RISK FACTORS

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

Changes in the market price for gold, and to a lesser extent copper, which in the past have fluctuated widely, affect the profitability of Gold Fields' operations and the cash flows generated by those operations.

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

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

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

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

Copper accounts for a significant proportion of the revenues at Gold Fields' Cerro Corona mine, although copper is not a major element of Gold Fields' overall revenues. A decline in copper prices, which have also fluctuated widely, could adversely affect the revenues and cashflows from the Cerro Corona mine.

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

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

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

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

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

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

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

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

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

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

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

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

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

- rock bursts;
- seismic events, particularly at the Driefontein, Kloof and South Deep operations;
- underground fires and explosions, including those caused by flammable gas or in connection with blasting;
- cave-ins or gravity falls of ground;
- discharges of gases and toxic substances;
- releases of radioactivity;
- flooding;
- electrocution;
- falling from height;
- accidents related to the presence of mobile machinery, including shaft conveyances and elevators;
- ground and surface water pollution, including as a result of potential spillage or seepage from tailings dams;
- sinkhole formation and ground subsidence;
- human error; and
- other accidents and conditions resulting from drilling, blasting and removing and processing material from an underground mine.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Gold Fields may become subject to liability for pollution, occupational illnesses or other hazards against which it has not insured, cannot insure or has insufficiently insured, including those in respect of past mining activities. Gold Fields’ existing property and liability insurance contains exclusions and limitations on coverage. Should Gold Fields suffer a major loss, future earnings could be affected. In addition, insurance may not continue to be available at economically acceptable premiums. As a result, in the future, Gold Fields’ insurance coverage may not cover the extent of claims against Gold Fields, including, but not limited to, claims for environmental or industrial accidents, occupational illnesses or pollution.

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

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

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

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

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

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

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

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

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

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

- reduced control over those aspects of operations which are the responsibility of the contractor;
- failure of a contractor to perform under its agreement with Gold Fields;
- interruption of operations or increased costs in the event that a contractor ceases its business due to insolvency or other unforeseen events;
- failure of a contractor to comply with applicable legal and regulatory requirements, to the extent it is responsible for such compliance; and
- problems of a contractor with managing its workforce, labor unrest or other employment issues.

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

Regulation of greenhouse gas emissions and climate change issues may adversely affect Gold Fields' operations.

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

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

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

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

A number of Gold Fields' properties have experienced illegal mining activities. For example, in 2008, approximately 2,000 miners illegally occupied the Rex pit at the Damang operation. See "Information on the Company—Gold Fields' Mining Operations—Ghana Operations—Damang Mine—Mining". Illegal mining could result in depletion of mineral deposits, potentially making the future mining of such deposits uneconomic. The activities of the illegal miners could cause environmental damage or other damage to Gold Fields' properties including underground fires, or personal injury or death, for which Gold Fields could potentially be held responsible. The presence of illegal miners could lead to project delays and disputes regarding the development or operation of commercial gold deposits, particularly in Ghana. Illegal mining could also have a material adverse effect on Gold Fields' financial condition or results of operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

Gold Fields is reviewing and investigating a water treatment strategy that will, if successfully implemented, position Gold Fields favorably with regard to achieving these limits. However, there can be no assurance that Gold Fields will achieve such compliance within the required timeframe due primarily to the associated regulatory approval processes and commercial agreements that are required. Gold Fields is currently in discussions with the Department of Water Affairs to amend the Kloof license to extend the deadline for compliance beyond 2012. However, there can be no assurance that Gold Fields will receive such an extension. Gold Fields expects to make significant expenditure to achieve and maintain compliance with the license requirements at each South African operation. Any failure on Gold Fields' part to achieve or maintain compliance with the requirements of these licenses with respect to any of its operations could result in Gold Fields being subject to substantial penalties, fees and expenses, significant delays in operations or potentially the loss of the relevant water use license, which could curtail or halt production at the affected operation. Any of the above could have a material adverse effect on Gold Fields' business, operating results and financial condition.

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

The 2002 Minerals Act

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

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

The Royalty Act

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

The royalty in respect of refined minerals (which include gold and platinum) is calculated by dividing earnings before interest and taxes, or EBIT, by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable) before assessed losses but after capital expenditure. A maximum royalty of 5% has been introduced for refined minerals.

The royalty in respect of unrefined minerals (which include uranium) is calculated by dividing EBIT by the product of nine times gross revenue calculated as a percentage, plus an additional 0.5%. A maximum royalty of 7% has been introduced. Where unrefined mineral resources (such as uranium) constitute less than 10% in value of the total composite mineral resources, the royalty rate in respect of refined mineral resources may be used for all gross sales and a separate calculation of EBIT for each class of mineral resources is not required. For Gold Fields, this means that currently it will pay a royalty based on the refined minerals royalty calculation as applied to its gross revenue.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On June 24, 2004, the Peruvian Congress approved the Mining Royalty Law, which established a mining royalty that owners of mining concessions must pay to the Peruvian government for the exploitation of metallic and non-metallic resources. The mining royalties are calculated on a sliding scale with rates ranging from 1% to 3% over the value of mineral concentrates based on international market prices. As provided by the Mining Royalty Law, effective since January 26, 2007, the Peruvian Tax Authority is responsible for the collection of mining royalties.

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

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

Gold Fields' exploration, mining and milling activities in Cerro Corona are subject to a number of Peruvian laws and regulations, including environmental and health and safety laws and regulations. All mines, including Cerro Corona, must obtain environmental permits from the government and have an Environmental Impact Assessment approved. Other matters subject to regulation include, but are not limited to, transportation of ore or hazardous substances, water use and discharges, power use and generation, use and storage of explosives, housing and other facilities for workers, reclamation, labor standards and mine safety and occupational health.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Gold Fields pays cash dividends only if funds are available for that purpose. Whether funds are available depends on a variety of factors, including the amount of cash available and Gold Fields' capital expenditures and other cash requirements existing at the time. Under South African law, Gold Fields will be entitled to pay a dividend or similar payment to its shareholders only if it meets the solvency and liquidity tests set out in the Companies Act No. 61 of 1973, or the Companies Act, and Gold Fields' Articles of Association. Cash dividends or other similar payments may not be paid in the future.

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

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

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

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

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

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

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

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

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

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

ITEM 4: INFORMATION ON THE COMPANY

Introduction

Gold Fields is a significant producer of gold and major holder of gold reserves in South Africa, Ghana, Australia and Peru. In Peru, Gold Fields also produces copper. Gold Fields is primarily involved in underground and surface gold and copper mining and related activities, including exploration, extraction, processing and smelting. Gold Fields also has an interest in a platinum group metal exploration project. Gold Fields is one of the largest gold producers in the world, based on annual production.

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

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

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

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

Developments since June 30, 2008

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

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