeline



So here is the project pipeline that we're looking at.

The one I haven't mentioned in the early stage, and probably because it is early, is what we call the Beta porphyry deposit. This is a very large low-grade bulk mining opportunity that we're busy drilling. And this could be a game changer for St Ives. And we've got to do more work. I'm sure that by the end of next year we will have more information. But this could lend itself to a dedicated heap leach operation within the St Ives property. There is more work to be done, but the early signs are promising.

And all these other ones you're seeing here in the early stage are additional deposits. Yorlick, Incredible, Foster, Junction. You saw those on the map together with the Argo camp itself.

I've talked about the upside at Agnew, the porphyry link. We haven't found yet where that mineralisation ends. There still might be potential for that to extend further.

Looking at the advanced stage exploration, it is about confirming the further extensions, in particular of Athena and Hamlet, and seeing how much bigger those reserves and resources could be as well.

Fitzroy, Bengal and Hastings at Agnew I talked about as well.

And then we're into pre-feasibility studies on Greater Neptune and Revenge. That could be the next open pit, and it could be a very large open pit that we could add to St Ives, together with Santa Anna and of course the extension of Cave Rocks.

Cinderella I've talked about.

And it may well be that, if we can provide additional feed at Agnew that in fact from going from a situation where we didn't have enough material to feed the mill, believe it or not, we might even be looking to go to the opposite end where we actually have to expand the mill. And that would change the production profile of Agnew. I don't know what that is going to be yet, what it is going to look like, but it gives you an idea of our current thinking.

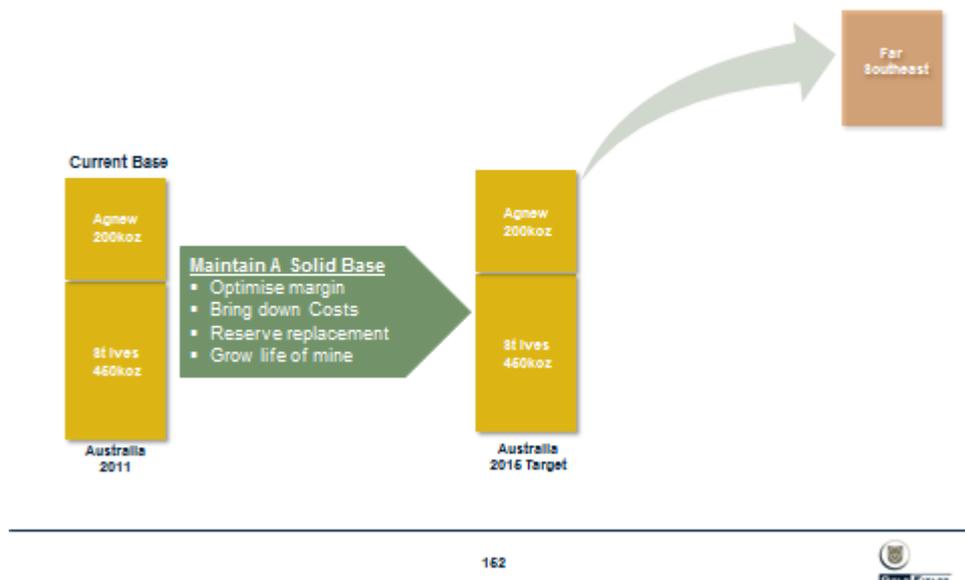
Heap leach upgrade. We have spent some money upgrading the heap leach at St Ives which provides an important additional source of lower-grade feed. Because typically we split the feed and we take the higher grade to the plant so the lower grade stuff we stockpile and feed through the heap leach. So we have upgraded that facility and that provides us with incremental production as well.

Getting Athena to steady state is important, as well as Hamlet.

The key issue for us at St Ives is to drive down the costs.

And the next big hurdle that the team have to get over is to get the open pits onto owner mining. We believe that can drive up to a 30% drop in our mining costs with a commensurate benefit in cut-off grades and the whole dynamics of mining the lower-grade pits which are very important in terms of cost structures to drive them.

## Australasia Region: 5-year outlook



So as I said earlier the high-level strategy for Australia is let's keep it going at about 650,000 ounces a year at least.

There are opportunities of course that could actually push us to a higher level of production, but I think the more important objective in the near term is to make sure that we can maintain that production profile. But we've got to drive down the cost structures. So that's going to be the twin key strategy for Australia.

And then let's not forget the Far Southeast project coming down the track whereby the capital and projects groups will integrate ultimately with the region to work out how we can digest that particular large addition to the Australasia portfolio.

Thank you very much, and with that I'm going to hand over to Juancho Kruger.

END OF TRANSCRIPT