GOLD FIELDS LTD
Form 20-F/A
October 24, 2007

QuickLinks -- Click here to rapidly navigate through this document

As filed with the Securities and Exchange Commission on October 24, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 20-F/A

(Mark One)

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

or

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

For the fiscal year ended June 30, 2006

or

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

For the transition period from to

or

o **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report

For the transition period from to

Commission file number: 1-31318

Gold Fields Limited

(Exact name of registrant as specified in its charter)

Republic of South Africa

(Jurisdiction of incorporation or organization)

24 St. Andrews Road,
Parktown, 2193
South Africa
011-27-11-644-2400

(Address of principal executive offices)

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

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

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

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

None

(Title of Class)

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

None

(Title of Class)

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

494,824,723 ordinary shares of par value Rand 0.50 each

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

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

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

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

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

Large accelerated filer ý Accelerated filer o Non-accelerated filer o

Indicate by check mark which financial statement item the registrant has elected to follow: Item 17 o Item 18 ý

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

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

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

EXPLANATORY NOTE

Gold Fields Limited is filing this amendment on Form 20-F/A to its Annual Report on Form 20-F for the fiscal year ended June 30, 2006, which was originally filed with the Securities and Exchange Commission on November 24, 2006, to amend Risk Factors, Items 4, 5 and 19 and the Financial Pages, which are amended by replacing Risk Factors, these Items and the Financial Pages in their entirety. Risk Factors, these Items and the Financial Pages are amended in order to:

Revise "Risk Factors Gold Fields' reserves are estimates based on a number of assumptions, any changes to which may require Gold Fields to lower its estimated reserves" to conform to the changes made to the presentation of Gold Fields' reserves in Item 4;

Revise "Reserves of Gold Fields as of December 31, 2005" in Item 4 to update Gold Fields' reserve information through the fiscal year end of June 30, 2006 and to expand the disclosure of estimation procedures for the proven, probable above infrastructure and probable below infrastructure categories of reserves at the underground operations of Gold Fields' South African mines;

Revise the presentation of the proven and probable reserves above current infrastructure and for the life of mine for each operation; to conform to the changes made to the presentation of Gold Fields' reserve in Item 4;

Include in the "Glossary of Mining Terms" in Item 4 certain additional terms used in the amended description of reserve estimation procedures;

Revise "Overview General" in Item 5 to conform to the changes made to the presentation of Gold Fields' reserves in Item 4;

Clarify in "Capitalization of Costs Relating to Ore Reserve Development at the South Africa Operations" in Item 5 why Gold Fields believes that its new principle relating to underground development costs to be adopted in its Annual Report for the fiscal year ending June 30, 2007 is preferable;

Revise "Critical Accounting Policies and Estimates Amortization of Mining Assets" in Item 5 to clarify when changes expected to have a material impact on depreciation, depletion and amortization of mining assets, or DD&A, and reserves are incorporated in DD&A calculations;

Revise "Results of Operations Years Ended June 30, 2006 and 2005 Depreciation and Amortization" in Item 5 to clarify the impact on the amortization charge of changes in the timing of Gold Fields' reserve determinations;

Revise Item 19 to include the certifications of the Chief Executive Officer and the Chief Financial Officer in connection with this Amendment;

Reclassify write down and profit on disposal of operating assets in the "Consolidated Statements of Operations" on page F-2;

Expand the disclosure in the "Consolidated Statements of Changes in Shareholders' Equity" on pages F-4 and F-5 to include the accumulated balances for each classification within accumulated other comprehensive loss;

Revise the accounting policy regarding amortization and depreciation of mining assets in Note 2, Significant Accounting Policies, on page F-9 to clarify when changes expected to have a material impact on DD&A and reserves are incorporated in DD&A calculations;

Revise the accounting policies for property, plant and equipment in Note 2, Significant Accounting Policies, on pages F-10 and F-11 to clarify the extent to which Gold Fields capitalizes costs of upgrading resources from one category to another and converting resources

to proven and probable reserves when these resources are adjacent to but not within proven and probable reserves; and

Indicate in Long Term Loans on page F-29 that Gold Fields was in compliance with all of its debt covenant ratios and restrictions as of June 30, 2006.

This Form 20-F/A consists of a cover page, this explanatory note, the answers (as amended) to Risk Factors, Items 4, 5 and 19 and the Financial Pages of the Form 20-F, the signature page and the required certifications of the principal executive officer and the principal financial officer of Gold Fields Limited. While the answers (as amended) to Risk Factors, Items 4, 5 and 19 and the Financial Pages of the Form 20-F have been reproduced in full as required by Rule 12b-15 under the Securities Exchange Act of 1934, no changes have been made to such answers except as specifically described above.

Other than as expressly set forth above, this Form 20-F/A does not, and does not purport to, amend, update or restate the information in any other Item of the Form 20-F or reflect any events that have occurred after the Form 20-F was filed.

Table of Contents

RISK FACTORS

In addition to the other information included in this annual report, the considerations listed below could have a material adverse effect on Gold Fields' business, financial condition or results of operations, resulting in a decline in the trading price of Gold Fields' ordinary shares or ADSs. The risks set forth below comprise all material risks currently known to Gold Fields. However, there may be additional risks that Gold Fields does not currently know of or that Gold Fields currently deems immaterial based on the information available to it. These factors should be considered carefully, together with the information and financial data set forth in this document.

Changes in the market price for gold, which in the past has fluctuated widely, affect the profitability of Gold Fields' operations and the cash flows generated by those operations.

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

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

In addition, the current demand for and supply of gold affect the price of gold, but not necessarily in the same manner as current demand and supply affect the prices of other commodities. Since the potential supply of gold is large relative to mine production in any given year, normal variations in current production will not necessarily have a significant effect on the supply of gold or the gold price. Central banks, financial institutions and individuals historically have held large amounts of gold as a store of value, and production in any given year historically has constituted a small portion of the total potential supply of gold. Historically, gold has tended to retain its value in relative terms against basic goods in times of inflation and monetary crisis.

On March 8, 2004, 15 European central banks entered into a new gold sales agreement effective September 27, 2004, pursuant to which they restrict their annual sales of gold to specified limits. This agreement will be reviewed in five years. Although the new agreement calls for an increase in the amount of gold that can be sold by individual banks to 500 tons per year, the effect on the market in terms of total gold sales is unclear.

While the aggregate effect of these factors is impossible for Gold Fields to predict, if gold prices should fall below Gold Fields' cost of production and remain at such levels for any sustained period, Gold Fields may experience losses and may be forced to curtail or suspend some or all of its operations and/or reduce capital expenditure. In addition, Gold Fields might not be able to recover any losses it may incur during that period.

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

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

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

The ore reserves stated in this annual report represent the amount of gold that Gold Fields calculated, as of June 30, 2006, could be mined, processed and sold at prices sufficient to recover Gold Fields' estimated future total costs of production, remaining investment and anticipated additional capital expenditures. Ore reserves are estimates based on assumptions regarding, among other things, Gold Fields' costs, expenditures, prices and exchange rates, many of which are beyond Gold Fields' control. In the event that Gold Fields revises any of these assumptions in an adverse manner, Gold Fields may need to revise its ore reserves downwards. In particular, if Gold Fields' production costs or capital expenditures increase, if gold prices decrease or if the Rand, Australian dollar or Bolivar strengthens against the U.S. dollar, a portion of Gold Fields' ore reserves may become uneconomical to recover, forcing Gold Fields to lower its estimated reserves. Gold Fields' reported attributable gold ore reserves were 62.8 million ounces for fiscal 2005 as compared to 61.8 million ounces as of June 30, 2006. See "Information on the Company Reserves of Gold Fields as of June 30, 2006."

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

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

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

Any problems experienced by Gold Fields in connection with an acquisition as a result of one or more of these factors could have a material adverse effect on Gold Fields' business, operating results and financial condition.

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

In order to expand its operations and reserve base, Gold Fields may rely on its exploration program for gold and platinum group metals and its ability to develop mining projects. Exploration for gold and other precious metals is speculative in nature, involves many risks and frequently is unsuccessful. Any exploration program entails risks relating to the location of economic orebodies, the development of appropriate metallurgical processes, the receipt of necessary governmental permits and regulatory approvals and the construction of mining and processing facilities at the mining site. Gold Fields' exploration efforts may not result in the discovery of gold or platinum group metal mineralization and any mineralization discovered may not result in an increase of Gold Fields' reserves. If orebodies are developed, it can take a number of years and substantial expenditures from the initial phases of drilling until production commences, during which time the economic feasibility of production may change. Gold Fields' exploration program may not result in the replacement of current production with new reserves or result in any new commercial mining operations. Also, to the extent Gold Fields participates in the development of a project through a joint venture, there could be disagreements or divergent interests or goals among the joint venture parties which could jeopardize the success of the project.

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

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

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

- rock bursts;
- seismic events, particularly at the Driefontein and Kloof operations;
- underground fires and explosions, including those caused by flammable gas;
- cave-ins or falls of ground;
- discharges of gases and toxic substances;
- releases of radioactivity;
- flooding;
- sinkhole formation and ground subsidence; and
- other accidents and conditions resulting from drilling, blasting and removing and processing material from an underground mine.

Hazards associated with Gold Fields' open pit mining operations include:

- flooding of the open pit;
- collapses of the open pit walls;

accidents associated with the operation of large open pit mining and rock transportation equipment;

accidents associated with the preparation and ignition of large-scale open pit blasting operations;

production disruptions due to weather; and

hazards associated with heap leach processing, such as groundwater and waterway contamination.

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

accidents associated with operating a rock dump and production stockpile and rock transportation equipment;

production disruptions due to weather;

collapses of tailings dams; and

ground and surface water pollution, on and off site.

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

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

Gold Fields may become subject to liability for pollution, occupational illnesses or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities. Gold Fields' existing property and liability insurance contains exclusions and limitations on coverage. In fiscal 2003, in an effort to reduce costs, Gold Fields changed from business interruption insurance cover based on gross profit to cover based on fixed operating costs or standing charges only. Should Gold Fields suffer a major loss, future earnings could be affected. In addition, insurance may not continue to be available at economically acceptable premiums. As a result, in the future, Gold Fields' insurance coverage may not cover the extent of claims against Gold Fields, including, but not limited to, claims for environmental or industrial accidents, occupational illnesses or pollution.

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

Gold is sold throughout the world principally in U.S. dollars, but Gold Fields' operating costs are incurred principally in Rand and Australian dollars. As a result, any significant and sustained appreciation of either of these currencies against the U.S. dollar may materially increase Gold Fields' costs in U.S. dollar terms.

The Rand and the Australian dollar each appreciated against the U.S. dollar during calendar years 2002, 2003 and 2004, with the Rand appreciating by approximately 28.5%, 22.2% and 15.6% in 2002, 2003 and 2004. In 2005, the Rand depreciated by 12.1% against the U.S. dollar. The Australian dollar appreciated by approximately 9.8%, 24.5% and 3.7% in 2002, 2003 and 2004, respectively, and depreciated by 6.2% against the U.S. dollar in 2005. More recently, the Rand has depreciated against the U.S. dollar and may continue to depreciate but the Australian dollar has experienced a period of appreciation against the U.S. dollar. From January 1, 2006 until October 31, 2006, the Rand depreciated by 16.4%, and the Australian dollar appreciated by 4.6%, against the U.S. dollar(1). Although the Bolivar foreign exchange rate is currently fixed by the Venezuelan government and has been stable since March 2005 at VEB 2,150 to $1.00, historically the Bolivar usually devalues against the U.S. dollar. An appreciation trend for either the Rand, Australian dollar or Bolivar could have a material adverse effect on Gold Fields' operating results or financial condition, as the appreciation would result in an increase to Gold Fields' costs in U.S. dollar terms. See "Quantitative and Qualitative

Disclosures About Market Risk Foreign Currency Sensitivity" and "Operating and Financial Review and Prospects Venezuela Exchange Rates."

(1) Source for ZAR/USD and AUD/USD: Datastream

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

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

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

Recently, South African inflation and unemployment have been high by comparison with developed countries, and foreign reserves have been relatively low. The prime lending rate has also been high in recent years by comparison with developed countries, although it has decreased substantially since it peaked at approximately 25.5% during 1998 and on October 31, 2006 the rate was 12.0%. Consequently, Gold Fields could face a high cost of capital should it borrow in South Africa.

In Venezuela, the rate of economic growth, the level of tax revenue, government spending and government borrowing and the supply of foreign currency are materially affected by oil prices and general conditions in the international petroleum markets, because of the dominance of the petroleum industry. Thus, a future downturn in the international petroleum market may have a material adverse effect on the Venezuelan economy which could, in turn, have a material adverse effect on Gold Fields' financial condition and results of operations.

Large parts of the South African population do not have access to adequate education, healthcare, housing and other services, including water and electricity. Although the South African government has implemented laws aimed at alleviating and redressing the disadvantages suffered by citizens under previous governments and Gold Fields believes it is in compliance with its obligations under them and intends to remain so, in the future the South African government may implement new laws and policies, which in turn may have an adverse impact on Gold Fields' operations and profits. In recent years, South Africa has experienced high levels of crime and unemployment. These problems may have impacted fixed inward investment into South Africa and have prompted emigration of skilled workers. As a result, Gold Fields may have difficulties attracting and retaining qualified employees.

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

Ghana has had periods of political instability and may be subject to instability again in the future. Since the present government came into power in 2000, it has passed legislation imposing a tax and import duty which has affected the mining industry. The Ghana Chamber of Mines, of which Gold Fields Ghana Limited and Abosso Goldfields Limited, subsidiaries of Gold Fields, are members, has expressed its concern to the government that these legislative measures have eroded the competitiveness of the fiscal regime affecting mining companies in Ghana. The current government or a future government might adopt additional changes to policies in the future, which could: (1) modify the regulatory or fiscal regime governing mining companies in Ghana, such as increasing the proportion of foreign currency earnings that mining companies are required to repatriate to Ghana or (2) otherwise make investments or foreign-owned operations in Ghana less attractive. Any departure from current policies by the government of Ghana could have a material adverse effect on Gold Fields'

business, operating results and financial condition. See "Operating and Financial Review and Prospects Income and Mining Taxes Ghana."

In the past several years, Venezuela has experienced intense political and social turmoil involving groups that oppose and those that support the administration of President Hugo Chávez. Under the present administration, there have been several national strikes, which have been accompanied by increased capital flight, loss of bank deposits, reduced tax revenues and, at times, violence. The most recent of the strikes began in December 2002 and ended in February 2003, halting a substantial part of the operations of many Venezuelan state-owned companies, including the state-owned oil company, Petróleos de Venezuela, S.A., or PDVSA. The strike also resulted in work stoppages in the private sector. The strike lasted for two months and had a significant political, economic and social impact in Venezuela.

Venezuela's political instability has had serious effects on the performance of its economy, with a sharp drop in investment and a general recession in 2002. The work stoppage adversely affected PDVSA's ability to make royalty and tax payments to the Venezuelan government, which severely affected the government's public finances as the petroleum industry is central to and dominates the Venezuelan economy. The next presidential elections are scheduled for December 3, 2006, and the political and economic impact of these elections is uncertain. There can be no assurance that there will not be further economic or political instability in Venezuela, as a consequence of the election results or otherwise. Economic or political instability in Venezuela could have a material adverse effect on Gold Fields' financial condition and results of operations.

Presidential elections were held in Peru in June 2006. The losing candidate has indicated that he will not cooperate with the new administration and that he and his supporters will continue to oppose the policies of the government. It is not clear what form this opposition may take, but any protests against the government could lead to public strikes, demonstrations and civil disobedience, which could have a material adverse effect on the Peruvian economy and cause material disruption to Gold Fields activities in Peru. In addition, there has been local opposition to mine development projects in Peru. Notwithstanding the fact that Gold Fields is substantially exceeding commitments it had made to the communities, in mid-October 2006 there was an illegal blockade of the access road to the Cerro Corona Project site resulting in a temporary suspension of construction activities at the site for seven days. The blockade was accompanied by demands for increased employment from local communities and increased use of local contractors. In addition, the Cerro Corona site is located near the Yanacocha mine which is operated by another company. The Yanacocha mine has also been the subject of local protests, including ones that blocked the road between the Yanacocha mine complex and the City of Cajamarca, which also affected access to the Cerro Corona site, although they did not result in a suspension of construction activities. If Gold Fields experiences further opposition in connection with its operations in Peru, or if protests aimed at other mining operations affect operations at Cerro Corona, it could have a material adverse effect on Gold Fields' financial condition and results of operations.

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

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

Gold Fields Ghana, among other mining companies in Ghana, was asked by its electricity supplier, the Volta River Authority, or VRA, on August 14, 2006 to immediately reduce its electricity demand by 25%. On August 28, 2006, Gold Fields was asked to reduce its demand by a further 25%. The VRA requested these reductions in electricity usage largely because of the low water reservoir level of the VRA's Akosombo generating facility and concerns about its ability to meet future supply and demand at present consumption levels. The Ghanaian Chamber of Mines is working closely with the VRA to maximize current power generating capacity and on installing additional capacity. Gold Fields Ghana has agreed to reduce its demand for electricity from the VRA at the Tarkwa and Damang operations and plans to use emergency diesel powered generators situated at both mines to make up the difference. Gold Fields estimates that its quarterly operating costs will rise by approximately US$4 million as a result of the need to use the diesel generators. The VRA has indicated that the requirement for reduced electricity demand will last until the water levels in the reservoir have reached appropriate levels. However, there can be no assurance that Gold Fields will not be asked to further reduce its demand or that there will not be new disruptions to the electricity supply. Moreover, for as long as Gold Fields has to use the diesel generators at its Tarkwa and Damang operations, it will have an increased exposure to fluctuations in the price of diesel fuel.

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

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

South Africa's exchange control regulations restrict the export of capital from South Africa, the Republic of Namibia, and the Kingdoms of Lesotho and Swaziland, known collectively as the Common Monetary Area. Transactions between South African residents (including companies) and non-residents of the Common Monetary Area are subject to exchange controls enforced by the South African Reserve Bank, or SARB. As a result, Gold Fields' ability to raise and deploy capital outside the Common Monetary Area is restricted.

Under South African exchange control regulations, Gold Fields must obtain approval from the SARB regarding any capital raising involving a currency other than the Rand. For example, in connection with its approval, it is possible that the SARB may impose conditions on Gold Fields' use of the proceeds of any such capital raising, such as limits on Gold Fields' ability to retain the proceeds of the capital raising outside South Africa or requirements that Gold Fields seek further SARB approval prior to applying any such funds to a specific use. These restrictions could hinder Gold Fields' financial and strategic flexibility, particularly its ability to fund acquisitions, capital expenditures and exploration projects outside South Africa. See "Information on the Company Regulatory and Environmental Matters South Africa Exchange Controls."

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

In some circumstances, potential acquisitions of shares in or assets of South African companies by non-South African resident purchasers are subject to review by the SARB pursuant to South African exchange control regulations. In 2000, the South African Treasury, or the Treasury, refused to approve an acquisition of Gold Fields by Franco-Nevada Mining Corporation Limited, a Canadian mining company. The Treasury may refuse to approve similar proposed acquisitions of Gold Fields in the

future. As a result, Gold Fields' management may be limited in its ability to consider strategic options and Gold Fields' shareholders may not be able to realize the premium over the current trading price of Gold Fields' ordinary shares which they might otherwise receive upon such an acquisition. See "Information on the Company Regulatory and Environmental Matters South Africa Exchange Controls."

Exchange controls and devaluation of the VEB in Venezuela could have a material adverse effect on the financial condition of Gold Fields.

On January 21, 2003, the Venezuelan government suspended the trading of foreign currencies in Venezuela. On February 5, 2003, the Venezuelan government and the Venezuelan Central Bank, or Central Bank, adopted a series of exchange agreements, decrees and regulations establishing a new exchange control system. The exchange control system centralized the purchase and sale of foreign currencies in the Central Bank. The Ministry of Finance, together with the Central Bank, is in charge of setting the official exchange rate with respect to the U.S. dollar and other currencies. A commission, referred to as the Comisión de Administración de Divisas, or CADIVI, was created in 2003 for the administration, control and establishment of the new exchange control system, including Venezuela's official foreign exchange rate system.

Private sector entities must request approval from CADIVI for, among other things, the purchase of foreign currency for the remittance of dividends, capital gains and interest derived from foreign investments and for foreign currency payments derived from service and technology agreements, royalties and other payments derived from the use of industrial and intellectual property rights. In order to seek the approval, an entity must first be registered with the Registro de Usuarios del Sistema de Administración de Divisas, or RUSAD, and comply with a series of additional requirements. Obtaining approval from CADIVI can take a considerable amount of time, and there is no guarantee that CADIVI will approve any particular request. To the extent that Gold Fields does not receive approval of its requests to acquire foreign currency on a timely basis, or at all, it would be forced to obtain foreign currency in the unofficial market at less favorable exchange rates.

Under the exchange control system, CADIVI will approve the acquisition of foreign currency at the official exchange rate to repay foreign debt only if the debt is registered pursuant to regulations promulgated by CADIVI. Currently, there are only regulations for the registration of foreign bank debt. There are no regulations for the registration of foreign non-bank debt. Therefore, any non-bank debt, including loans from affiliated companies or shareholders, must be repaid using currency acquired at unofficial or parallel market exchange rates. If Gold Fields is not able to meet its borrowing requirements at its Venezuelan operations through the use of bank debt eligible for registration, it may be forced to repay any foreign debt using currency acquired at less favorable unofficial or parallel exchange rates, which could have a material adverse effect on its financial condition and results of operations.

In addition, under the current exchange control system in Venezuela, all foreign currency derived from the exports of goods, services or technology must be converted to Bolivars via the Central Bank at the official exchange rate. Therefore, to the extent Gold Fields exports its gold produced in Venezuela, all foreign currency derived from those sales must be converted into Bolivars at the official exchange rate. As a result, Gold Fields cannot use those revenues to meet payment obligations outside Venezuela unless it receives approval from CADIVI to re-convert them into foreign currency or it decides to re-convert them at the less favorable unofficial rate.

Since the establishment of the exchange control system in early 2003, the Bolivar no longer floats against the U.S. dollar. Instead, the exchange rate is fixed by the Central Bank. Since the initial rate was fixed, the Central Bank has reset the rate several times to devalue the Bolivar. If the devaluation tendency of the Bolivar continues, delays from CADIVI in granting authorizations to purchase U.S.

dollars may mean that Gold Fields has to convert Bolivars at lower exchange rates which could have an adverse effect on Gold Fields' financial position.

Promotora Minera de Venezuela (PMG) S.A., or PMG, the Gold Fields subsidiary which operates the Choco 10 mine, has not historically sold any foreign currency derived from its gold exports to the Central Bank, as until October 2006 its gold exports were used only for the direct repayment of foreign debt rather than being sold. These payments have been supported under several agreements entered into between PMG and other foreign affiliates of Gold Fields, while they were under the administration of Bolivar. On May 16, 2006, PMG presented an administrative opinion request to CADIVI, in order to verify the validity of the agreements and PMG's position that the value of those exports was not subject to repatriation or conversion under the current foreign exchange control system. A response is expected from the CADIVI in due course. If CADIVI does not agree with PMG's position, it could deny the validity of the agreements and condition PMG's future exports and access to foreign currency on the repatriation and conversion of the foreign currency attributable to those prior exports. In addition, pursuant to the Law Against Illicit Exchange Transactions, PMG could also be subject to fines ranging from one to two times the amount of the currency that PMG did not sell. See "Information on the Company Regulatory and Environmental Matters Venezuela Exchange Controls."

Gold Fields' operations and financial condition may be adversely affected by labor disputes or changes in South African, Ghanaian, Australian and Venezuelan labor laws.

As of June 30, 2006, approximately 77% of Gold Fields' employees belonged to unions. Accordingly, Gold Fields is at risk of having its production stopped due to strikes called by unions and other labor disputes. In August 2005, Gold Fields experienced a 48-hour unexpected strike by approximately half the employees of the Tarkwa mine in Ghana. In South Africa, Gold Fields also experienced a one-day illegal strike on March 30, 2005, and a four-day industry-wide gold mining wage strike in August 2005. See "Directors, Senior Management and Employees Employees Labor Relations South Africa" and "Directors, Senior Management and Employees Employees Labor Relations Ghana." In South Africa, in addition to strikes, on occasion Gold Fields experiences work stoppages based on national trade union "stay away" days, regardless of the state of its relations with its workforce. Significant labor disruptions at any of Gold Fields' operations could have an adverse effect on Gold Fields' business, operating results and financial condition.

Gold Fields' operating environment may also be affected by certain labor laws. Since 1995, South African laws relating to labor have changed significantly in ways that affect Gold Fields' operations. Laws enacted since then impose monetary penalties for non-compliance with the administrative and the reporting requirements in respect of affirmative action policies, and there may be further changes in labor law in South Africa over the next few years, which may have an adverse effect on Gold Fields' business, operating results and financial condition.

Ghanaian law contains broad provisions requiring mining companies to recruit and train Ghanaian personnel and to use the services of Ghanaian companies. Any expansion of these provisions which increases labor costs in Ghana could have a material adverse effect on Gold Fields' mining operations in Ghana and, accordingly, on Gold Fields' business, operating results and financial condition.

The Venezuelan Organic Labor Law and related regulations and social benefits laws impose statutory duties and taxes on companies doing business in Venezuela. Most of the provisions of these laws establish minimum benefits and in practice most benefits are improved by collective bargaining agreements, or CBAs. On February 15, 2005, while under the control of Bolivar, PMG entered into a CBA, under which it provides benefits beyond those required by law for its employees, including payment for health and life insurance, a savings scheme and provision of transport. Gold Fields, as an employer engaged in mining activities, has potential liability arising from injuries to, or deaths of,

workers, including workers employed by its contractors. In recent years, the Venezuelan government has implemented stricter labor laws and increased worker rights and there can be no assurance that the Venezuelan government will not implement additional labor restrictions or further increase worker rights in the future. See "Directors, Senior Management and Employees Employees Labor Relations Venezuela."

Gold Fields may suffer adverse consequences as a result of its reliance on outside contractors to conduct its operations in Ghana and Australia.

A significant portion of Gold Fields' operations at the Damang mine in Ghana and in Australia are currently conducted by outside contractors. As a result, Gold Fields' operations at those sites are subject to a number of risks, some of which are outside Gold Fields' control, including:

- negotiating agreements with contractors on acceptable terms;
- the inability to replace a contractor and its operating equipment in the event that either party terminates the agreement;
- reduced control over those aspects of operations which are the responsibility of the contractor;
- failure of a contractor to perform under its agreement with Gold Fields;
- interruption of operations in the event that a contractor ceases its business due to insolvency or other unforeseen events;
- failure of a contractor to comply with applicable legal and regulatory requirements, to the extent it is responsible for such compliance; and
- problems of a contractor with managing its workforce, labor unrest or other employment issues.

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

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

Wages and related labor costs accounted for approximately 55% of Gold Fields' total production costs in fiscal 2006. Accordingly, Gold Fields' costs may be materially affected by increases in wages and related labor costs, particularly with respect to Gold Fields' South African employees, who are unionized. Negotiations with South African unions concluded in August 2005 resulted in above inflation wage increases ranging from 6.0% to 7.0%, depending upon the category of employees. Under the agreement, wage increases for South African employees will be linked to inflation with a minimum increase of 5.5% or 6.0%, depending upon the category of employees. The next round of negotiation with the South African unions is expected to take place prior to June 2007, when the current agreement expires. See "Directors, Senior Management and Employees Employees Labor Relations South Africa." If Gold Fields is unable to increase production levels or implement cost cutting measures to offset these increased wages and labor costs, these costs could have a material adverse effect on Gold Fields' mining operations in South Africa and, accordingly, on Gold Fields' business, operating results and financial condition. See "Directors, Senior Management and Employees Employees Labor Relations South Africa."

HIV/AIDS poses risks to Gold Fields in terms of lost productivity and increased costs.

The prevalence of HIV/AIDS in South Africa, which is forecast to increase over the next decade, poses risks to Gold Fields in terms of potentially reduced productivity and increased medical and other costs. Gold Fields' current estimate is that the prevalence of HIV within the Company will peak in approximately 2010 and the prevalence of AIDS within the Company will peak in approximately 2013. This estimate of the potential impact of HIV/AIDS on operations and financial condition is based on a variety of existing data and certain assumptions, including the incidence of HIV infection among its employees, the progressive impact of HIV/AIDS on infected employees' health, and the medical and other costs associated with the infection, most of which involve factors beyond Gold Fields' control. Should Gold Fields' actual experience significantly differ from the assumptions on which its current estimate is based, the actual impact of HIV/AIDS on its business, operating results and financial condition could be significantly worse than Gold Fields expects. See "Directors, Senior Management and Employees Employees Health and Safety Health HIV/AIDS Program."

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

Gold Fields' South African operations are subject to various environmental laws and regulations including, for example, those relating to waste treatment, emissions and disposal, and must comply with permits or standards governing, among other things, tailings dams and waste disposal areas, water consumption, air emissions and water discharges. Gold Fields may, in the future, incur significant costs to comply with the South African environmental requirements imposed under existing or new legislation, regulations or permit requirements or to comply with changes in existing laws and regulations or the manner in which they are applied. Also, Gold Fields may be subject to litigation and other costs as a result of environmental rights granted to individuals under South Africa's Constitution or other sources of rights. These costs could have a material adverse effect on Gold Fields' business, operating results and financial condition.

South African mining companies are required by law to undertake rehabilitation works as part of their ongoing operations. In addition, during the operational life of their mines, they must make arrangements to fund the cost of mine closure and post-closure rehabilitation and monitoring once mining operations cease. Gold Fields fully provides for these environmental rehabilitation costs in its financial statements based on the present value of future costs and funds these costs by making contributions into an environmental trust fund, with amounts approved by the authorities. As of September 30, 2006, Gold Fields had contributed a total of approximately Rand 500.1 million, including accrued interest, to the fund.

On July 3, 2006, new environmental impact assessment regulations were promulgated under the National Environmental Management Act. To the extent that the new regulations are specifically directed at mining operations, they will only become effective in 2007. The new regulations introduce a fundamental change in this area of law for the mining sector. Previously the Department of Minerals and Energy had primary responsibility for authorizing the environmental impacts of mining operations, although other departments played a secondary role in approving certain aspects of mining-related activities. Under the new regulations, the Department of Environmental Affairs will play a greater role in the environmental impact assessment decision-making process. The new regulations introduce a more complex South African regime for environmental impact assessments that includes a two-tiered assessment process. When the new regulations become effective as to mining operations, they will impact on reconnaissance, exploration, prospecting and mining activities, as currently defined in the Minerals and Petroleum Resources Development Act. This will result in more stringent requirements in obtaining environmental approval for new mining activities and, potentially, in the case of recommissioning old operations, which could increase Gold Fields' costs for obtaining the approvals. In addition, to the extent that the new regulations may be interpreted as having any retroactive effect,

Gold Fields may need to implement corrective actions or may be faced with nominal fines. Other changes in legislation or regulations (or the approach to enforcement of them) or other unforeseen circumstances may materially and adversely affect Gold Fields' future environmental expenditures or the level and timing of Gold Fields' provisioning for these expenditures. See "Information on the Company Regulatory and Environmental Matters South Africa Environmental."

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

The present Mine Health and Safety Act 29 of 1996, or the Mine Health and Safety Act, came into effect in January 1997. The principal objective of the Mine Health and Safety Act is to improve health and safety at South African mines and, to this end, the Mine Health and Safety Act imposes various duties on Gold Fields at its mines, and grants the authorities broad powers to, among other things, close unsafe mines and order corrective action relating to health and safety matters. See "Information on the Company Regulatory and Environmental Matters South Africa Health and Safety."

The Occupational Diseases in Mines and Works Act 78 of 1973, or the Occupational Diseases Act, governs the payment of compensation and medical costs related to certain illnesses contracted by persons employed in mines or at sites where activities ancillary to mining are conducted. Occupational healthcare services are made available by Gold Fields to employees from its existing facilities. Pursuant to changes in the Occupational Diseases Act, Gold Fields may experience an increase in the cost of these services, which could have an adverse effect on Gold Fields' business, operating results and financial condition. This increased cost, should it transpire, is currently indeterminate.

Gold Fields' mineral rights in South Africa have become subject to new legislation which could impose significant costs and burdens.

The New Minerals Act

The Mineral and Petroleum Resources Development Act 2002, or the New Minerals Act, came into effect on May 1, 2004. The New Minerals Act contains a provision requiring the Minister of Minerals and Energy, or the Minister, within six months of the relevant provision becoming operational, to develop a broad-based socio-economic empowerment charter for effecting entry of historically disadvantaged South Africans, or HDSAs, into the mining industry. The South African government appointed a task team which included representatives from mining companies, including Gold Fields, to develop a charter. On October 11, 2002, the Minister and representatives of certain mining companies and the National Union of Mineworkers signed a charter that reflects the consultation process called for by the New Minerals Act. This Mining Charter became effective on May 1, 2004.

The Mining Charter's stated objectives are to:

promote equitable access to South Africa's mineral resources for all the people of South Africa;

substantially and meaningfully expand opportunities for HDSAs, including women, to enter the mining and minerals industry and to benefit from the exploitation of South Africa's mineral resources;

utilize the existing skills base for the empowerment of HDSAs;

expand the skills base of HDSAs in order to serve the community;

promote employment and advance the social and economic welfare of mining communities and areas supplying mining labor; and

promote beneficiation of South Africa's mineral commodities beyond mining and processing, including the production of consumer products.

To achieve these objectives, the Mining Charter requires that mining companies achieve a 15% HDSA ownership of mining assets within five years and a 26% HDSA ownership of mining assets within 10 years by each mining company. Under the Mining Charter, the mining industry as a whole agrees to assist HDSA companies in securing finance to fund participation in an amount of Rand 100 billion over the first five years. Beyond the Rand 100 billion commitment, HDSA participation will be increased on a willing seller/willing buyer basis, at fair market value, where the mining companies are not at risk. In addition, the Mining Charter requires, among other things, that mining companies spell out plans for achieving employment equity at management level with a view to achieving a baseline of 40% HDSA participation in management and achieving a baseline of 10% participation by women in the mining industry, in each case within five years. When considering applications for the renewal of existing licenses, the government will take a "scorecard" approach, evaluating the commitments of stakeholders to the different facets of promoting the objectives of the Mining Charter. See "Information on the Company Regulatory and Environmental Matters South Africa Mineral Rights The New Minerals Act."

In order to comply with the terms of the charter, Gold Fields has adjusted the ownership structure of its South African mining assets. On March 8, 2004, the shareholders of Gold Fields approved a series of transactions, referred to in this discussion as the Mvelaphanda Transaction, involving the acquisition by Mvelaphanda Resources Limited of a 15% beneficial interest in the South African gold mining assets of Gold Fields for cash consideration of Rand 4,139 million. See "Operating and Financial Review and Prospects Overview General Mvelaphanda Transaction." The Mvelaphanda Transaction is intended to meet the charter's requirement that mining companies achieve a 15% HDSA ownership within five years of the charter coming into effect. See "Information on the Company Regulatory and Environmental Matters South Africa Mineral Rights The New Minerals Act." There is no guarantee, however, that the Mvelaphanda Transaction will not have a negative effect on the value of Gold Fields' ordinary shares. In addition, any further adjustment to the ownership structure of Gold Fields' South African mining assets in order to meet the mining charter's 10-year HDSA ownership requirement of 26% could have a material adverse effect on the value of Gold Fields' ordinary shares and failing to comply with the charter's requirements could subject Gold Fields to negative consequences, the scope of which has not yet been fully determined. Gold Fields may also incur expenses to give effect to the charter's other requirements, and may need to incur additional indebtedness in order to comply with the industry-wide commitment to assist HDSAs in securing Rand 100 billion of financing during the first five years of the mining charter's effectiveness. Moreover, there is no guarantee that any steps Gold Fields has already taken or might take in the future will ensure the successful renewal of any or all of its existing mining rights or the granting of further new mining rights or that the terms of any renewals of its rights would not be significantly less favorable to Gold Fields than the terms of its current rights.

The Royalty Bill

On March 20, 2003, the draft Mineral and Petroleum Royalty Bill was released for public comment. After extensive consultation, the draft Mineral and Petroleum Bill was revised and this revised bill, or the Royalty Bill, was published on October 11, 2006, affording stakeholders a further opportunity to provide comments.

The Royalty Bill proposes to impose a royalty payable to the State which, in the case of gold mining companies, would be 3% in respect of the gross sales value of unrefined gold and 1.5% in respect of the gross value of refined gold. Gold is regarded as refined once it is processed to at least 99.5% purity and, accordingly, most companies in the South African mining sector, including Gold Fields, are likely to pay the refined rate. The Royalty Bill envisages that the royalty will become payable from May 1, 2009.

There is uncertainty as to what further amendments will be made to the Royalty Bill. If adopted, in either its current or a further revised form, the Royalty Bill could have a negative impact on Gold Fields' South African operations and therefore an adverse effect on its business, operating results and financial condition. See "Information on the Company Regulatory and Environmental Matters South Africa Mineral Rights The Royalty Bill."

Gold Fields' land and mineral rights in South Africa could be subject to land restitution claims which could impose significant costs and burdens.

Gold Fields' privately held land and mineral rights could be subject to land restitution claims under the Restitution of Land Rights Act 1994, or the Land Claims Act. Under this Act, any person who was dispossessed of rights in land in South Africa as a result of past racially discriminatory laws or practices without payment of just and equitable compensation is granted certain remedies, including the restoration of the land. Under the Land Claims Act, persons entitled to institute a land claim were required to lodge their claims by December 31, 1998. Gold Fields has not been notified of any land claims, but any claims of which it is notified in the future could have a material adverse effect on Gold Fields' right to the properties to which the claims relate and, as a result, on Gold Fields' business, operating results and financial condition. See "Information on the Company Regulatory and Environmental Matters South Africa Land Claims."

The Restitution of Land Rights Amendment Act, or the Amendment Act, became law on February 4, 2004. Under the Land Claims Act, the Minister for Agriculture and Land Affairs, or the Land Minister, may not acquire ownership of land for restitution purposes without a court order unless an agreement has been reached between the affected parties. The Amendment Act, however, entitles the Land Minister to acquire ownership of land by way of expropriation in certain limited circumstances. Expropriation would be subject to provisions of legislation and the South African Constitution which provides, in general, for just and equitable compensation. There is, however, no guarantee that any of Gold Fields' privately held land rights could not become subject to acquisition by the state without Gold Fields' agreement, or that Gold Fields would be adequately compensated for the loss of its land rights, which could have a negative impact on Gold Fields' South African operations and therefore an adverse effect on its business, operating results and financial condition. See "Information on the Company Regulatory and Environmental Matters South Africa Land Claims."

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

Gold Fields' Ghana operation is subject to various environmental laws and regulations. The Ghanaian environmental protection laws require, among other things, that Gold Fields register with the Ghanaian environmental authorities, and obtain environmental permits and certificates for the Ghana operation.

Ghanaian mining companies are required by law to rehabilitate land disturbed as a result of their mining operations pursuant to an environmental reclamation plan agreed with the Ghanaian environmental authorities. Gold Fields funds these environmental rehabilitation costs in part by posting a reclamation bond to secure estimated costs of rehabilitation. Changes in the required method of calculation for these bonds or an unforeseen circumstance which produces unexpected costs may materially and adversely affect Gold Fields' future environmental expenditures. See "Information on the Company Regulatory and Environmental Matters Ghana Environmental."

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

The Ghanaian health and safety regulations impose statutory duties on an owner of a mine to, among other things, take steps to ensure that the mine is managed and worked in a manner which provides for

the safety and proper discipline of the mine workers. The regulations prescribe the measures to be taken to ensure the safety and health of the mine workers. Additionally, Gold Fields is required under the terms of its mining leases to comply with the reasonable instructions of the relevant authorities for securing the health and safety of persons working in or connected with the mine. A violation of the health and safety regulations or a failure to comply with the reasonable instructions of the relevant authorities could lead to, among other things, a temporary shutdown of all or a portion of the mine, a loss of the right to mine or the imposition of costly compliance procedures and, in the case of a violation of the regulations relating to health and safety, constitutes an offense under Ghanaian law. If Ghanaian health and safety authorities require Gold Fields to shut down all or a portion of its mines or to implement costly compliance measures, whether pursuant to existing or new health and safety laws and regulations, such measures could have a material adverse effect on Gold Fields' business, operating results and financial condition. See "Information on the Company Regulatory and Environmental Matters Ghana Health and Safety."

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

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

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

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

Gold Fields' Australian operations are subject to various laws and regulations relating to the protection of the environment, which are similar in scope to those of South Africa and Ghana. Gold Fields may, in the future, incur significant costs to comply with the Australian environmental requirements imposed under existing or new legislation, regulations or permit requirements or to comply with changes in existing laws and regulations or the manner in which they are applied. These costs may have a material adverse effect on Gold Fields' business, operating results and financial condition.

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

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

The Western Australian Mines Safety and Inspection Act 1994 (WA), or the Safety and Inspection Act, imposes a duty on a mine owner to provide and maintain a working environment which is safe for mine workers. The regulations prescribe specific measures to be taken and provide for inspectors to review the work site for hazards and violations of the health and safety laws. The Safety and Inspection Act was amended in April 2005 to provide, among other things, a new regime of penalties, broader powers for inspectors and new duties of care for employers. A violation of the health and safety laws or a failure to comply with the instructions of the relevant health and safety authorities could lead to, among other things, a temporary shutdown of all or a portion of the mine, a loss of the right to mine or the imposition of costly compliance procedures and penalties (including imprisonment). If health and safety authorities require Gold Fields to shut down all or a portion of the mine or to implement costly compliance measures, whether pursuant to existing or new health and safety laws and regulations, such measures could have a material adverse effect on Gold Fields' business, operating results and financial condition. See "Information on the Company Regulatory and Environmental Matters Australia Health and Safety."

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

Certain of Gold Fields' tenements are subject to native title claims, and there are Aboriginal heritage sites located on certain of Gold Fields' tenements. Native title and Aboriginal legislation protect the rights of Aboriginals in relation to the land in certain circumstances. Other tenements may become subject to native title claims if Gold Fields seeks to expand or otherwise change its interest in rights to those tenements. Native title claims could require costly negotiations with the claimants or could affect Gold Fields' access to or use of its tenements, and, as a result, have a material adverse effect on Gold Fields' business, operating results and financial condition.

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

The Venezuelan government could take measures related to the conduct of business in general that could affect the Venezuelan economy and Gold Fields' operations in Venezuela.

The Venezuelan government has exercised, and continues to exercise, significant influence over many aspects of the Venezuelan economy. For example, private oil companies doing business in Venezuela, as

independent operators contracted by PDVSA under operation agreements, are now obligated to operate their same oil fields through companies called "mixed" companies, which are jointly owned by the private companies and PDVSA and over which PDVSA owns a majority interest. There can be no assurance that a similar regime will not be introduced for gold mining companies.

The Venezuelan government has also emphasized compliance with tax laws by implementing Plan Evasión Cero, or Zero Evasion Plan, a pro-active plan to review companies' compliance with tax payments and formal obligations related to income taxes and value-added taxes. Under these reviews there has been an increase in the number of companies that have been subject to temporary business closures.

These and other regulations that have been enacted or may be enacted may have an adverse effect on Gold Fields' business, operating results and financial condition either directly, or by adversely affecting the Venezuelan economy.

Gold Fields' operations in Venezuela are subject to environmental regulations which could impose significant costs and burdens.

Gold Fields' operations in Venezuela are subject to various environmental laws and regulations. The Venezuelan environmental laws and regulations require, among other things, that Gold Fields obtain environmental permits for exploration and exploitation from the Ministry of the Environment and Natural Resources. See "Information on the Company Regulatory and Environmental Matters Venezuela Environmental."

Venezuelan environmental regulations and the lease agreements for Gold Fields' mining concessions require the posting of a bond issued by a local bank or insurance company, in order to guarantee the execution of the measures necessary for the restoration of the area and the reduction of the impact of mining activities on the environment during the exploration and exploitation phases of a project. Changes in the required method of calculation for these bonds or an unforeseen circumstance which produces unexpected costs may materially and adversely affect Gold Fields' future environmental expenditure. In addition, lack of coordination between the Ministry of Mining and the Ministry of the Environment and Natural Resources has been known to cause undue delays in the granting of environmental permits. Should Gold Fields experience delays in obtaining necessary permits, it may suffer substantial burdens in undertaking planned exploration activities or mining operations.

Gold Fields' operations in Venezuela are subject to health and safety regulations which could impose significant costs and burdens.

A violation of the health and safety laws or a failure to comply with the instructions of the relevant health and safety authorities could lead to, among other things, a temporary shutdown of all or a portion of the mine, a loss of the right to mine and/or the imposition of costly compliance procedures and penalties (including onerous fines and criminal penalties such as imprisonment). If health and safety authorities require Gold Fields to shut down all or a portion of the mine or to implement costly compliance measures, whether pursuant to existing or new health and safety laws and regulations, those measures could have a material adverse effect on Gold Fields' business, operating results and financial condition.

In addition, on July 26, 2005, an amendment to the Organic Law of Prevention, Conditions and Work Environment was enacted in Venezuela, with the purpose of establishing institutions, rules and guidelines for policies and entities aimed at guaranteeing the safety, health and well-being of workers, regulating conditions for the promotion of a safe and healthy work environment, preventing work accidents and occupational diseases and regulating the rights and duties of workers and employers. This amendment establishes fines for violations of the relevant regulations and provides for incarceration of employers or their representatives from 8 to 10 years in case of death of a worker as a result of

violation of regulations related to safety and healthy working conditions. See "Directors, Senior Management and Employees Employees Labor Relations Health and Safety Safety."

Gold Fields' mining rights in Venezuela are currently subject to regulation, and will become subject to new regulations, which could impose significant costs and restrictions.

The Venezuelan government traditionally has played a central role in the development of Venezuela's mining industry. Venezuelan governmental actions have had in the past, and could have in the future, significant effects on the financial condition and results of operations of companies engaged in mining in Venezuela. Pursuant to the Decree Law of Mines of 1999, or the Decree Law of Mines, all mineral deposits are the property of the Venezuelan State. The Decree Law of Mines also regulates the assignment of mining rights, as well as the activities ancillary to mining such as transport, commerce and exports of minerals, requiring authorizations or registration for most of these activities.

Pursuant to regulations of the Venezuelan Central Bank, companies mining gold are currently allowed to export a maximum of 85% of their production. The remainder may be sold only to the Venezuelan Central Bank and/or to companies which are registered at the Ministry of Mining as merchants of gold, diamonds or precious metals.

The Venezuelan government is promoting a reform of the existing mining law with two stated main purposes: (i) in the short term, to assume control of inoperative mining concessions and (ii) in the medium term, to assume control of mining operations. The proposed model is similar to the new guidelines applied to the oil sector in the case of operational agreements whereby non-Venezuelan companies operating oil fields under contract to PDVSA have been obligated to convert their independent operation agreements into "mixed" companies where PDVSA owns a controlling equity interest. In the future, it is possible that private entities will only be allowed to participate in mining projects through mixed companies where the government has majority equity participation. Although the current draft law contains a grandfathering provision pursuant to which concessions that are in good standing will be allowed to continue until their natural expiration, there can be no assurance that the draft law will be enacted in its current form. Any change to the mining law that changes Gold Fields' current rights to own and operate its mining concessions in Venezuela could have a material adverse effect on its business, operating results and financial condition. See "Information on the Company Regulatory and Environmental Matters Venezuela Mineral Rights."

Gold Fields may not obtain the anticipated benefits of its proposed acquisition of the South Deep gold mine.

Gold Fields currently owns 34.7% of Western Areas Limited, or Western Areas, a South African company whose principal asset is a 50% interest in the South Deep gold mine, or South Deep. This stake includes 27 million Western Areas shares Gold Fields acquired from a subsidiary of JCI Limited, or JCI, on November 16, 2006 pursuant to an agreement entered into on September 11, 2006. Pursuant to the agreement, Gold Fields also entered into reciprocal put and call options to acquire additional Western Areas shares from subsidiaries of JCI which, if exercised, would increase Gold Fields' ownership of Western Areas to approximately 41%. On October 30, 2006, Gold Fields commenced an offer, or the Offer, for all the outstanding shares of Western Areas it did not already own, other than those that were the subject of its agreements with JCI. Gold Fields has also agreed to acquire the remaining 50% interest in South Deep from a subsidiary of Barrick Gold Corporation, or Barrick. See "Information on the Company Recent Developments Acquisition of South Deep." Gold Fields is acquiring South Deep because it believes South Deep is one of the most significant developing ore bodies in the world and that it makes commercial and operational sense for Gold Fields to own it and, in particular, if possible, to operate it as a single unit with Gold Fields' adjacent Kloof operation. Gold Fields believes that portions of the South Deep orebody could be accessed using the Kloof infrastructure which could potentially increase the rate at which the South Deep orebody is mined, as well as reduce the unit cost of mining at both Kloof and South Deep. As yet, however, no detailed

design work has been done and there can be no assurance that accessing South Deep via Kloof would result in tangible benefit. Furthermore South Deep has not yet reached its design production capacity and has not completed much of the underground infrastructure necessary for production at that design capacity. There remains significant risk that completing this infrastructure could take longer and cost more than is currently estimated, which according to Western Areas as of June 2006 was Rand 3.50 billion through the end of 2012, comprising Rand 1.27 billion for projects and Rand 2.23 billion for infrastructure. Moreover, there is no assurance that the planned infrastructure, when completed, will be adequate to support the design production capacity. In addition, one of South Deep's two main shafts has been closed since May 2006 following damage caused by a falling skip and a fire that broke out on August 31, 2006, which has caused the temporary closure of portions of the mine. There can be no assurance that Gold Fields will not continue to encounter operational challenges and difficulties at South Deep that may require significant management time and/or expenditure to rectify. See "Information on the Company Recent Developments Acquisition of South Deep."

Following completion of the acquisition of South Deep, Gold Fields intends to assess the implications of accessing the South Deep orebody utilizing the Kloof infrastructure and the integration of the two operations. This will involve a pre-feasibility study to assess the options available followed by a detailed feasibility study on the favored option. Gold Fields expects that implementation of the favored option, when determined, will be challenging and will require a significant amount of management time and financial resources. In addition, it may take longer and/or cost more than expected and difficulties relating to the implementation which Gold Fields did not anticipate may arise. Any of these events could have an adverse impact on Gold Fields' business, results of operations and financial condition.

Western Areas' financial situation is hampered by a derivative structure that requires it to sell a large portion of its share of the gold production of South Deep at prices substantially below recent spot prices for gold.

In 2001, Western Areas entered into a long-dated derivative structure in respect of gold production from South Deep. The derivative structure, which is based on a series of bought and sold options on Western Areas' share of South Deep's gold production, took effect in the last quarter of 2001 and expires in mid-2014. According to Western Areas, it will have to deliver approximately 90% of its share of the gold production into the derivative structure for 2006 and, at current gold spot prices, some 58% in 2007, thereby reducing the opportunity to capitalize on the spot gold price. Western Areas also reported that as of September 30, 2006, the fair value of the instruments constituting the derivatives structure was US$(360,483,116), using a gold spot price of $598.60 and an exchange rate of Rand 7.7643 per US$1.00. The premium payable for the options purchased by Western Areas as part of the derivative structure was US$250 million, payable at various pre-determined dates in the future. Western Areas reported that at September 30, 2006, the discounted value of the premium payable was US$139,630,503. Under the terms of the relevant options, a change of control of Western Areas without the consent of the option counterparties constitutes an event of default which may entitle the option counterparties to close out the positions. Therefore, if Gold Fields acquires control of Western Areas, the option counterparties could require Western Areas to immediately settle the outstanding options and pay the present value of the premium. In addition, Gold Fields understands that other circumstances may exist that would allow the option counterparties to close out the options. If the option counterparties elect to close out the options at a time when Western Areas is a subsidiary of Gold Fields, it could have an adverse effect on Gold Fields' financial condition. Even if Western Areas is not required to immediately settle the outstanding options, it would receive only the option price for a significant portion of the production of South Deep and therefore Gold Fields would not benefit from any higher gold spot price. See "Information on the Company Recent Developments Acquisition of South Deep."

Gold Fields may complete the offer for Western Areas at a level of acceptances which does not allow a compulsory acquisition by Gold Fields of the remaining Western Areas shares.

Under South African law, if holders of nine-tenths or more of the Western Areas shares Gold Fields has offered to acquire under the Offer accept the Offer, Gold Fields is entitled to compulsorily acquire the remaining shares subject to the Offer. Gold Fields has not established a minimum level of acceptances in respect of Western Areas shares that must be achieved before it is obligated to acquire any shares in respect of which the Offer has been validly accepted. As a result, Gold Fields cannot be certain of obtaining in excess of nine-tenths of the Western Areas shares it has offered to acquire. If Gold Fields is unable to compulsorily acquire Western Areas shares in respect of which valid acceptances are not received, Western Areas may need to remain a separately listed company on the JSE Limited, or the JSE, subject to the obligations applicable to listed companies. In addition, the existence of minority shareholders at Western Areas may make it more difficult or expensive to raise capital to fund development of South Deep.

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

Prior to agreeing to acquire Barrick's 50% interest in South Deep and commencing the Offer, Gold Fields was able to conduct due diligence only on South Deep. Since entering into the agreement with Barrick and commencing the Offer, Gold Fields has been conducting additional due diligence on both South Deep and Western Areas, but there can be no assurance that, after completion of the acquisition of Barrick's interest in South Deep and consummation of the Offer, Gold Fields will not be subject to unknown liabilities of, and risks associated with, South Deep or Western Areas, including liabilities and risks that may become evident only after Gold Fields becomes involved in the operational management of South Deep.

Gold Fields has not independently confirmed the reliability of the South Deep or Western Areas information included in this annual report.

In respect of information relating to South Deep or Western Areas presented in this annual report, Gold Fields relied upon publicly available information, including information publicly filed by Western Areas with the JSE and certain due diligence materials supplied by Western Areas and Barrick. Although Gold Fields has no knowledge that would indicate that any statements contained in this annual report based upon that information and those materials are inaccurate, incomplete or untrue, Gold Fields was not involved in the preparation of the information and materials and has not had the opportunity to perform due diligence on them and, therefore, cannot verify the accuracy, completeness or truth of the information or materials or any failure by Western Areas or Barrick to disclose events that may have occurred, but that are unknown to Gold Fields, that may affect the significance or accuracy of any such information.

Compliance with internal controls procedures and evaluations and attestation requirements will require significant efforts and resources and may result in the identification of significant deficiencies or material weaknesses.

Beginning in the fiscal year ending June 30, 2007, pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, Gold Fields will be required to furnish a report by its management on its internal control over financial reporting. The report will contain, among other matters, an assessment of the effectiveness of Gold Fields' internal control over financial reporting as of the end of the fiscal year, including a statement as to whether or not its internal control over financial reporting is effective. Gold Fields will also be required to have its independent auditors publicly disclose their conclusions regarding the evaluation. Gold Fields is establishing procedures in order to comply with Section 404 in the timeframe permitted and expects that establishing procedures and ensuring compliance with these requirements will be a substantial and time-consuming process. If Gold Fields fails to complete these procedures and

the required evaluation in a timely manner, or if its independent auditors cannot attest to its evaluation in a timely manner, Gold Fields could be subject to regulatory review and penalties which may result in a loss of public confidence in its internal controls. In addition, Gold Fields may uncover significant deficiencies or material weaknesses in its internal controls. Measures taken to remedy these issues may require significant efforts, dedicated time and expenses, as well as the commitment of significant managerial resources. Each of these circumstances may have an impact on Gold Fields' share price.

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

Gold Fields is incorporated in South Africa. The majority of Gold Fields' directors and executive officers (and certain experts named herein) reside outside of the United States. Substantially all of the assets of these persons and substantially all of the assets of Gold Fields are located outside the United States. As a result, it may not be possible for investors to enforce against these persons or Gold Fields a judgment obtained in a United States court predicated upon the civil liability provisions of the federal securities or other laws of the United States or any state thereof. A foreign judgment is not directly enforceable in South Africa, but constitutes a cause of action which will be enforced by South African courts provided that:

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

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

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

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

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

Gold Fields pays cash dividends only if funds are available for that purpose. Whether funds are available depends on a variety of factors, including the amount of cash available and Gold Fields' capital expenditures and other cash requirements existing at the time. Under South African law, Gold Fields will be entitled to pay a dividend or similar payment to its shareholders only if it meets the solvency and liquidity tests set out in the South African Companies Act and Gold Fields' Articles of Association. Cash dividends or other similar payments may not be paid in the future.

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

Dividends or distributions with respect to Gold Fields' ordinary shares have historically been paid in Rand. The U.S. dollar or other currency equivalent of any dividends or distributions with respect to Gold Fields' ordinary shares will be adversely affected by potential future reductions in the value of the Rand against the U.S. dollar or other currencies. In the future, it is possible that there will be changes in South African exchange control regulations, such that dividends paid out of trading profits will no longer be freely transferable outside South Africa to shareholders who are not residents of the Common Monetary Area. See "Additional Information South African Exchange Control Limitations Affecting Security Holders."

Gold Fields' ordinary shares are subject to dilution upon the exercise of Gold Fields' outstanding share options and the Mvela Gold share exchange option.

As of October 31, 2006, Gold Fields had an aggregate of 1,000,000,000 ordinary shares authorized to be issued and as of that date an aggregate of 495,505,475 ordinary shares were issued and outstanding. Gold Fields currently has two securities option plans which are authorized to grant options in an amount of up to an aggregate of 25,071,013 ordinary shares. At their annual general meeting on November 17, 2005, Gold Fields' shareholders approved two new securities option plans which will replace the two existing plans. The first allocation of shares under The Gold Fields Limited 2005 Share Plan was made in March 2006, when 430,500 performance vesting restricted shares were awarded. In November 2005, 33,000 restricted shares were awarded to the non-executive directors under The Gold Fields Limited 2005 Non-Executive Share Plan.

Gold Fields' employees and directors had outstanding, as of November 15, 2006, options to purchase a total of 6,520,257 ordinary shares at exercise prices of between Rand 20.90 and Rand 154.65 that expire between December 24, 2006 and January 3, 2013 under The GF Management Incentive Scheme and 184,400 ordinary shares at exercise prices of between Rand 43.70 and Rand 110.03 that expire between February 6, 2007 and February 18, 2010 under The GF Non-Executive Director Share Plan. Gold Fields has outstanding, as of November 15, 2006, 952,275 share appreciation rights at a strike price of Rand 125.28, which expire on March 24, 2012, and 412,965 performance vesting restricted shares due to be settled on March 24, 2009, under The Gold Fields Limited 2005 Share Plan. As of the same date, Gold Fields had outstanding 33,000 restricted shares due to be settled on November 17, 2008 and 18,900 restricted shares due to be settled in November 2009, under The Gold Fields Limited 2005 Non-Executive Share Plan. Shareholders' equity interests in Gold Fields will be diluted to the extent of future exercises of these rights and any additional rights. See "Directors, Senior Management and

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

As part of the Mvelaphanda Transaction, Mvela Gold is obliged to subscribe for 15% of the share capital of GFI Mining South Africa (Proprietary) Ltd, or GFIMSA, a wholly-owned subsidiary of Gold Fields, upon repayment of the Mvela Loan. Under the Subscription and Share Exchange Agreement entered into in connection with the Mvelaphanda Transaction, for a period of one year after the subscription of the GFIMSA shares each of Gold Fields and Mvela Gold will be entitled to require the exchange of Mvela Gold's GFIMSA shares for ordinary shares of Gold Fields of an equivalent value, but numbering not less than 45,000,000 and not more than 55,000,000 Gold Fields ordinary shares, adjusted as necessary to reflect changes to Gold Fields' capital structure and certain corporate activities of Gold Fields. Shareholders' equity interests in Gold Fields will be diluted if Gold Fields or Mvela Gold requires the exchange of GFIMSA shares for Gold Fields shares. See "Operating and Financial Review and Prospects Overview General Mvelaphanda Transaction."

ITEM 4:
INFORMATION ON THE COMPANY

Introduction

Gold Fields is a significant producer of gold and major holder of gold reserves in South Africa, Ghana, Australia, Venezuela and Peru. Gold Fields is primarily involved in underground and surface gold mining and related activities, including exploration, extraction, processing and smelting. Gold Fields also has strategic interests in platinum group metal exploration. Gold Fields is currently the second largest gold producer in South Africa and one of the largest gold producers in the world, on the basis of annual production.

The majority of Gold Fields' operations, based on gold production, are located in South Africa. It also owns the St. Ives and Agnew gold mining operations in Australia and has a 71.1% interest in each of the Tarkwa gold mine and the Damang gold mine in Ghana. In January 2006, Gold Fields acquired 92% of the voting securities (or 80.7% of the economic interest) of Gold Fields La Cima S.A. (formerly known as Sociedad Minera La Cima S.A.), or La Cima, the owner of the Cerro Corona Gold and Copper Project in Peru, or Cerro Corona Project, which it is in the process of developing for mining, and other mineral properties in the Cajamarca district in northern Peru. On November 21, 2005, Gold Fields entered into a Plan of Arrangement, which became effective on February 28, 2006, whereby it acquired all of the remaining securities it did not already hold of Bolivar Gold Corporation, or Bolivar, which operated (through various subsidiaries) the Choco 10 open pit gold mine in the El Callao gold district in the Bolivar state, Venezuela. Furthermore, Gold Fields also owns 100% of the Arctic Platinum Project, or the APP, in northern Finland, which is evaluating the economic potential of deposits of open pittable and underground platinum group metal mineralization. During April 2006, Gold Fields finalized an arrangement with North American Palladium Limited, or NAP, whereby NAP has an option to acquire up to 60% of the APP. In addition, Gold Fields has gold and other precious metal exploration activities and interests in Africa, Australasia, China, Europe, North America and South America. See " Exploration Gold Fields' Exploration Projects" and " Recent Developments."

On September 11, 2006, Gold Fields entered into an agreement with Barrick Gold Corporation, or Barrick, and PDG Aureate Limited, a subsidiary of Barrick, to acquire, for a total consideration of US$1.525 billion, the entire issued share capital of Barrick Gold South Africa (Proprietary) Limited, which holds a 50% interest in the Barrick Gold Western Areas Joint Venture, an unincorporated entity in which Barrick and Western Areas Limited, or Western Areas, each hold an interest of 50%. The Barrick Gold Western Areas Joint Venture owns the developing South Deep gold mine, or South Deep, located in the Witwatersrand basin near Johannesburg. In conjunction with Gold Fields' acquisition of Barrick's stake in the Barrick Gold Western Areas Joint Venture, Gold Fields is making an offer (referred to herein as the Offer) to acquire the entire issued share capital of Western Areas not already owned by Gold Fields. Under the Offer, Western Areas shareholders will receive 35 Gold Fields shares for every 100 Western Areas shares validly tendered into the Offer. In support of the Offer, Gold Fields, JCI Limited, or JCI, and certain subsidiaries of JCI entered into an agreement on September 11, 2006, pursuant to which, on November 16, 2006, Gold Fields acquired 27 million Western Areas shares from one of the subsidiaries in exchange for the issue to JCI of 9,450,000 Gold Fields shares. In addition, pursuant to the agreement, with effect from November 14, 2006, the JCI subsidiaries have granted Gold Fields call options, and Gold Fields granted the JCI subsidiaries put options, over a further 9.96 million Western Areas shares. See " Recent Developments Acquisition of South Deep" and "Operating and Financial Review and Prospects Recent Developments Acquisition of South Deep."

Gold Fields' operations include:

Driefontein Operation. This operation consists of seven shaft systems and three gold plants in South Africa's Northwest Province near Carletonville. Driefontein produced 1.150 million ounces of gold during the year ended June 30, 2006, accounting for approximately 28.2% of attributable gold production for Gold Fields in fiscal 2006. The operation employed approximately 16,700 people as of June 30, 2006, including approximately 1,600 working for outside contractors at the site. The Driefontein operation includes both underground mining and surface rock dump processing.

Kloof Operation. This operation consists of five shaft systems and two gold plants in South Africa's Gauteng Province, near the towns of Carletonville and Westonaria. Kloof produced 0.914 million ounces of gold during the year ended June 30, 2006, accounting for approximately 22.4% of attributable gold production for Gold Fields in fiscal 2006. The operation employed approximately 16,900 people as of June 30, 2006, including approximately 2,800 working for outside contractors at the site. The Kloof operation includes both underground mining and some surface rock dump processing.

Beatrix Operation. This operation consists of four shaft systems and two gold plants in South Africa's Free State Province near Welkom and Virginia. The Beatrix operation produced 0.596 million ounces of gold during the year ended June 30, 2006, accounting for approximately 14.6% of attributable gold production for Gold Fields in fiscal 2006. The operation employed approximately 11,500 people as of June 30, 2006, including approximately 1,300 working for outside contractors at the site. The Beatrix operation consists of both underground mining and some limited surface rock dump processing.

Ghana Operations. These operations consist of: (1) the Tarkwa mine, which comprises several open pit operations with two heap leach recovery facilities and a SAG mill and CIL plant and (2) the Damang mine, which consists of a number of open pit operations with a CIL plant. Both mines are located in southwestern Ghana, about 300 and 360 kilometers by road west of Accra, respectively. During the year ended June 30, 2006, the Ghana operations produced 0.944 million ounces of gold (of which approximately 0.671 million ounces of gold were attributable to Gold Fields and the remainder to minority shareholders in the Ghana operations), accounting for approximately 16.5% of attributable gold production for Gold Fields in fiscal 2006. The operations had approximately 3,900 employees as of June 30, 2006, including approximately 2,000 working for outside contractors.

Australia Operations. These operations consist of the St. Ives and Agnew mines. Both mines are located in the state of Western Australia, with St. Ives situated near Kambalda, straddling Lake Lefroy, and Agnew situated near Leinster. These two mines together produced 0.719 million ounces of gold during the year ended June 30, 2006, accounting for approximately 17.6% of attributable gold production for Gold Fields in fiscal 2006. St. Ives and Agnew had approximately 1,100 employees as of June 30, 2006, including approximately 700 working for outside contractors at the sites. St. Ives and Agnew conduct both underground and surface operations.

Venezuela Operation. This operation consists of the Choco 10 mine, located in the El Callao district of Guayana, Venezuela. During the four-month period ended June 30, 2006 (the period of Gold Fields' ownership in fiscal 2006), the Venezuela operation produced 0.025 million ounces of gold (of which 0.024 million ounces were attributable to Gold Fields), accounting for approximately 0.6% of attributable gold production for Gold Fields in fiscal 2006. The operation employed approximately 600 employees as of June 30, 2006, including approximately 150 working for outside contractors at the site. Choco 10 conducts open pit operations, including surface rock dump processing.

Based on the figures reported by Gold Fields' mining operations, as of June 30, 2006, Gold Fields had attributable proven and probable reserves of approximately 61.8 million ounces of gold, as compared to the 62.8 million ounces reported as of June 30, 2005. In the year ended June 30, 2006, Gold Fields processed 49,366 million tons of ore and produced 4.348 million ounces of gold, of which 41,616 million tons and 4.074 million ounces were attributable to Gold Fields.

History

The company that is today Gold Fields was originally incorporated as East Driefontein Gold Mining Company Limited on May 3, 1968, and subsequently changed its name to Driefontein Consolidated Limited. The Gold Fields group holdings in South Africa evolved through a series of transactions, principally in 1998 and 1999.

With effect from January 1, 1998, a company formed on November 21, 1997 and referred to in this discussion as Original Gold Fields, acquired substantially all of the gold mining assets and interests previously held by Gencor Limited, Gold Fields of South Africa Limited and New Wits Limited and certain other shareholders in the companies owning the assets and interests, including:

- a 100% interest in Beatrix Mines Limited, or Beatrix, which in turn owned a 100% interest in Beatrix Mining Company Limited, or BMC, which owned the Beatrix mine;
- a 37.3% interest in Driefontein Consolidated Limited, which owned the Driefontein operation;
- a 100% interest in Kloof Gold Mining Company Limited, or Kloof, which owned the Kloof operation;
- a 54.2% interest in St. Helena Gold Mines Limited, or St. Helena, which owned the St. Helena and Oryx mines;
- a 100% interest in Gold Fields Guernsey Limited, or Gold Fields Guernsey (which was reincorporated and renamed Gold Fields Holdings Company (BVI) Limited, or Gold Fields BVI, in fiscal 2006), which indirectly owned a 70% interest in the Tarkwa mine (which was later increased to 71.1% due to the dilution of the other shareholders);
- a 100% interest in Orogen Holding (BVI) Limited, or Orogen;
- an effective 95% interest in Promotora Minera de Guayana (PMG) S.A., or PMG, which owns the Choco 10 mine; and
- various exploration and other rights and assets.

The Driefontein, Kloof and Tarkwa interests were acquired from Gold Fields of South Africa Limited, while the Beatrix and St. Helena interests were originally acquired from Gencor Limited. New Wits Limited provided various mineral rights. Original Gold Fields then owned 100% of Driefontein Consolidated Limited.

With legal effect from January 1, 1999, Driefontein Consolidated Limited acquired Original Gold Fields (which was subsequently renamed GFL Mining Services Limited) in a merger. For accounting purposes, Original Gold Fields was fully consolidated with effect from June 1, 1999. Although for legal purposes Driefontein Consolidated Limited acquired Original Gold Fields, for accounting purposes Original Gold Fields was considered the acquirer because Original Gold Fields' shareholders obtained the larger interest in the enlarged company. Driefontein Consolidated Limited was renamed Gold Fields Limited on May 10, 1999, following the merger. For accounting purposes, the merger was treated as if it occurred on June 1, 1999.

In order to achieve greater operational and administrative efficiency within the Gold Fields group following the merger, the Gold Fields group structure was reorganized with effect from July 1, 1999 as follows:

- GFL Mining Services Limited transferred its interests in Beatrix, St. Helena, Oryx and Kloof to Gold Fields; and

- Gold Fields transferred the Driefontein mine as a going concern to a shelf company named Driefontein Consolidated (Proprietary) Limited, a wholly-owned subsidiary of Gold Fields.

With effect from July 1, 1999, Gold Fields also acquired the remaining 45.8% interest in St. Helena from St. Helena's minority shareholders. Subsequent to this acquisition, St. Helena acquired the Beatrix mine from BMC.

On November 30, 2001, Gold Fields acquired the St. Ives and Agnew gold mining operations from WMC Limited and WMC Resources Limited (collectively, WMC).

On January 23, 2002, Gold Fields acquired a 71.1% interest in Abosso Goldfields Limited, or Abosso.

On October 30, 2002, Gold Fields sold the St. Helena gold mining operation to Freegold for gross consideration of Rand 120.0 million and a monthly 1% royalty payment to Gold Fields on the net revenues from gold sales from the St. Helena mine for a period of four years after closing. Subsequent to the sale, St. Helena was renamed Beatrix Mining Ventures Limited and the Free State Operation was renamed the Beatrix Operation.

With effect from February 23, 2004, as part of an internal reorganization of the Gold Fields group in connection with the transaction with Mvelaphanda Resources Limited, or Mvela Resources, described below, Gold Fields transferred its South African gold mining assets, including the Beatrix operation, the Driefontein operation and the Kloof operation as going concerns to GFIMSA.

On March 8, 2004, the shareholders of Gold Fields approved a series of transactions, involving the acquisition by Mvela Resources, through a wholly-owned subsidiary, of a 15% beneficial interest in the South African gold mining assets of Gold Fields, for cash consideration of R4,139 million. See "Operating and Financial Review and Prospects Overview Mvelaphanda Transaction."

On January 12, 2006, Gold Fields acquired 92% of the voting securities (or 80.7% of the economic interest) of La Cima. La Cima owns the Cerro Corona Project and other mineral properties in the Cajamarca district in northern Peru.

On February 28, 2006, Gold Fields' Plan of Arrangement with Bolivar became effective, whereby Gold Fields acquired all of the outstanding securities in Bolivar it did not already hold. Bolivar, through various subsidiaries, owned an effective 95% stake in and operated the Choco 10 open pit gold mine in the El Callao gold district in the Bolivar State, Venezuela. Bolivar commenced a dissolution process on February 28, 2006 and as a result, its subsidiaries and, hence, its effective stake in the Choco 10 operation, was distributed, effective that same day. These distributed subsidiaries are currently held by Gold Fields Netherlands Services B.V., which was formerly named Gold Fields Venezuela Holding B.V., a company incorporated in the Netherlands.

On March 24, 2006, Gold Fields finalized an arrangement with NAP, whereby Gold Fields granted NAP an option to acquire up to 60% of the APP in northern Finland. The arrangement became effective on April 13, 2006. Gold Fields currently owns 100% of the APP.

Gold Fields is a public company incorporated in South Africa, with a registered office located at 24 St. Andrews Road, Parktown 2193, South Africa, telephone number 011-27-11-644-2400.

Organizational Structure

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

Group Structure(1)

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

(2) In fiscal 2006, Gold Fields Guernsey Limited and Gold Fields Ghana Holdings Limited changed their incorporation to the British Virgin Islands and their names to Gold Fields Holdings Company (BVI) Limited and Gold Fields Ghana (BVI) Limited, respectively.

(3) In fiscal 2007, Gold Fields Venezuela Holding B.V. changed its name to Gold Fields Netherlands Services B.V.

South Africa. Gold Fields' interests in the Driefontein, Kloof and Beatrix operations are held through GFIMSA.

Ghana. Gold Fields' interests in the Tarkwa and Damang mines, which comprise the Ghana operations, are held through its 71.1% owned subsidiaries, Gold Fields Ghana Limited, or Gold Fields Ghana, and Abosso, respectively. The remaining interests in Gold Fields Ghana and Abosso are indirectly held by IAMGold Corporation, or IAMGold, which acquired an 18.9% beneficial interest previously held by Repadre Capital Corporation following a merger between the two companies on January 8, 2003, and the Government of Ghana, which holds a 10.0% interest, which the Government acquired as a free carried interest for no cost.

Australia. Gold Fields' interests in the St. Ives and Agnew mines are held through two wholly-owned Australian subsidiaries, St. Ives Gold Mining Company Pty Ltd. and Agnew Gold Mining Company Pty Ltd., which, in turn, are wholly-owned through intermediaries by Orogen.

Venezuela. Gold Fields' interest in the Choco 10 mine is held through PMG which is a joint venture between Ferrominera del Orinoco C.A., or FMO, a subsidiary of Corporación Venezolano de Guayana S.A., or CVG, and a Gold Fields' wholly-owned subsidiary, Promotora Minera de Venezuela S.A., or Promiven. Gold Fields owns an effective 95% interest in PMG. The remaining 5% interest is in the process of being transferred to CVG Minerven, a subsidiary of CVG. See " Venezuela Operation."

Exploration Assets. Gold Fields' exploration assets are generally held by project companies in the jurisdiction where the exploration assets are located, which are, in turn, held through either Orogen or Gold Fields BVI. Orogen holds the APP through intermediaries.

Strategy

General

Gold Fields is a significant producer of gold and a major holder of gold reserves in South Africa, Ghana, Australia and South America. Gold Fields also has reported gold and copper reserves at the Cerro Corona Project, a development project in Peru which is presently under construction. The gold industry has historically been highly fragmented and a trend has been underway to consolidate the industry through mergers and acquisitions.

Global Context

Gold Fields' strategy was developed in the context of a global market characterized by an extended period of low gold prices, reduced global expenditure on gold exploration and increasing industry consolidation. This strategy has evolved over time, but despite the recent increase in the price of gold, Gold Fields has maintained a strategy of general caution with respect to financial commitments while maintaining full exposure to the effects of the gold price.

Generally, Gold Fields' strategy consists of the following key elements:

operational excellence, which is aimed at improving returns through the optimization of existing assets. This is achieved in the first instance through improving productivity. Secondly, it also implies the reduction of costs through cost management initiatives and growing assets through inward investment;

growing Gold Fields by diversifying geographical, technical and product risk through acquiring and developing additional long-life assets. Starting in fiscal 2004, Gold Fields set a goal of achieving an additional 1.5 million ounces of annual gold production by the end of calendar 2009; and

securing the future of Gold Fields by earning and maintaining what Gold Fields calls its "license to operate" in those countries and regions in which it operates and by upholding strong principles of corporate governance. Gold Fields views its ability to conduct its operations as involving a reciprocal commitment from Gold Fields to the communities where it is located to deal with issues related to sustainable development.

Operational Excellence

Management believes that improved profitability at existing operations can be achieved by increasing mining rates, increasing mining quality and reducing costs. Management believes that significant opportunity exists to do this, specifically through:

increasing development rates at the South African operations to provide for ore reserve and mining flexibility;

increasing quality mining through increasing volumes mined above the paylimit and/or cut-offs and ensuring that dilution is minimized. Dilution can be minimized through programs aimed at reducing the quantities of waste mined both underground and in the open pits. Quality can be improved through ongoing grade control and optimizing mine call factors;

increasing productivity through skills development programs, aligning incentive schemes with desired outcomes, removing bottlenecks, improving ventilation and lowering temperatures at the South African operations, rationalization of infrastructure and plant modernizations;

investing in cost reduction through replacement of older equipment with modern and more efficient equipment;

reducing costs through improving controls over the consumption of materials used in the mines, implementing improved procurement practices and exploring opportunities for global and regional supply contracts; and

improving efficiencies and controls in areas such as people management, planned maintenance, transport and medical facilities.

Acquisitions and Exploration

Gold Fields is one of the largest producers of gold in the world, based on annual gold production. Gold Fields' corporate development mandate is to grow as a world leader in developing and operating low-cost, long life precious metal mines. Gold Fields is sensitive to the fact that increased competition for acquisitions and higher gold prices are pushing asset prices to levels that threaten returns. The impact on returns has been exacerbated by higher input costs, particularly as significant increases in base metal prices has led to increased mining of base metals, which uses some of the same inputs as gold mining, and therefore has increased overall demand for those products.

For acquisitions of gold assets or companies outside South Africa, Gold Fields is at somewhat of a disadvantage to certain of its competitors, but this also has offsetting strengths. First, South African exchange control regulations limit Gold Fields' ability to provide guarantees or borrow outside South Africa without express approval from the South African Reserve Bank, or the SARB. However, in his speech to Parliament towards the end of October 2004, the Minister of Finance outlined the South African Treasury's medium-term budget policy statement and repeated that it was the government's eventual goal to replace all remaining exchange controls with prudential benchmarks. He also announced the abolition of exchange control limits on new outward foreign direct investments by South African corporations and the lifting of their obligation to repatriate foreign dividends. There have subsequently been further indications from the Ministry of Finance that it remains the government's intention to gradually phase out the remaining exchange controls over time. Second, shares of South

African companies tend to be viewed as a less attractive acquisition currency than shares of non-South African companies, despite the relaxation of exchange controls. On the other hand, Gold Fields has a strong balance sheet and low debt-to-equity ratio that diminishes the equity pricing disadvantage, and also has a skilled and effective corporate evaluation and acquisition team, and a sound track record in project development.

Gold Fields also maintains an active global exploration effort for gold and PGMs through exploration offices worldwide and an exploration philosophy that management believes is well focused and cost efficient.

Hedging

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

However, commodity hedges are sometimes undertaken on a project-specific basis as follows:

to protect cash flows at times of significant expenditure;

for specific debt servicing requirements; and

to safeguard the viability of higher cost operations.

Gold Fields may from time to time establish currency and/or interest rate financial instruments to protect underlying cash flows or to take advantage of potential favorable currency movements. In addition, in connection with the acquisition of Western Areas, Gold Fields will be acquiring the Western Areas hedge book. See " Recent Developments Acquisition of South Deep."

Reserves of Gold Fields as of June 30, 2006

Methodology

The June 30, 2006 ore reserve statement presented below formed the basis of the signed Competent Persons Report, requested by Gold Fields and as required by the Johannesburg Stock Exchange, that underpinned its bid for the South Deep Mine during 2006. The mining industry consultant used in the process was previously involved with auditing Gold Fields' ore reserve statements and based these June 30, 2006 ore reserves on site audits, extensive reference to internal reports, documentation prepared by Gold Fields, production details, financial valuations and metallurgical and tailings data for each operation.

The methodology used by Gold Fields' internally to produce its ore reserve statements as at December 31, 2005 and that used by the mining industry consultant to re-state the ore reserves to June 30, 2006 were similar in nature and involved for each mining asset reviews and assessments of (i) the mining asset, including title, rights and applicable laws; (ii) the geology; (iii) mineralised material from which ore reserves are derived; (iv) the mine plan, schedule and ore reserves; (v) the processing method; (vi) tailings management; (vii) the engineering infrastructure, expected overhead costs and planned capital projects; (viii) human resources; (ix) safety and health issues; (x) any environmental issues, including legislation and liabilities; (xi) valuation, including financial models and resultant net present values; and (xii) risk assessment, including general risks, specific risks and remediation measures.

The main difference in the process for preparing the ore reserve statement for June 30, 2006 was in the shorter timeframes involved, as only half the time had passed since the preparation of the immediately prior ore reserve statements, resulting in less available data, reviews and processes to which the

resulting figures were exposed. The re-statement therefore focused on a review of all available new information, updates, and any other material issues apparent since the last full audit of Gold Fields' ore reserve statements as at June 30, 2005, while also considering Gold Fields' ore reserve declaration as at December 31, 2005. In arriving at the final ore reserves for the June 30, 2006 declaration, following and based on the reviews and assessments outlined above, the ore reserve estimates were updated where material changes were apparent (such as increases to the below infrastructure projects at Kloof and Driefontein), other figures associated with the items outlined above were also updated, and finally mining depletions were applied at the various operations.

While there are some differences between the definition of the South African Code for Reporting of Mineral Resources and Mineral Reserves, or SAMREC Code, and that of the SEC's industry guide number 7, only reserves at each of Gold Fields' operations and exploration projects as June 30, 2006 which qualify as reserves for purposes of the SEC's industry guide number 7 are presented in the table below. See " Glossary of Mining Terms." In accordance with the requirements imposed by the JSE, Gold Fields reports its reserves using the terms and definitions of the SAMREC Code. Mineral or ore reserves, as defined under the SAMREC Code, are divided into categories of proven and probable reserves and are expressed in terms of tons to be processed at mill feed head grades, allowing for estimated mining dilution and recovery factors.

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

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

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

Driefontein

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

Note:

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

For proven reserves, the orebody is opened-up and sampled on a 3 meter spacing for development (such as raises), and a 5 meter grid for stoping, together with underground borehole spacings ranging from tens to hundred of meters. Blocks classified as proven are therefore generally adjacent to close spaced sampling and generally pierced by a relatively dense irregular pattern of boreholes. Estimation is constrained within both geologically homogenous structural and facies zones, and is generally derived from either ordinary or simple kriged small-scale grids, ranging from 10 meter to 20 meter block sizes.

For above infrastructure probable reserves, the estimates access the significant numbers of samples on a 3 meter spacing for development, and a 5 meter grid for stoping bordering these areas. In addition underground borehole spacings ranging from tens to hundred of meters are used together with surface drillholes and seismic surveys. Blocks classified as probable (AI) are generally adjacent to blocks classified as proven. Estimation is constrained within homogenous structural and facies zones, and is generally derived from either ordinary or simple kriged medium to macro scale sized grids ranging from 40 meter to 420 meter sizes, or through declustered averaging or Sichel "t" techniques. For planning purposes these blocks are further evaluated to facilitate the selection of blocks above the cut-off grade.

For below infrastructure probable reserves, the estimates access the significant numbers of samples on a 3 meter spacing for development, and a 5 meter grid for stoping above these areas. In addition underground borehole spacings ranging from tens to hundred of meters are used together with surface drillholes and seismic surveys. Blocks classified as probable (BI) are generally below blocks classified as proven or probable (AI). Estimation is constrained within homogenous structural and facies zones, and is generally derived from either ordinary or simple kriged medium to macro scale sized grids ranging from 40 meters to 420 meter sizes, or through declustered averaging or Sichel "t" techniques. For planning purposes these blocks are further evaluated to facilitate the selection of blocks above the cut-off grade.

Kloof

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

Note:

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

Estimations for proven reserves are made on the same basis as at Driefontein.

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

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

Beatrix

Reserve Classification	Sample Spacing Range Min/Max (meters)	Maximum Distance Data is Projected (meters)
Proven	3 to 120	120
Probable (AI)(1)	3 to 940	750
Probable (BI)(1)	540 to 610	740

Note:

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

Estimations for proven reserves are made on the same basis as at Driefontein but with kriging blocks ranging from 16 meters to 32 meters.

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

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

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

For the Tarkwa open pit operation, estimation of reserves is based on a combination of an initial 100 or 200 meter grid of diamond drilling and in certain areas a 12.5 meter to 25.0 meter grid of reverse circulation drilling. For the Damang open pit operation, estimation of reserves is based on a 20 meter to 80 meter grid of diamond drilling and in certain areas reverse circulation drilling.

At the Australian operations, the estimation of reserves for both underground and open pit operations is based on exploration, sampling and testing information gathered through appropriate techniques, primarily from drill holes and mine development. The locations of sample points are spaced closely enough to deduce or confirm geological and grade continuity. Generally, drilling is undertaken on grids, which range between 20 meters by 20 meters to 40 meters by 40 meters, although this may vary depending on the continuity of the orebody. Due to the variety and diversity of resources at St. Ives and Agnew, sample spacing may also vary depending on each particular ore type. For Choco 10 and the Cerro Corona Project, estimation is based on diamond drill and reverse circulation holes. The spacing of holes at Cerro Corona is generally around 50 meters, with some areas approximating a 25 meter grid. The drill spacing at Choco 10 is varied, depending on geological and grade continuity, with a general spacing of 50 meters by 25 meters to 25 meters by 25 meters.

Reserve Statement

As of June 30, 2006, Gold Fields had aggregated attributable proven and probable gold reserves of approximately 61.8 million ounces as set out in the following table.

Gold ore reserve statement as of June 30, 2006(1)

	Proven reserves Head Grade			Probable reserves Head Grade			Total reserves Head Grade			Attributable gold production in the 12 months ended June 30, 2006(2)
	Tons		Gold	Tons		Gold	Tons		Gold	
	(million)	(g/t)	('000 oz)	(million)	(g/t)	('000 oz)	(million)	(g/t)	('000 oz)	('000 oz)
Underground										
Driefontein (total)	26.0	7.8	6,491	61.3	8.1	15,918	87.3	8.0	22,408	1,011
Above infrastructure(3)	26.0	7.8	6,491	27.8	8.0	7,120	53.8	7.9	13,611	1,011
Below infrastructure(3)				33.5	8.2	8,798	33.5	8.2	8,798	
Kloof (total)	13.7	9.7	4,286	29.3	10.2	9,590	43.0	10.0	13,877	897
Above infrastructure(3)	13.7	9.7	4,286	24.1	9.8	7,568	37.8	9.8	11,854	897
Below infrastructure(3)				5.2	12.1	2,022	5.2	12.1	2,022	
Beatrix (total)	15.9	4.9	2,517	28.7	5.9	5,410	44.6	5.5	7,927	596
Above infrastructure(3)	15.9	4.9	2,517	28.7	5.9	5,410	44.6	5.5	7,927	596
Australia										
St. Ives	0.2	5.4	27	5.0	5.4	868	5.1	5.4	895	243
Agnew	0.6	12.1	237	0.9	7.2	211	1.5	9.2	448	166
Total Underground	56.4	7.5	13,558	125.2	7.9	31,997	181.5	7.8	45,555	2,913
Surface (Rock Dumps)										
Driefontein				6.2	1.1	225	6.2	1.1	225	139
Kloof				9.9	0.7	216	9.9	0.7	216	17
Beatrix				0		0	0		0	
Surface (Production Stockpile)										
Ghana										
Tarkwa	4.1	0.8	102				4.1	0.8	102	
Damang	5.4	1.2	210				5.4	1.2	210	
Australia										
St. Ives	7.1	1.1	257				7.1	1.1	257	
Agnew	0.4	1.4	19				0.4	1.4	19	
Surface (Open Pit)										
Ghana										
Tarkwa	117.9	1.3	5,021	120.2	1.2	4,758	238.0	1.3	9,779	504(4)
Damang(5)	3.2	2.4	247	8.6	1.7	471	11.7	1.9	717	167(4)
Australia										
St. Ives(5)	1.4	2.8	123	10.4	1.9	647	11.8	2.0	770	253(4)
Agnew(5)	0.6	2.5	47	1.7	3.1	172	2.2	3.1	218	56(4)
Venezuela										
Choco 10	1.3	3.7	162	17.8	1.7	972	19.1	1.8	1,133	24

	Proven reserves Head Grade			Probable reserves Head Grade			Total reserves Head Grade		Attributable gold production in the 12 months ended June 30, 2006(2)
	Tons		Gold	Tons		Gold	Tons	Gold	
Peru									
Cerro Corona	22.0	1.2	816	57.0	1.0	1,761	79.1	1.0	2,578	
Total Surface	163.4	1.3	7,004	231.7	1.2	9,222	395.0	1.3	16,224	1,160
Total	219.8	2.9	20,562	356.9	3.6	41,219	576.6	3.3	61,778	4,073

Notes:

(1)

(a) Quoted as mill delivered tons and Run of Mine, or RoM, grades, inclusive of all mining dilutions and gold losses except mill recovery. Metallurgical recovery factors have not been applied to the reserve figures. The approximate metallurgical

factors are as follows: (1) Driefontein 97%; (2) Kloof 97%; (3) Beatrix 96%; (4) Tarkwa 95% for milling, 64% for heap leach; (5) Damang 90.9% to 93.5%; (6) St. Ives 85% to 95% for milling, 55% to 60% for heap leach; and (7) Agnew 93% to 95%. The metallurgical recovery is the ratio, expressed as a percentage, of the mass of the specific mineral product actually recovered from ore treated at the plant to its total specific mineral content before treatment. The South African operations have a fairly consistent metallurgical recovery, while the recoveries on the International operations vary according to the mix of the source material and method of treatment.

(b) For Driefontein, Kloof and Beatrix, a gold price of Rand 92,000 per kilogram ($400 per ounce at an exchange rate of Rand 7.15 per $1.00) was applied in calculating ore reserve figures. For the Tarkwa and Damang operations and the Cerro Corona Project, ore reserve figures are based on an optimized pit at a gold price of $400 per ounce. For the Australian operations ore reserve figures are based on a gold price of A$560 per ounce ($400 per ounce at an exchange rate of A$1.40 per $1.00). Open pit ore reserves at the Australian operations are similarly based on optimized pits. The gold price used for reserves is the three-year average, calculated on a monthly basis, of the London afternoon fixing price of gold.

(c) For the South African operations, mine dilution relates to the difference between the mill tonnage and the stope face tonnage and includes other sources stoping (which is waste that is broken on the mining horizon, other than on the stope face), development to mill and tonnage discrepancy (which is the difference between the tonnage expected on the basis of the mine's measuring methods and the tonnage accounted for by the plant). For the International operations, dilution relates to unplanned waste and/or low-grade material being mined and delivered to the mill. Ranges are given for those operations that have multiple orebody styles and mining methodologies. The mine dilution factors are as follows: (i) Driefontein 24%; (ii) Kloof 22%; (iii) Beatrix 23%; (iv) Tarkwa 10%; (v) Damang 11% to 15%; (vi) St. Ives 16% to 18%; and (vii) Agnew 10% to 20%.

(d) The mining recovery factor relates to the proportion or percentage of ore mined from the defined orebody at the gold price used for the declaration of reserves. This percentage will vary from mining area to mining area. This percentage reflects planned and scheduled reserves against total potentially available reserves (at the gold price used for the declaration of reserves), with all modifying factors, mining constraints and pillar discounts applied. The mining recovery factors are as follows: (i) Driefontein 86.5%; (ii) Kloof 61%; (iii) Beatrix 65%; (iv) Tarkwa 95%; (v) Damang 91.6%; (vi) St. Ives 81%; and (vii) Agnew 96%.

(e) The pay limit (South African operations) and cut-off grade (International operations) vary per shaft, open pit or underground mine, depending on the respective costs, depletion schedule, ore type and dilution. The following are the average or range of values applied in the planning process: (i) Driefontein 1,520 cm.g/t; (ii) Kloof 1,500 cm.g/t; (iii) Beatrix 970 cm.g/t; (iv) Tarkwa 0.33 g/t for heap leach and 0.54 g/t for mill feed; (v) Damang 0.89 g/t for fresh ore and 0.59 g/t for oxide ore; (vi) St. Ives 0.8 g/t for heap leach, 1.0 g/t for mill feed open pit, and 2.2 5.1 g/t for mill feed underground; (vii) Agnew 0.71-0.89 g/t for mill feed open pit, and 3.1 6.1 g/t for mill feed underground.

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

(2)

Actual gold produced after metallurgical recovery.

(3)

Above infrastructure reserves relate to mineralization which is located at a level at which an operation currently has infrastructure sufficient to allow mining operations to occur. Below infrastructure reserves relate to mineralization which is located at a level at which an operation currently does not have infrastructure sufficient to allow mining operations to occur, but where the operation has made plans to install additional infrastructure in the future which will allow mining to occur at that level.

(4)

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

(5)

Excludes inferred material within the pit design.

The following table sets forth the proven and probable copper reserves of the Cerro Corona Project as of June 30, 2006, that are attributable to Gold Fields.

Copper ore reserve statement as of June 30, 2006

	Proven Reserves			Probable Reserves			Total Reserves			Attributable Copper production in the 12 months ended June 30, 2006
	Tons	Grade Cu	Cu	Tons	Grade Cu	Cu	Tons	Grade Cu	Cu	
	(million)	(%)	(million lbs)	(million)	(%)	(million lbs)	(million)	(%)	(million lbs)	(million lbs)
Surface (Open Pit) Peru										
Cerro Corona	20.7	0.6	288	55.1	0.5	591	75.9	0.5	879	

Gold and copper price sensitivity

The amount of gold mineralization that Gold Fields can economically extract, and therefore can classify as reserves, is very sensitive to fluctuations in the price of gold. At gold prices different from the gold price of $400 per ounce used to estimate Gold Fields' attributable reserves of 61.8 million ounces of gold as of June 30, 2006 listed above, Gold Fields' operations would have had significantly different reserves. Based on the same methodology and assumptions as were used to estimate Gold Fields' reserves as of June 30, 2006 listed above, but applying different gold prices that are 10% above and below the $400 per ounce gold price used to estimate Gold Fields' attributable reserves, the attributable gold reserves of Gold Fields' operations would have been as follows (excluding attributable reserves from Choco 10 as explained below):

	$ 360/oz	$ 400/oz	$ 440/oz
		('000 oz)	
Driefontein(1)	14,145(2)	22,633	22,741
Kloof(1)	10,432(3)	14,092	15,526
Beatrix(1)	6,402	7,927	9,362
Tarkwa	8,404	9,881	12,441
Damang	814	928	984
St. Ives	1,622	1,921	2,100
Agnew	538	685	753
Cerro Corona	2,419	2,578	2,578(4)
Total(1)(5)	44,776	60,645	66,485

Notes:

(1) South African operations' reserves include run-of-mine ore stockpiles.

(2) Excludes Shaft No. 5 below infrastructure material that would not be economical to mine, and thus would not be a reserve, at this lower gold price.

(3) Excludes revised Kloof Extension Area, or KEA, below infrastructure material that would not be economical to mine, and thus would not be a reserve, at this lower gold price.

(4)

The tailings management facility, or TMF, has a finite capacity of 90Mt and the ore reserves therefore cannot change once the TMF has been filled.

(5)

The sensitivity analyses are calculated as 10% above and below the base price in the local currency of the respective operation, with Ghana and Cerro Corona in US$, at an exchange rate of Rand 7.15 per $1.00 for the South African operations and A$1.40 per $1.00 for the Australian operation. Choco 10 was acquired by

Gold Fields in early 2006, and, because equivalent sensitivities to those declared above were not available, they have been excluded from the above table.

The London afternoon fixing price for gold on November 15, 2006 was $617.75 per ounce.

Gold Fields' attributable gold reserves decreased from 62.8 million ounces at June 30, 2005 to 61.8 million ounces at June 30, 2006, primarily as a result of depletion due to mining, and offset in part by the inclusion of Choco 10.

The amount of copper mineralization that Gold Fields can economically extract, and therefore can classify as reserves, is sensitive to fluctuations in the price of copper. At copper prices different from the copper price of $1.00 per pound used to estimate Gold Fields' attributable copper reserves of 879 million pounds as of June 30, 2006 listed above, Gold Fields' operations would have had significantly different copper reserves. Based on the same methodology and assumptions as were used to estimate Gold Fields' copper reserves as of June 30, 2006 listed above, but applying different copper prices that are 10% above and below the copper price of $1.00 per pound used to estimate Gold Fields' attributable copper reserves, the attributable copper reserves of Gold Fields' operations would have been as follows:

	$ 0.90/lb	**$ 1.00/lb**	**$ 1.10/lb**
	Copper (million lbs)		
Cerro Corona	861	879	879(1)

Note:

(1) Under the current tailings dam design at the Cerro Corona Project, reserves would not respond to an upward movement of the copper price because of current capacity constraints at the tailings storage facility for the Cerro Corona Project.

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

Geology

The majority of Gold Fields' gold production is derived from deep-level underground gold mines located along the northern and western margins of the Witwatersrand Basin in South Africa. These properties include the Beatrix operation, the Driefontein operation and the Kloof operation. These mines are typical of the many Witwatersrand Basin operations, which together have produced over 1.3 billion ounces of gold over a period of more than 100 years.

The Witwatersrand Basin comprises a 6,000 meter vertical thickness of sedimentary rocks, extending laterally for some 300 kilometers northeast to southwest by some 100 kilometers northwest to southeast, generally dipping at shallow angles towards the center of the basin. The basin outcrops at its northern extent near Johannesburg but to the west, south and east it is overlaid by up to 4,000 meters of volcanic and sedimentary rocks. The Witwatersrand Basin is Achaean in age, meaning the sedimentary rocks are of the order of 2.7 to 2.8 billion years old.

Gold mineralization occurs within laterally extensive quartz pebble conglomerate horizons called reefs, which are developed above unconformable surfaces near the basin margin. As a result of faulting and

primary controls on mineralization structure, the gold fields are not continuous and are characterized by the presence or dominance of different reef units. The reefs are generally less than two meters in thickness and are widely considered to represent laterally extensive braided fluvial deposits or unconfined flow deposits, which formed along the flanks of alluvial fan systems around the edge of an inland sea. Dykes and sills of diabase or doleritic composition are developed within the Witwatersrand Basin and are associated with several intrusive and extrusive events.

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

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

For a discussion of the geological features present at the Tarkwa, Damang, St. Ives, Agnew and Choco 10 mines, see the geology discussion contained in the description of each of those mines found below under " Gold Fields' Mining Operations Tarkwa," " Gold Fields' Mining Operations Damang," " Gold Fields' Mining Operations St. Ives," " Gold Fields' Mining Operations Agnew" and " Gold Fields' Mining Operations Choco 10."

Description of Mining Business

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

Exploration

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

Mining

Gold Fields currently mines only gold, with silver as a by-product. As and when the Cerro Corona Project begins production, Gold Fields expects also to have copper as a by-product. The mining process can be divided into two principal activities: (1) developing access to the orebody; and (2) extracting the orebody once accessed. These two processes apply to both surface and underground mines.

Underground Mining

Developing Access to the Orebody

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

Extracting the Orebody

Once an orebody has been accessed, drilling, blasting, supporting and cleaning activities are carried out on a daily basis and broken ore is scraped into and down gullies to ore passes, where it is channeled to the crosscut below. The ore is then hauled by rail to shaft ore passes, where it is tipped into loading stations for hoisting to the surface. Mining methods employed at Gold Fields' operations include longwall mining, closely spaced dip pillar mining and conventional scattered mining. In Australia, extraction methods are highly mechanized, with mechanized equipment used within the declines and at the stope for drilling, loading and hauling. South African mining methods tend to be more labor intensive than the Australian operations.

Open Pit Mining

Developing Access to the Orebody

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

Extracting the Orebody

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

Rock Dump and Production Stockpile Mining

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

Mine Planning and Management

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

Gold Fields has a two-stage mine planning process. Each operation compiles a life of mine, or LoM, plan during the first half of each fiscal year and a detailed two-year operational plan during the second half of each fiscal year, based on financial parameters issued to the operation by Gold Fields' Operating Committee. See "Directors, Senior Management and Employees Operating Committee." The operational plan is presented to Gold Fields' Board before the commencement of each fiscal year. The planning process is sequential and is based upon geological models, evaluation models, depletion schedules and, ultimately, financial analysis. Capital planning is formalized pursuant to Gold Fields' capital spending planning process. Projects are categorized in terms of total expenditure, and all projects involving amounts exceeding Rand 75 million (South Africa), A$15 million (Australia) and US$10 million (Ghana/Peru/Venezuela) are submitted to the full Board for approval.

The South African operations have implemented an integrated electronic reserve and resource information system, called IRRIS, to enhance LoM planning capabilities. This system provides a common planning platform to facilitate quicker, more flexible and more accurate short- and long-term planning and more timely identification of production shortfalls. Short-term planning on the operations is conducted monthly and aligned with the operational plan. Financial and economic parameters for the

LoM and the operational plan are issued to the operations from the head office and relevant survey and evaluation factors are determined in accordance with Gold Fields' guidelines. Significant changes in the LoM plans may occur from year to year as a result of mining experience, new ore discoveries, changes in the ore reserve estimates, changes in mining methods and rates, process changes, investment in new equipment and technology and gold prices.

Processing

Gold Fields currently has 15 gold plants (seven in South Africa, four in Ghana, three in Australia and one in Venezuela) which treat ore to extract gold. A typical gold processing plant circuit includes two phases: comminution and treatment.

Comminution

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

Treatment

In all of Gold Fields' metallurgical plants, gold is extracted into a leach solution by leaching with cyanide in agitated tanks. Gold is then extracted onto activated carbon from the solution using either the CIL or CIP process. The activated carbon is then eluted with gold recovered by electrowinning.

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

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

Productivity Initiatives

Gold Fields has undertaken a number of initiatives intended to increase productivity and cost efficiencies at its mines. These initiatives form part of the strategic objective of operational excellence and include:

Project 500: This initiative was introduced in September 2003 in order to increase revenue and reduce costs. It was comprised of two sub-projects, namely:

Project 400, which was aimed at optimizing revenue by generating a further Rand 400 million per annum on a sustainable basis. This was to be achieved through a number of productivity initiatives focused on improving quality volumes, by eliminating non-contributing production and replacing low-grade surface material with higher margin underground material. The objective was to increase mining volumes while maintaining yields as close as possible to life of mine reserve yields.

Project 100, which was a stores-based consumption project focused on achieving cost savings through improved standards and norms.

These projects have proved successful and led to additional projects, Project 100+ and Project Beyond.

Project 100+: This initiative is focused on adding ongoing and sustainable cost savings at the South African operations. The objectives for 2006 were to improve efficiencies and controls in labor management, transport and maintenance spending and to improve employee wellness and working conditions. Current projects include a labor optimization project, a management project focusing on hot and cold water systems and an initiative to replace diesel operated locomotives with battery operated locomotives, all of which are expected to produce savings and other benefits in fiscal 2007. Additionally, Gold Fields expects the shutdown of pumping at Kloof's Shaft No. 5 to continue to realize savings in fiscal 2007 and the Company is continuing to install equipment in furtherance of a pump efficiency monitoring initiative that Gold Fields plans to roll out in the second quarter of fiscal 2007.

Project Beyond: This project, launched in May 2004, is a procurement supply initiative targeting savings of between R200 and R300 million per annum, over a three-year period. Continued integrated supply chain optimization during fiscal 2007 aims to deliver further value so as to offset the impact of general inflation, in spite of prevailing commodity price pressures, and will include specific focus on total cost of slurry and mud pumps, salvage reclaim optimization models, underground services risk mitigation models (i.e., selectively reducing higher risk outsource contracts), drill steel issue and refurbishment controls and total cost optimization and collaborative capital procurement.

Explosives: This initiative originated from Project Beyond, with a focus on optimizing spending on explosives and increasing productivity through the improvement of blasting efficiencies. However, the scope of the initiative now includes review of the most appropriate and cost effective blasting products and methods. Gold Fields has formed strategic relationships with explosives and accessories suppliers to provide the operations with efficient blasting solutions. Gold Fields expects to realize benefits of this initiative in fiscal 2007.

Mine Design and Optimization: Improved mine design and configuration focus on removing constraints, improving ventilation and lowering temperatures. In fiscal 2006, this initiative also focused on metallurgical plant modernization and obtaining further benefits from new technology systems like IRRIS.

Flexibility: Together with improved mine design and configuration, this initiative to increase development rates at the South African operations is aimed at providing the cornerstone of greater ore reserve and mining flexibility.

Training: Initiatives to improve the ability of employees to perform their work include both practical and theoretical aspects:

Practical: Practical training initiatives include programs that are focused on improving skills for mining supervisors and rock drill operators and improving night shift cleaning as well as initiatives to improve team effectiveness.

Theoretical: Theoretical training initiatives include implementation of e-learning to assist in the theoretical aspects of training, with an increased focus going forward on leadership and supervisory training.

Each operation has a program in place to motivate its employees towards the goals of increased productivity and operational excellence, which is reinforced by a recognition and reward program. Gold Fields is committed to encouraging motivation and increased ability within the workforce to ensure healthy employees committed to Gold Fields and productivity improvement.

Refining and Marketing

Gold Fields has appointed Rand Refinery Limited, or Rand Refinery, to refine all of Gold Fields' South African produced gold. Rand Refinery is a private company in which Gold Fields holds a 33.1% interest, with the remaining interests held by other South African gold producers.

On June 1, 2004 Gold Fields exercised its right under its agreement with Rand Refinery to sell all of Gold Fields' gold production from its South African operations, with effect from October 1, 2004. Prior to that time, Rand Refinery was the exclusive agent to sell Gold Fields' South African produced gold, and Gold Fields' treasury was appointed by Rand Refinery to act as its agent with respect to the sale of 50% of such gold to international customers. Under the new arrangement, Rand Refinery advises Gold Fields from time to time on the amount of gold available for sale. Gold Fields sells the gold at the London afternoon fixing price for the day if it is so advised. Within two business days after receipt of this advice, Gold Fields deposits an amount in U.S. dollars equal to the value of the gold sold into Rand Refinery's nominated U.S. dollar account. On the date of the deposit, Rand Refinery, in turn, deducts any refining and administrative charges payable by Gold Fields relating to such amount of gold, and deposits the balance of the money into the nominated U.S. dollar account of Gold Fields. Gold Fields pays Rand Refinery an amount for administrative services associated with delivery of the refined gold of $0.05 per troy ounce of gold and a refining fee of $0.32 per troy ounce of gold received by Rand Refinery.

All gold produced by Gold Fields at the Tarkwa and Damang mines is refined by Rand Refinery pursuant to two non-exclusive agreements entered into in October 2004 between Rand Refinery and Gold Fields Ghana, and between Rand Refinery and Abosso. Under these agreements, Rand Refinery collects, refines and sells gold as instructed by Gold Fields Ghana and Abosso. Rand Refinery assumes responsibility for the gold upon collection at either the Tarkwa or Damang mine. The gold is then transported to the Rand Refinery premises in Johannesburg, South Africa, where it is refined. Gold Fields Ghana and Abosso reimburse Rand Refinery for transportation costs. Under these agreements, Rand Refinery sells the refined gold on behalf of Gold Fields Ghana and Abosso at the London afternoon fixing price for gold on the date of delivery. Rand Refinery receives refining fees of $0.33 per ounce of gold received, and a realization fee equal to $0.16 per ounce of gold refined. Each of these agreements continues until either party terminates it upon 90 days' written notice.

In Australia, all gold produced by St. Ives and Agnew is refined by AGR Joint Venture, which is tradenamed Australian Gold Refineries, or AGR Matthey. The AGR Joint Venture is a partnership between Australian Gold Pty Ltd and WA Mint, which is trade named Perth Mint. Under an agreement which became effective on September 1, 2002 and was amended on September 1, 2005 among St. Ives Gold Mining Company Pty Ltd, Agnew Gold Mining Company Pty Ltd and AGR Matthey, AGR Matthey refines the gold produced by St. Ives and Agnew for a refining fee of A$0.38 per ounce of gold, which is scheduled to further increase to A$0.44 per ounce of gold from January 1, 2007, plus a transportation fee. The transportation fee is calculated as A$0.096 per ounce plus fixed fees per shipment. AGR Matthey retains 0.1% of the gold and 1.0% of any silver it refines to cover losses in the refining process. AGR Matthey collects the gold from St. Ives and Agnew, refines it and credits the gold to the relevant metals account held by St. Ives and Agnew with AGR Matthey. St. Ives and Agnew then inform the Gold Fields corporate office in Johannesburg of the amount available for sale in Perth, Australia. After confirming the relevant amount with AGR Matthey, Gold Fields either sells the gold directly to AGR Matthey at the London afternoon fixing price less $0.10 per ounce or it swaps the gold into London at a fee of $0.27 per ounce, which means that AGR Matthey provides gold in London for sale by Gold Fields in an amount equal to the gold from St. Ives and Agnew located in Perth. In the case of a location swap, AGR Matthey is instructed to credit St. Ives' or Agnew's metal account held with Deutsche Bank, London. Once the gold is sold to a third party, Deutsche Bank, London is instructed by Gold Fields to deliver the gold to the relevant counterparty bank. This agreement continues indefinitely until terminated by either party upon 90 days' written notice.

In Venezuela, a minimum of 15% of the gold produced must be sold locally. Currently, Gold Fields sells gold locally to a small group of local buyers. These buyers pay in advance of collection of the gold at a price based on the London afternoon fixing price on the day the transaction is negotiated. Actual delivery takes place approximately four days later, once the proceeds have been deposited in Gold Fields' bank account. The price for the transaction is converted to Bolivars at the official exchange rate of 2,150 Bolivars per dollar and payment is made in Bolivars at this rate, less a discount which is currently a maximum of 3% and which is subject to negotiation with each purchaser. On June 17, 2005, PMG entered into a Gold Supply Agreement with International Gold and Silver B.V., or IGSBV, a Dutch Gold Fields-related company, for the sale or delivery as payment in kind of all the gold produced in Choco 10, up to a maximum aggregate annual amount of 200,000 ounces of gold. Under the Venezuelan exchange control system, proceeds of sales under this agreement must be repatriated to Venezuela and converted to Bolivars at the official exchange rate of 2,150 Bolivars per U.S. dollar within six months. See " Regulatory and Environmental Matters Venezuela Exchange Controls." In turn, IGSBV entered into a contract as of August 15, 2005, with MKS Finance S.A., or MKS, in Switzerland for the refining and purchase of exported gold. Under this agreement, Gold Fields is able to sell the gold to MKS, or arrange for it to be sold to a third party. If it sells to MKS, the price is agreed between Gold Fields and MKS as the spot price, the London AM or PM fixing price or any other agreed price on the so-called outturn date, which is normally the fourth or fifth day after the unrefined gold is delivered to the refinery. Gold Fields has the right to elect to receive a provisional payment of up to 95% of the estimated value of the gold one working day after receipt of the unrefined gold at the refinery. In that event, MKS is entitled to charge interest on the prepayment amount until the outturn date and the final payment is made based on the spot rate on the outturn date. The refining fee or treatment charge is either $0.49 per ounce or $0.44 per ounce, depending on the gold content of the material being refined, and Gold Fields may also pay transportation costs depending on where the gold is delivered to MKS. The agreement expires on September 30, 2007 and will be automatically renewed for a period of 24 months unless either party gives at least one month's notice that it wishes to terminate the agreement on its expiration date.

Gold Fields supports and participates in the gold marketing activities of the World Gold Council, or WGC, and contributes $1.75 per ounce of the gold it produces in South Africa and Australia and $1.75 per ounce of its attributable production from Tarkwa to the WGC in support of its activities.

Services

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

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

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

Gold Fields' Mining Operations

Gold Fields conducts underground mining operations at each site except Tarkwa, Damang and Choco 10 and conducts some processing of surface rock dump material at Driefontein, Kloof and Beatrix. Tarkwa, Damang and Choco 10 are open pit mines and also process material from production stockpiles. St. Ives and Agnew together include underground and open pit operations and also process material from production stockpiles.

Total Operations

The following chart details the operating and production results for each of fiscal 2004, 2005 and 2006 for all operations owned by Gold Fields as of the end of that fiscal year.

	Year ended June 30,		
Production	**2004**	**2005**	**2006**
Tons ('000)	46,028	47,880	49,366
Recovered grade (g/t)	3.0	2.9	2.7
Gold produced ('000 oz)(1)	4,406	4,488	4,348
Results of operations ($ million)			
Revenues	1,706.2	1,893.1	2,282.0
Total production costs(2)	1,538.3	1,764.0	1,860.6
Total cash costs(3)	1,332.5	1,483.3	1,590.6
Cash profit(4)	373.7	409.8	691.4
Cost per ounce of gold ($)			
Total production costs	349	393	428
Total cash costs	302	331	366

Notes:

(1) In fiscal 2004, 4.158 million ounces were attributable to Gold Fields, in fiscal 2005, 4.221 million ounces were attributable to Gold Fields and in fiscal 2006, 4.074 million ounces were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operation during fiscal 2004 and 2005 and attributable to minority shareholders in both the Ghana and Venezuela operations in fiscal 2006.

(2) For a reconciliation of Gold Fields' total production costs to production costs, see "Operating and Financial Review and Prospects Results of Operations."

(3) For a reconciliation of Gold Fields' total cash costs to production costs, see "Operating and Financial Review and Prospects Results of Operations."

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

Underground Operations

The following chart details the operating and production results for fiscal 2004, 2005 and 2006 for all operations owned by Gold Fields as of June 30, 2006. The underground operations include all of the mines in the South African operations and the underground portions of the mines in the Australian operation.

	Year ended June 30,		
Production	**2004**	**2005**	**2006**
Tons ('000)	13,231	13,807	12,831
Recovered grade (g/t)	7.0	7.1	7.1
Gold produced ('000 oz)	2,982	3,172	2,915
Results of operations ($ million)			
Revenues	1,153.4	1,336.4	1,526.1
Total production costs(1)	1,139.6	1,340.3	1,298.8
Total cash costs(2)	996.6	1,133.8	1,117.7
Cash profit(3)	156.8	202.6	408.4
Cost per ounce of gold ($)			
Total production costs	382	423	446
Total cash costs	334	357	383

Notes:

(1) For a reconciliation of Gold Fields' total production costs to production costs, see "Operating and Financial Review and Prospects Results of Operations."

(2) For a reconciliation of Gold Fields' total cash costs to production costs, see "Operating and Financial Review and Prospects Results of Operations."

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

Tons milled from the underground operations decreased from 13.8 million tons in fiscal 2005 to 12.8 million tons in fiscal 2006. At the South African operations, the decrease was mainly due to the effect of a week long strike in August 2005 and mining inflexibility at Kloof. The majority of the decrease from the rest of the operations came from St. Ives, which mined only remnants from the previously prolific Junction mine in fiscal 2006, due to its depletion. The amount of gold produced from underground operations decreased from 3.172 million ounces in fiscal 2005 to 2.915 ounces in fiscal 2006. The average yield remained constant at 7.1 grams per ton.

Surface Operations

The following chart details the operating and production results for the fiscal year for all surface operations owned by Gold Fields as of June 30, 2006. Surface operations include all of the mines in the

Ghana and Venezuela operations, the open pit portions of the mines in the Australian operation and the surface rock dump material at the mines in the South African operation.

	Year ended June 30,		
Production	**2004**	**2005**	**2006**
Tons ('000)	32,797	34,073	36,535
Recovered grade (g/t)	1.4	1.2	1.2
Gold produced ('000 oz)(1)	1,424	1,316	1,433
Results of operations ($ million)			
Revenues	552.8	556.7	755.9
Total production costs(2)	398.7	424.7	561.8
Total cash costs(3)	335.9	349.5	472.9
Cash profit(4)	216.9	207.2	283.0
Cost per ounce of gold ($)			
Total production costs	280	323	292
Total cash costs	236	265	330

Notes:

(1) In fiscal 2004, 1.176 million ounces were attributable to Gold Fields, in fiscal 2005, 1.049 million ounces were attributable to Gold Fields, and in fiscal 2006, 1.162 million ounces were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operations during fiscal 2004 and 2005 and attributable to both the Ghana and Venezuela operations in fiscal 2006.

(2) For a reconciliation of Gold Fields' total production costs to production costs, see "Operating and Financial Review and Prospects Results of Operations."

(3) For a reconciliation of Gold Fields' total cash costs to production costs, see "Operating and Financial Review and Prospects Results of Operations."

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

Tons milled from the surface operations increased from 34.1 million tons in fiscal 2005 to 36.5 million tons in fiscal 2006, primarily because of increased production from the Ghana operations and St. Ives, which replaced reduced underground volume with surface volume, and the tons gained from the newly acquired Choco 10 mine.

Driefontein Operation

Introduction

The Driefontein gold mine is located in the Northwest Province of South Africa in the Far West Rand mining district, some 70 kilometers southwest of Johannesburg. Driefontein operates under a mining authorization with a total area of approximately 8,600 hectares. It is an underground mine with nominal surface reserves represented by rock dumps that have been accumulated through the operating history of the mine. Driefontein has seven operating shaft systems and three metallurgical plants and operates at depths of between 700 meters and 3,420 meters. The Driefontein operation has access to the national electricity grid and water, road and rail infrastructure and is located near regional urban centers where it can routinely obtain needed supplies. In the year ended June 30, 2006, it produced 1.15 million ounces of gold. As of June 30, 2006, Driefontein had approximately 16,700 employees, including approximately 1,600 employed by outside contractors.

History

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

Geology

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

Mining

The Driefontein operation is engaged in both underground and surface mining, and is thus subject to all of the underground and surface mining risks discussed in "Risk Factors." Due to the operating depths and extensive mined out areas, seismicity and the damage caused by seismicity are serious safety and productivity issues at Driefontein. The serious injury frequency rate for fiscal 2005 and fiscal 2006 remained constant at 7.4 serious injuries for every million hours worked. The serious injury rate for fiscal 2004 was 7.3 serious injuries for every million hours worked. In fiscal 2006, the fatal injury frequency rate increased to 0.33 fatalities for every million hours worked, as compared to 0.17 in fiscal 2005. The fatal injury rate for fiscal 2004 was 0.28 for every million hours worked.

The primary safety challenges facing the Driefontein underground operation include falls of ground, seismicity, flammable gas, water intrusion and rock temperatures. Water intrusion is dealt with through drilling, cementation sealing techniques and an extensive water-pumping network. Also, because rock temperatures tend to increase with depth, Driefontein requires an extensive cooling infrastructure to maintain comfortable conditions for workers. Driefontein experienced underground fires in fiscal 2004, 2005 and 2006. In fiscal 2006, there were six fires but, although the fires were disruptive because areas affected had to be closed while damage was assessed and remedied, they did not have a significant effect on production levels at Driefontein.

During the 2006 fiscal year, Driefontein suffered several seismic events, which resulted in four workers losing their lives. Driefontein also experienced several seismic events in fiscal 2005, which resulted in a total of five workers losing their lives. Driefontein is seeking to reduce seismicity problems through using a combination of closely spaced dip pillar mining techniques, the introduction of centralized blasting in areas where the density of mining activities requires a controlled blast and using plant tailings as backfill support to stabilize the working areas. In addition, pre-conditioning, which alters the stress profile immediately ahead of the mining face, is used where required, to reduce the chance of face ejection. In total during fiscal 2006, there were 15 fatalities at Driefontein due to seismicity, falls of ground and hauling accidents. In the first quarter of fiscal 2007, there were two fatalities at Driefontein, due to a gravity fall of ground and a falling accident. Although some of the areas affected by the seismicity in fiscal 2006 and 2005 and to date in fiscal 2007 were temporarily closed, Driefontein did not experience material work stoppages in connection with the events.

In fiscal 2006, production was affected by industrial action at Driefontein due to a national strike in August 2005 and one national "stay away" day. In addition, production was affected by the declaration of a new public holiday, National Election Day, on March 1, 2006. See "Directors, Senior Management and Employees Labor Relations South Africa."

Driefontein is currently in the process of aligning various initiatives in order to improve operational excellence. These initiatives focus on improving mining efficiencies, including labor efficiencies, through the introduction of advanced technology in the mines such as electric drilling machines, the optimization of underground transportation and tramming, electricity management and building high performance work teams.

In the northern, older portions of Driefontein, which include Shaft Nos. 2, 6, 7 and 8, production is focused on remnant pillar extraction and accessing and mining the secondary reef horizons. In the southern, newer portions of the mine, which include Shaft Nos. 1, 4 and 5, the focus is on scattered or longwall mining. Newer shafts in this southern portion, particularly those at the deepest levels of the mine, employ the closely spaced dip pillar mining method. This method provides additional mining flexibility. The scattered mining method is not practiced at depth.

During fiscal 2006, Driefontein produced approximately 1.0 million ounces of gold from underground operations, which was slightly less than planned. The shortfall was largely due to seismicity and a lack of mineable face length at Shaft Nos. 4 and 6. For the same period, Driefontein did not meet its development targets at Shaft Nos. 1 and 4, mainly due to seismicity. Driefontein's productivity improvement strategies were severely hampered by unavailable labor and industrial action, which led to lost days, as well as unexpected levels of worker absence, which caused challenges in managing the mining process. In response, Driefontein initiated an intensive program to focus on daily labor absence problems.

Although mining at Shaft No. 10 ceased in fiscal 2004, the shaft is still used as a pumping shaft and Gold Fields continues to monitor market conditions to assess the economic viability of recommencing mining at this shaft. No shafts have been closed at Driefontein since fiscal 2004 and in fiscal 2006 no new shafts were opened.

In fiscal 2005, Gold Fields began a drilling program, or Depth Extension Project, to confirm grades and orebody structure of the below-infrastructure Carbon Leader reserves at Shaft No. 5. In fiscal 2006, drilling proceeded at a rate slower than planned, with delays caused by various intersections of flammable gas. In the same period, optimization studies on the Depth Extension Project prompted the undertaking and completion of a feasibility study on a deepening project at Shaft No. 9, which is expected to access the same below-infrastructure Carbon Leader reserves. As a result of this study, the drilling program was relocated to the Shaft No. 9 area, where it will be used to confirm geological structure and grades in the immediate vicinity of the No. 9 sub-vertical shaft barrel. Drilling in this area is expected to be completed in fiscal 2007.

Regarding Driefontein's surface operations, the plant clean-up operations which were undertaken from fiscal 2004 to 2006 are now complete. Surface operations are now confined exclusively to the processing of low grade surface material. The biggest risk facing the surface operations is the decrease in grade of the remaining dumps. In order to manage this risk, the grade of the rock dumps is monitored on a daily basis and the mining method can cater for screening (upgrading) if the grade drops below the required cut-off grade. This process reduces the tonnage that will be available for processing. The surface operation safety risks include problems with ground stability, moving machinery and dust generation. Driefontein has a risk management system in place that guides the mining of the rock dumps to minimize these risks.

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

	Year ended June 30,		
Production	**2004**	**2005**	**2006**
Tons ('000)	6,438	6,694	6,867
Recovered grade (g/t)	5.5	5.4	5.2
Gold produced ('000 oz)	1,141	1,163	1,150
Results of operations ($ million)			
Revenues	440.4	489.7	599.9
Total production costs(1)	405.6	442.3	467.6
Total cash costs(2)	354.5	383.6	408.5
Cash profit(3)	85.9	106.1	191.4
Cost per ounce of gold ($)			
Total production costs	355	380	407
Total cash costs	311	330	355

Notes:

(1) For a reconciliation of Gold Fields' total production costs to production costs, see "Operating and Financial Review and Prospects Results of Operations."

(2) For a reconciliation of Gold Fields' total cash costs to production costs, see "Operating and Financial Review and Prospects Results of Operations."

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

The increase in tonnage from fiscal 2005 to 2006 was primarily due to an increase in stope width, as a result of which more ore was mined, and an increase in tons from surface operations. Gold production decreased slightly due to a decrease in recovered grade. Gold Fields experienced an increase in total cash costs and total production costs per ounce of gold from fiscal 2005 to fiscal 2006 at Driefontein, mainly due to an increase in labor costs.

The increase in tonnage from fiscal 2004 to fiscal 2005 was primarily due to higher surface waste dump rock processing, albeit at a slightly lower grade, together with a marginal increase in underground tonnage. The increase in ounces of gold produced occurred principally as a result of the increase in underground yields in line with the strategy to reduce lower grade mining. Gold Fields experienced an increase in total cash costs per ounce of gold from fiscal 2004 to fiscal 2005 at Driefontein as a result of the average appreciation of the Rand against the U.S. dollar which more than offset a decrease in total cash costs in Rand terms.

Output quality of the Driefontein orebody decreased over the course of fiscal 2006 primarily due to lower production levels at the high grade Shaft No. 4, while, across the other shafts at Driefontein, output quality remained consistent with the grade qualities in fiscal 2005. Output quality of the Driefontein orebody improved over the course of fiscal 2005 largely as a result of the ongoing strategy to switch to mining higher grades.

The total shaft hoisting capacity of Driefontein is detailed below.

Shaft System	Hoisting capacity
	(tons/month)
No. 8	96,000
No. 6	118,000
No. 7	190,000
No. 1	155,000
No. 2	185,000
No. 4	180,000
No. 5	175,000
No. 10	121,000

Assuming that Gold Fields does not increase or decrease reserve estimates at Driefontein and that there are no changes to the current mine plan at Driefontein, Driefontein's June 30, 2006 proven and probable reserves of 22.6 million ounces of gold will be sufficient to maintain production through approximately fiscal 2035. However, as discussed earlier in "Risk Factors" and " Mine Planning and Management," there are numerous factors which can affect reserve estimates and the mine plan, which thus could materially change the life of mine.

Processing

The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tons milled per month and metallurgical recovery factor during the fiscal year ended June 30, 2006, for each of the plants at Driefontein:

		Processing Techniques				
Plant	Year commissioned(1)	Comminution phase	Treatment phase	Capacity(2)	Average milled for the year ended June 30, 2006	Approximate recovery factor for the year ended June 30, 2006(3)
				(tons/month)	(tons/month)	
No. 1 Plant	1972	SAG milling	CIP treatment and electrowinning	240,000	230,420	97%
No. 2 Plant	1964	SAG/ball milling	CIP treatment(4)	240,000(5)	215,478	95%
No. 3 Plant	1998	SAG milling	CIP treatment(4)	115,000	126,311	93%

Notes:

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

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

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

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

(5) Capacity was increased from 200,000 tons per month to 240,000 tons per month during fiscal 2003.

No. 1 Plant was upgraded in fiscal 2004 with the installation of a new comminution circuit and the installation of a CIP treatment facility. Gold Fields is currently working on an optimization program at this plant to improve throughput. No. 2 Plant was converted to a SAG/ball milling circuit in fiscal 2003.

In fiscal 2006, the Driefontein plants collectively extracted approximately 96.5% of the gold contained in ore delivered for processing.

Capital Expenditure

Gold Fields spent approximately Rand 250 million on capital expenditure at the Driefontein operation in fiscal 2006, primarily on completion of main pumping and backfill arrangements, together with the commencement of new ore handling arrangements at Shaft No. 1, the underground cooling plant at Shaft No. 5 and the shaft pillar extraction at Shaft No. 4. Gold Fields has budgeted approximately Rand 300 million of capital expenditure at Driefontein for fiscal 2007, principally for the completion of the Shaft No. 1 pumping infrastructure, the completion of the refrigeration remote cooling units at the boundary of Shaft No. 5 and other projects, including technical works at the plants.

Kloof Operation

Introduction

Kloof is situated approximately 60 kilometers west of Johannesburg, near the towns of Carletonville and Westonaria in the Gauteng Province of South Africa. The Kloof mine operates under a mining lease covering a total area of approximately 20,100 hectares. It is principally an underground operation, with a limited amount of surface rock dump material being processed. Kloof currently has five operating shaft systems serviced by two metallurgical plants. Kloof is an intermediate and deep-level mine, with operating depths between 1,300 meters and 3,500 meters below surface. The Kloof operation has access to the national electricity grid and water, road and rail infrastructure and is located near regional urban centers where it can routinely obtain needed supplies. In the fiscal year ended June 30, 2006, it produced 0.914 million ounces of gold. As of June 30, 2006, Kloof had approximately 16,900 employees, including approximately 2,800 who were employed by outside contractors.

History

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

Geology

The majority of production at Kloof is from the VCR, which occurs at depths between 1,300 meters and 3,500 meters below surface. The VCR is a tabular orebody that has a general northeast-southwest strike and dips to the southeast at between 20 and 45 degrees. The MVR is classified as Kloof's secondary reef and minor production volumes are also delivered from the Kloof Reef, or KR, and Libanon Reef, or LR.

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

Mining

The Kloof operation is engaged in underground mining, and is thus subject to all of the underground risks discussed in "Risk Factors." The primary challenge facing the Kloof operation is seismicity, and to a lesser extent flammable gas. Gold Fields seeks to reduce the impact of seismicity at Kloof by using

the closely spaced dip pillar mining method. Early detection and increased ventilation of the shafts are being used to minimize the risk of incidents caused by flammable gas. Also, as with Driefontein, Kloof requires extensive cooling infrastructure to maintain comfortable conditions for workers due to the extreme depth of its operations. The serious injury frequency rate at Kloof in fiscal 2006, 2005 and 2004 was 8.3, 7.9 and 9.9 injuries per million hours worked, respectively. The fatality frequency rate in fiscal 2006, 2005 and 2004 was 0.37, 0.28 and 0.41 fatalities per million hours worked, respectively.

Sixteen workers lost their lives at Kloof in fiscal 2006, as compared to the mine's 12 fatalities in fiscal 2005, primarily due to falls of ground and seismicity, but also as a result of a mud rush, an underground fire, falling material and a shaft conveyance accident. In the first quarter of fiscal 2007, there were five fatalities at Kloof, four due to gravity falls of ground and one due to seismicity. Management has reviewed this increase in injury frequency rates during fiscal 2006 and as a consequence has intensified its campaign on safety at Kloof mine through its safety and development programs, including the Kloof *Eyethu* team development program and the *Snakes* safety campaign. These are team development programs that focus on the aspects pertaining to employee behavior that will impact positively on the operational performance, in terms of safety and productivity. Additionally, Kloof achieved one million fatality-free shifts in the fourth quarter of fiscal 2006 and Shaft Nos. 4 and 7 each achieved one million fatality-free shifts as well.

In the first part of the 2006 fiscal year, some of Kloof's planned production targets faced challenges. For example, in August, employees worked fewer shifts because of wage-related industrial action, and there was a slow return to standard production levels thereafter. In addition to the national strikes, further work stoppages at Kloof in fiscal 2006 were related to the National Election Day on March 1, 2006, two national "stay away" days and a dispute relating to the Christmas break, which resulted in one day's production being lost before Christmas and a slow start up for the week after the Christmas break. There were no other interruptions to production due to operational causes in fiscal 2006, although production was affected by the new public holiday, National Election Day, on March 1, 2006. See "Directors, Senior Management and Employees Labor Relations South Africa."

The first two quarters' grades were lower than anticipated because of changes in the topography of the VCR, primarily in the eastern parts of the mine. As a result, grade management is increasingly focused on capturing the variability of the VCR model. During fiscal 2006, Kloof processed 61% less surface rock dump material and 7% less underground tonnage than in fiscal 2005. The recovered grade improved by 13% as a result of the reduced lower grade surface rock dump material. The net effect of the above was a decrease of 12% in gold production from fiscal 2005 to fiscal 2006.

The current preferred mining method at Kloof is closely spaced dip pillar mining, with limited application of longwalling and remnant pillar mining in the mature areas. Shaft Nos. 1, 3, 4 and 7 provide the main centers of current production at Kloof.

Development and shaft infrastructure work for the extraction of the high-grade pillar at Shaft No. 1 commenced in July 2004 and is expected to be completed in May 2015. An underground fire at the lower portions of this shaft in the fourth quarter of fiscal 2006 resulted in a loss of 68 kilograms of gold. Shaft No. 3 resorted to selective mining during the year due to the high grade VCR terrace returned as low grade VCR slope reef. As a result, the overall mining extraction on the VCR horizon decreased and all future mining will be constrained by an ongoing geological exploration drilling program. Mining activity at Shaft No. 4, which began production in early 2000, is still in the build up phase and is expected to reach planned sustainable production levels during fiscal 2008. Production at Shaft No. 4 was below expectations in fiscal 2006 due to haulage, infrastructure and ventilation constraints, although production levels did increase slightly at this shaft by fiscal year end. Shaft Nos. 2, 3 and 4 principally exploit the VCR, Shaft No. 7 (previously the Leeudoorn Mine) exploits both the VCR and the KR and Shaft No. 1 exploits the secondary MVR horizon. Future mining at Shaft No. 8 will be concentrated on the VCR horizon, which should improve the overall grade profile and gold output.

A feasibility study was completed for the development of a tertiary decline infrastructure to access the Kloof Extension Area (KEA), for which a drilling program was completed in fiscal 2005. Final board approval for the KEA project was granted in August 2006 and development has commenced.

In fiscal 2006, a program was implemented at Kloof to accelerate improvements in infrastructure and services to increase flexibility and other conditions that are intended to boost production levels. This program includes additional development, including the installation of an additional underground refrigeration plant, upgrading of tracks and the development of an additional access point to increase ore reserve flexibility.

In line with the Gold Fields productivity initiatives, Kloof continues to focus on optimizing mine design and configuration, while ensuring that the high-productivity drivers of workforce motivation and competence are addressed through training and incentive schemes.

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

	Year ended June 30,		
Production	**2004**	**2005**	**2006**
Tons ('000)	4,983	4,655	3,666
Recovered grade (g/t)	6.5	6.9	7.8
Gold produced ('000 oz)	1,038	1,037	914
Results of operations ($ million)			
Revenues	400.9	436.4	479.3
Total production costs(1)	403.0	464.6	437.0
Total cash costs(2)	353.8	393.2	384.5
Cash profit(3)	47.2	43.2	94.8
Cost per ounce of gold ($)			
Total production costs	388	448	478
Total cash costs	341	379	421

Notes:

(1) For a reconciliation of Gold Fields' total production costs to production costs, see "Operating and Financial Review and Prospects Results of Operations."

(2) For a reconciliation of Gold Fields' total cash costs to production costs, see "Operating and Financial Review and Prospects Results of Operations."

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

Tonnage milled in fiscal 2006 decreased from fiscal 2005 due to the closure of No. 3 Plant in March 2005. Gold production for fiscal 2006 decreased by 11.9% to 0.914 million ounces from 1.037 million ounces in fiscal 2005, because the first two quarters' grades were lower due to changes in the slope/terrace topography of the VCR, primarily in the eastern parts of the mine. In fiscal 2006, underground ore grade fell 4.4%, from 9.1 g/t in fiscal 2005 to 8.7 g/t. Total cash costs per ounce increased by 11.1% in fiscal 2006, mostly attributable to lower production volumes, which similarly impacted total production costs per ounce. However, operating margins were positively impacted due to the higher gold price during the year.

As compared to fiscal 2004, in fiscal 2005 Kloof processed 23% less surface rock dump material but processed a similar amount of additional underground tonnage. Recovered grade improved by 6% in fiscal 2005, as the mine switched to mining higher grades. Gold produced was unchanged between the two fiscal years as the lower production from the surface operation was replaced with an equivalent increase from the underground operations due to an increase in yields. Kloof experienced an increase in cash costs per ounce from fiscal 2004 to fiscal 2005, principally as a result of the appreciation of the

Rand against the U.S. dollar. The Rand cash costs increased marginally in fiscal 2005 compared to fiscal 2004, but this increase was below inflation levels.

The total shaft hoisting capacity of Kloof is detailed below.

Shaft System	Hoisting capacity (tons/month)
No. 1	300,000
No. 3(1)	150,000
No. 4(2)	110,000
No. 7	205,000
No. 8	75,000

Notes:

(1) This shaft does not hoist material to the surface. It has a capacity of 150,000 tons per month for sub-surface hoisting.

(2) This shaft hoists only waste rock to the surface. It has a capacity of 110,000 tons per month for sub-surface hoisting.

Assuming that Gold Fields does not increase or decrease reserve estimates at Kloof and that there are no changes to the current mine plan at Kloof, Kloof's June 30, 2006 proven and probable reserves of 14.1 million ounces of gold will be sufficient to maintain production through approximately fiscal 2025. However, as discussed earlier in "Risk Factors" and " Mine Planning and Management," there are numerous factors which can affect reserve estimates and the mine plan, which could thus materially change the life of mine.

Processing

		Processing Techniques				
Plant	Year commissioned	Comminution phase	Treatment phase	Capacity(1)	Average milled for the year ended June 30, 2006	Approximate recovery factor for the year ended June 30, 2006(2)
				(tons/month)		
No. 1 Plant	1968	Traditional crushing and milling	CIP treatment(3)	180,000	168,333	97.5%
No. 2 Plant	1990	SAG milling	CIP treatment and electrowinning	140,000	137,083	97.6%

Notes:

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

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

(3) After CIP treatment, electrowinning occurs at No. 2 Plant.

In fiscal 2006, the Kloof plants collectively extracted approximately 97.5% of gold contained in ore delivered for processing. An outside contractor, Jet Demolition, is currently in the process of demolishing and recovering any gold remaining at No. 3 Plant, which was closed in March 2005 because the costs of processing waste surface material, which was this plant's sole operation, exceeded the revenue generated from that material. As part of this process, the contractor will also be

rehabilitating the area. It is expected that the entire project will be complete between the second and third quarters of fiscal 2007.

Capital Expenditure

Gold Fields spent approximately Rand 208 million on capital expenditures at the Kloof operation in fiscal 2006, primarily on ventilation, refrigeration and general infrastructure for the Shaft No. 1 pillar extraction, Shaft No. 3 drop-down development and development at Shaft No. 4. Gold Fields expects to spend approximately Rand 350 million on capital expenditure in fiscal 2007, primarily on development at Shaft No. 4, the Shaft No. 1 pillar extraction, the KEA, housing and hostel accommodation upgrades by the mine's Property Division, development at the metallurgical plants and a new surface refrigeration plant at Shaft No. 7.

Beatrix Operation

Introduction

The Beatrix operation is located in the Free State Province of South Africa, some 240 kilometers southwest of Johannesburg, near Welkom and Virginia, and comprises the Beatrix mine. The Beatrix operation was formerly known as the Free State operation.

Beatrix operates under a mining license with a total area of approximately 16,800 hectares. It is only an underground operation, with the exception of a nominal amount of surface production from processing rock dump material. Beatrix has four shaft systems, with two ventilation shafts to provide additional upcast and downcast ventilation capacity, which are serviced by two metallurgical plants. It is a shallow to intermediate depth mining operation, at depths between 700 meters and 2,200 meters below surface. The Beatrix mine has access to the national electricity grid and water, road and rail infrastructure and is located near regional urban centers where it can routinely obtain needed supplies. In the fiscal year ended June 30, 2006, Beatrix produced 0.596 million ounces of gold. As of June 30, 2006, Beatrix had approximately 11,500 employees, including approximately 1,300 employed by outside contractors.

History

Beatrix's present scope of operations is the result of the consolidation with effect from July 1, 1999 of two adjacent mines: Beatrix and Oryx. Gold mining commenced at Beatrix in 1985 and at Oryx in 1991.

Geology

The Beatrix mine exploits the Beatrix Reef, or BXR, at Shaft Nos. 1, 2 and 3, and the Kalkoenkrans Reef, or KKR, at Shaft No. 4 (the former Oryx mine). The reefs are developed on the Aandenk erosional surface and dip to the north and north-east at between four degrees and nine degrees.

In general, the BXR occurs at depths of between 570 meters and 1,380 meters and the KKR occurs at depths of between 1,800 meters and 2,200 meters. Both the BXR and KKR reefs are markedly channelized and consist of multi-cycle, upward fining conglomerate beds with sharp erosive basal contacts. A general east-west trending pay-zone, some 800 to 1,000 meters wide, has been identified east of Shaft No. 4 and is known as the main channel Zone 2. In addition, surface exploratory drilling and underground development has exposed additional reserves to the south of Beatrix's main channel Zone 5, which now represents the majority of the reserves at the operation. Ongoing development and underground exploration drilling has continued over the past fiscal year so that all facies and structures have been updated and layouts and planning adapted. This has been done to take new information into account as part of usual mine planning practices.

Mining

In fiscal 2005, Gold Fields implemented a restructuring project at Beatrix to improve operational efficiencies and reduce costs. As a result, Beatrix is now managed as three operational sections: the North Section (comprising Shaft No. 3 and the lower levels of Shaft No. 1), the South Section (comprising Shaft No. 2 and the upper levels of Shaft No. 1) and the West Section (comprising Shaft No. 4). This operational structure remained in place for fiscal 2006 and is not expected to change.

The Beatrix mine is engaged in underground mining, and thus is subject to all of the underground mining risks discussed in "Risk Factors." The primary safety risks at Beatrix are falls of ground, tramming accidents and flammable gas explosions. Beatrix uses a telemetric monitoring system coupled with an extensive ventilation system to help monitor flammable gas. Although Beatrix achieved five million fatality-free shifts in fiscal 2006, there were seven fatalities at its operations due to falls of ground, two tramming accidents and one explosive accident on the surface. In fiscal 2005, there were three fatalities at Beatrix due to accidents during mining. Beatrix experienced no shaft closures for any length of time in fiscal 2006 or to date in fiscal 2007 due to accidents. In the first quarter of fiscal 2007, there were two tramming fatalities. Beatrix does experience seismic events and, while the seismic risk is much lower at Beatrix than it is at Kloof or Driefontein, the operation manages these events with a seismic network consisting of several geophones. The serious injury frequency rate for fiscal 2006, 2005 and 2004 was 4.37, 4.72 and 5.64 serious injuries for every million hours worked, respectively, reflecting an improvement in the frequency of serious injuries over the period. In fiscal 2006, the fatal injury frequency rate increased to 0.24 fatalities for every million hours worked, as compared to 0.10 in fiscal 2005. The fatal injury rate for fiscal 2004 was 0.16 for every million hours worked.

Beatrix embarked on a focused training course and awareness campaign on fall of ground accidents in March 2006. Since the introduction of this campaign, there has been a significant lessening (over 5%) of these types of accidents. This campaign included miner training, hazard awareness, increased supervision and early stope entry examinations. Methane hazard awareness training is ongoing.

There were a total of seven underground fires in fiscal 2006, two of which occurred at Beatrix North, one at Beatrix South and four at Beatrix West. While two of these fires, one at Beatrix North and one at Beatrix West, affected production for a short period of time, mine systems and emergency processes responded effectively and efficiently to minimize the impact and effects of these fires. As part of the operating requirement for hazardous locations on the mine, all relevant areas are equipped with methane, velocity and/or ventilation door sensors, which are electronic devices that indicate if a ventilation door is open and if air flow is affected. These sensors are connected to the mine's electronic telemetry system. Furthermore, all critical fans are connected to the telemetry system and, in certain instances, equipped with localized alarms. These safety systems are monitored on a 24-hour basis from a central control room from which action is taken in the event of alarm. Since the installation and operation-wide implementation of these safety systems in 2001, Beatrix has experienced no methane fires.

Production was affected for five days due to a national strike in August 2005. In addition, the mine experienced a labor slowdown for approximately two weeks following the national strike. Further work stoppages at Beatrix in fiscal 2006 were related to two national "stay away" days. There were no other interruptions to production in fiscal 2006 due to operational causes, although production was affected by the new public holiday, National Election Day, on March 1, 2006. See "Directors, Senior Management and Employees Labor Relations South Africa."

Beatrix requires cooling infrastructure to maintain comfortable conditions for workers at depth, although not to the degree necessary at Driefontein and Kloof. The Beatrix West Section has a refrigeration plant installed on its surface, which provides chilled water to bulk air coolers on surface and mid-shaft to the West Section's primary sub vertical shaft, Shaft No. 4. Presently, this cooling

system at Shaft No. 4 extends into Zone 5, where Gold Fields expects to install further cooling infrastructure through bulk air coolers during the first quarter of fiscal 2007. The first two of these new bulk air coolers are currently under construction, and completion of the first bulk air cooler is expected by the end of first quarter 2007. The significant refrigeration project at Shaft No. 3 to provide additional cooling capacity, which was originally scheduled to be completed in fiscal 2004, was postponed and the installation of a bulk air cooler is now planned at that shaft. Construction is expected to begin in the first quarter of 2007, which will provide the North Section with cooled air using chilled service water from the refrigeration plant installed on the surface at Shaft No. 1. All design work on this project has already been completed.

During fiscal 2006, management focused on increasing development volumes at all shafts to provide future mining flexibility, orebody definition and grade management. This emphasis will continue in fiscal 2007.

Overall stoping volumes at each mining section remained constant between fiscal 2005 and 2006. Development was slightly lower in fiscal 2006 due to geological structure delays, adverse ground conditions and the impacts of smectite swelling on access tunnels at the West Section. It is anticipated that with the appropriate remedial action initiated at the West Section, these delays will be eliminated and overall development on all shaft sections is planned to increase in fiscal 2007. No shafts were closed or opened in fiscal 2006.

At the North Section in fiscal 2006, production build-up at Shaft No. 3 continued and development and stoping volumes were in line with expectations.

Stoping volumes in the South Section met expectations and management continues to focus on the elimination of lower grade areas at this Section to reposition the shafts and increase production. Where appropriate, localized sections of lower grade material were extracted on an incremental basis at the South Section, and this will continue in the future.

In the West Section, stoping and development, coupled with continued underground exploration drilling programs, continued to define and support the higher grade Zone 5 area model. During fiscal 2006, stoping values in the Zone 5 area have exhibited fewer variations and have also confirmed the lateral consistency of the dominant reef type in that area. Stoping and development volumes at the West Section were below expectation in fiscal 2006 for a number of reasons, including the unexpectedly early intersection of a large fault in Zone 5, limited development advances and the necessary modification of development layouts to address the Section's newly revised geological structure. In addition, during the year parts of the West Section were impacted by a number of access way tunnel closures, which primarily occurred as a result of sidewall rock and tunnel deformation from water absorption that causes ground clay to swell. Procedures to help mitigate the decreased stoping volumes and rock extraction in these areas were introduced, including the installation of additional support, rehabilitation and remediation of the affected tunnels and development of alternative by-pass tunnels.

In fiscal 2006, ongoing improvements were made to haulage track upgrades and ventilation conditions, largely through the installation of new bulk air coolers. Lower grade and marginal mining activities were generally curtailed at Beatrix in fiscal 2006, despite the increasing gold price, as the mine planned to maintain operating margins.

Based on the higher gold price received and in anticipation of improving gold prices in the longer term, a number of incremental expansion opportunities are being examined at Beatrix. For example, surface drilling at the West Section, to enhance structural and grade confidence levels in the southern parts of Zone 5, commenced during fiscal 2006. Results of this exploration are expected to become available during the course of fiscal 2007. Pre-feasibility work is also being done on the Vlakpan project area, which involves an extension of Beatrix on lower levels with access via the infrastructure of Shaft No. 1. Under current plans, mining of this area would be expected to commence in fiscal 2009.

Mining at Beatrix is based upon the scattered mining method. Activity at Shaft No. 3 is focused upon haulage development and initial stoping in order to build up production at the shaft. The power source being used at Shaft No. 3 for a variety of activities including drilling is primarily hydropower, as opposed to compressed air, with a majority of the mining equipment being run off a high-pressure water system. The benefits of the system include improved cooling underground, improved machine efficiency, lower noise levels and less electrical power usage.

The introduction during the year of new schedules of routine activities for mining employees and methodologies that reduce the amount of water needed to cool the area and minimize dust have led to improved mine call factors and increased gold recovery at all shafts.

Shaft Nos. 1, 2 and 4 are the primary sources of production at present, but over time Gold Fields expects mining concentration to shift to Shaft No. 3 as well as Shaft No. 4. Gold Fields experienced improved performance at Shaft No. 4 in fiscal 2006 due to improved ventilation and logistics, higher grade areas being mined in the Zone 5 area and fewer grade swings at the KKR. The KKR, which was historically characterized as being a highly erratic reef structure, is tending to exhibit greater reef consistency in Zone 5.

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

	Year ended June 30,		
Production	**2004**	**2005**	**2006**
Tons ('000)	5,448	4,181	3,551
Recovered grade (g/t)	3.6	4.6	5.2
Gold produced ('000 oz)	625	624	596
Results of operations ($ million)			
Revenues	241.4	264.5	312.9
Total production costs(1)	234.9	282.4	264.6
Total cash costs(2)	222.2	253.4	243.6
Cash profit(3)	19.2	11.1	69.3
Cost per ounce of gold ($)			
Total production costs	376	452	444
Total cash costs	356	406	409

Notes:

(1) For a reconciliation of Gold Fields' total production costs to production costs, see "Operating and Financial Review and Prospects Results of Operations."

(2) For a reconciliation of Gold Fields' total cash costs to production costs, see "Operating and Financial Review and Prospects Results of Operations."