

In June 2019, fixed price ICF Gasoil cash-settled swap transactions were entered into for a total of 100,000 metric tonnes of diesel for the period January 2020 to December 2022 based on 50% of usage over the specified period. The average swap price is US\$575 per metric tonne (equivalent to US\$75.8 per barrel). At the time of the transaction, the average swap price was US\$59.2 per barrel.

At 31 December 2022, the mark-to-market value on the hedge was US\$nil as the hedge matured, with a realised gain of US\$17 million and an unrealised loss and prior year mark-to-market reversals of US\$3 million.

Australia oil hedge

In May 2017 and June 2017, the Australian operations entered into fixed price Singapore 10ppm Gasoil cash-settled swap transactions for a total of 77.5 million litres of diesel for the period June 2017 to December 2019. The average swap price is US\$61.2 per barrel. At the time of the transactions, the average Brent swap equivalent over the tenure of the transactions was US\$57.4 per barrel.

In June 2019, fixed price Singapore 10ppm Gasoil cash-settled swap transactions were entered into for a total of 77.5 million litres of diesel for the period January 2020 to December 2022 based on 50% of usage over the specified period. The average swap price is US\$74.0 per barrel. At the time of the transactions, the average Brent swap equivalent over the tenure of the transactions was US\$57.4 per barrel.

At 31 December 2022, the mark-to-market value on the hedge was A\$nil (US\$nil) as the hedge matured, with a realised gain of A\$15 million and an unrealised loss and prior year mark-to-market reversals of A\$3 million (US\$2 million) ended 31 December 2022.

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Salares Norte

In March 2020, a total notional amount of US\$544.5 million was hedged at a rate of CLP/US\$836.45 for the period January 2020 to December 2022.

At 31 December 2022, the mark-to-market value on the hedge was US\$nil as the hedge matured, with a realised gain of US\$5 million and an unrealised gain and prior year mark-to-market reversals of US\$7 million for the period January 2020 to December 2022. For the period July 2020 to December 2022, the hedge realised a gain of US\$33 million.

Foreign exchange (loss)/gain

The foreign exchange gain of US\$7 million in 2022 compared with a loss of US\$6 million in 2023. These gains/losses are primarily related to the conversion of offshore cash holdings into their functional currencies.

Other costs, net

Other costs, net increased by 227% from US\$15 million in 2022 to US\$49 million in 2023.

The costs in 2023 are mainly made up of:

- Social contributions of US\$19 million;
- Offshore structure costs of US\$15 million;
- Facility fees of US\$4 million relating to the refinancing of the old US\$1,200 million revolving credit facility; and
- Rehabilitation expense of US\$4 million as a result of changes in estimates relating to the provision of rehabilitation costs recognised in profit or loss.

The costs in 2022 are mainly made up of:

- Social contributions of US\$19 million; and
- Offshore structure costs of US\$15 million.

The above costs in 2022 were partially offset by the following:

- Rehabilitation income of US\$9 million as a result of changes in estimates relating to the provision of rehabilitation costs recognised in profit or loss.

Share-based payments

Gold Fields recognises the cost of share options granted (share-based payments) based on IFRS 2.

The Group grants share options and restricted shares to Executive Committee members (including regional Executive Committee members) under the Gold Fields Limited 2012 share plan amended. Gold Fields has adopted appropriate valuation models (Monte Carlo simulation) to fair value share-based payments. The value of the equity-based payments is determined at the grant date of the options and depending on the rules of the plan expensed on a straight-line basis over a three-year vesting period, adjusted for forfeitures as appropriate.

Only Executive Committee members (including regional Executive Committee members) receive awards under the Gold Fields Limited 2012 share plan amended, while senior and middle management receive awards under the restricted share plan ("LTIP").

Share-based payments increased by 29% from US\$7 million in 2022 to US\$9 million in 2023 mainly due to the vesting percentages of the scheme and higher value allocations made in 2023. The corresponding entry for share-based payment expense was the share-based payment reserve within shareholders' equity.

Long-term incentive plan expense

Gold Fields recognises the long-term incentive plan expense as a long-term benefit.

On 1 March 2014, the Remuneration Committee approved the Gold Fields Limited long-term incentive plan ("LTIP") which provides for Executive Directors, certain officers and employees to receive a cash award, conditional on specified performance conditions relating to total shareholder return and free cash flow margin. The award is assessed over the performance cycle which runs over three calendar years. The expected timing of the cash award is at the end of three years after the original award was made. The last award was made in 2015.

Executive Committee members (including regional Executive Committee members) receive awards under the Gold Fields Limited 2012 share plan amended, while senior and middle management receive awards under the revised LTIP. The performance conditions of the revised LTIP are approved annually by the Remuneration Committee. The expense of the cash outflows in respect of each grant is at the end of three years after the original award was made.

The LTIP expense increased by 93% from US\$29 million in 2022 to US\$56 million in 2023 due to the improved performance of the company over the performance cycle as well as improved ESG performance, which is in line with the company's target.

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Management's discussion and analysis of the financial statements

Exploration expense

The exploration expense decreased by 6% from US\$81 million in 2022 to US\$76 million in 2023 mainly due to the completion of the Chile and Ghana, as well as the weakening of the Australian Dollar.

United States Dollar		
Figures in millions unless otherwise stated	2023	2022
Australia	33	34
Salares Norte	29	32
Peru	4	3
Ghana	9	12
Exploration office costs	1	–
Total exploration expense	76	81

Share of results of equity-accounted investees, net of taxation

The share of results of equity-accounted investees, net of taxation increased by 1,000% from a loss of US\$2 million in 2022 to a loss of US\$33 million in 2023.

United States Dollar		
Figures in millions unless otherwise stated	2023	2022
Far South East Resources Incorporated ("FSE")	(2)	(1)
Windfall Project	(28)	–
Asanko Gold Inc ("Asanko")	(19)	13
Asanko – profit before impairment	28	13
Asanko – impairment	(47)	–
Lunnon Metals Limited ("Lunnon")	(3)	(2)
Share of result of equity-accounted investees, net of taxation	(52)	10
Asanko Gold – recognised as a discontinued operation	19	(13)
Share of result of equity-accounted investees, net of taxation – continuing operations	(33)	(3)

Continuing operations

FSE's share of loss of equity-accounted investees, net of taxation increased by 50% from US\$1 million in 2022 to US\$2 million in 2023.

On 2 May 2023, Gold Fields, through a 100% held Canadian subsidiary, acquired a 50% interest in the Windfall Project, a gold mine located in the Windfall area of the Windfall Project, Québec, Canada, which is in the feasibility stage, from Osisko Mining Incorporated (the "Partnership"). Osisko have joint control over the Windfall Project, the transaction is structured as a separate vehicle, a residual interest in the net assets of the Windfall Project. Accordingly, the Group has classified the Windfall Project as a joint venture. Windfall's share of loss of equity-accounted investees, net of taxation was US\$2 million in 2022 to US\$2 million in 2023. Gold Fields holds 31.1% (2022: 33.96%) of Lunnon at 31 December 2023.

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Discontinued operation

On 21 December 2023, Gold Fields announced the divestment of its 45% shareholding in Asanko Gold to the partner Galiano Gold for a total consideration of US\$170 million. Gold Fields will also receive a 1% share of future production from the Nkran deposit, the main deposit at the mine. The transaction was subject to certain conditions and was concluded on 4 March 2024 with the receipt of US\$65 million cash and 28.5 million GGD shares. The share of results of equity investee of Asanko Gold has been presented as a discontinued operation in the financial statements and the comparative income statement has been presented as if Asanko Gold had been sold from the start of the comparative years.

Asanko's share of results of equity-accounted investees, net of taxation was a profit of US\$13 million in 2022 and a loss of US\$19 million in 2023. The loss of US\$19 million in 2023 comprised earnings of US\$28 million and impairment of US\$47 million. The profit of US\$13 million in 2022 comprises earnings only. The increase in earnings is mainly due to higher profitability in 2023. As a result of the sale transaction, the investment in Asanko Gold is now classified as an asset held for sale at 31 December 2023 and the investment is required to be measured at the lower of fair value less costs to sell. Management determined the fair value less costs to sell based on the agreement received per the sale agreement, which resulted in an impairment of US\$47 million for the year ended 31 December 2023.

Yamana break fee

US\$300 million income in 2022 related to the Yamana break fee. As a result of Yamana entering into an agreement with Pan American Silver Corp and Agnico Eagle Mines Limited, Gold Fields terminated the arrangement with Yamana. In accordance, within the terms of the arrangement agreement, Yamana was required to pay Gold Fields a termination fee of US\$300 million.

Yamana transaction costs

The transaction costs of US\$33 million in 2022 related mainly to amounts paid to advisors, bankers, lawyers and other professional fees in connection with the proposed acquisition of Yamana.

Restructuring costs

Restructuring costs decreased by 27% from US\$11 million in 2022 to US\$8 million in 2023. The cost in 2022 related mainly to separation packages at Tarkwa, Damang and St Ives and the cost in 2022 related mainly to separation packages at Tarkwa and Damang.

Silicosis settlement costs

Silicosis settlement credits increased by 100% from US\$2 million in 2022 to US\$4 million in 2023.

A consolidated application was brought against several South African mining companies, including Gold Fields, for compensation for the loss of earnings and/or tuberculosis while working for one or more of the mining companies listed in the consolidated financial statements (refer to notes 28.2 and 38 of the consolidated financial statements for further details).

During 2023 and 2022, reversal of costs related to changes in the expected timing of the cash flows and the discount rate.

Impairment of investments and assets

Impairment of investments and assets decreased by 69% from US\$505 million in 2022 to US\$156 million in 2023.

Figures in millions unless otherwise stated	United States Dollar	
	2023	2022
Peru and Chile redundant assets	—	3
Peru cash-generating unit	156	63
Tarkwa cash-generating unit	—	325
Impairment – FSE	—	114
	156	505

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Management's discussion and analysis of the financial statements

The impairment of US\$156 million in 2023 comprised of:

- US\$156 million impairment of Peru cash-generating unit. The recoverable amount was based on its fair value less costs of disposal ("FVLCOOD") calculated using a combination of the market (resource value) and the income approach (the fair value hierarchy). The impairment is mainly due to the increased costs and capital expenditure in the life-of-mine plan to accommodate the unloading of the east wall and continued cost pressure on the derecognition of the resource as a result of the life-of-mine sterilising the resource through the tailings from 2026 onwards. The recoverable amount at 31 December 2023 is US\$419 million using the following assumptions based on the 2023 life-of-mine plan:
 - Gold price:
 - 2024 – US\$1,910 per ounce;
 - 2025 – US\$1,875 per ounce;
 - 2026 – US\$1,800 per ounce;
 - 2027 – US\$1,760 per ounce; and
 - Long-term – US\$1,720 per ounce.
 - Copper price:
 - 2024 – US\$8,500 per tonne;
 - 2025 – US\$8,700 per tonne;
 - 2026 – US\$8,900 per tonne;
 - 2027 – US\$8,600 per tonne; and
 - Long-term – US\$8,400 per ounce.
 - Life-of-mine: 7 years; and
 - Discount rate of 7.7%.

The impairment of US\$505 million in 2022 comprised of:

- US\$3 million impairment of redundant assets at Peru and Chile;
- US\$63 million impairment of Peru cash-generating unit. The recoverable amount was based on its fair value less costs of disposal ("FVLCOOD") calculated using a combination of the market (resource value) and the income approach (the fair value hierarchy). The impairment was mainly due to the increase in the discount rate from 4% to 7.7% and the increase in the risk free rate as well as inflationary cost pressures experienced in 2022. The recoverable amount at 31 December 2022 was US\$477 million using the following assumptions based on the 2022 life-of-mine plan:
 - Gold price:
 - 2023 – US\$1,740 per ounce;
 - 2024 – US\$1,730 per ounce;
 - 2025 – US\$1,700 per ounce;
 - 2026 – US\$1,650 per ounce; and
 - Long-term – US\$1,620 per ounce.
 - Copper price:
 - 2023 – US\$7,700 per tonne;
 - 2024 – US\$8,150 per tonne;
 - 2025 – US\$8,150 per tonne;
 - 2026 – US\$8,150 per tonne; and
 - Long-term – US\$7,700 per ounce.
 - Resource price of US\$30 per ounce;
 - Resource ounces of 1.0 million ounces;
 - Life-of-mine: 8 years; and
 - Discount rate of 8.1%.
- US\$325 million impairment of Tarkwa cash-generating unit. The recoverable amount was based on its fair value less costs of disposal ("FVLCOOD") calculated using a combination of the market (resource value) and the income approach (the fair value hierarchy). The impairment was mainly due to the increase in the discount rate from 4% to 7.7% and the increase in the risk free rate as well as inflationary cost pressures experienced in 2022. The recoverable amount at 31 December 2022 was US\$325 million using the following assumptions based on the 2022 life-of-mine plan:
 - Gold price:
 - 2023 – US\$1,740 per ounce;
 - 2024 – US\$1,730 per ounce;
 - 2025 – US\$1,700 per ounce;
 - 2026 – US\$1,650 per ounce; and
 - Long-term – US\$1,620 per ounce.
 - Copper price:
 - 2023 – US\$7,700 per tonne;
 - 2024 – US\$8,150 per tonne;
 - 2025 – US\$8,150 per tonne;
 - 2026 – US\$8,150 per tonne; and
 - Long-term – US\$7,700 per ounce.
 - Resource price of US\$30 per ounce;
 - Resource ounces of 1.0 million ounces;
 - Life-of-mine: 8 years; and
 - Discount rate of 8.1%.

experienced in 2022.

- The recoverable amount at 31 December 2022 was US\$812 million using the following assumptions based on life-of-mine plan:
 - Gold price:
 - 2023 – US\$1,740 per ounce;
 - 2024 – US\$1,730 per ounce;
 - 2025 – US\$1,700 per ounce;
 - 2026 – US\$1,650 per ounce; and
 - Long-term – US\$1,620 per ounce.
 - Resource price of US\$71 per ounce;
 - Resource ounces of 24.5 million ounces;
 - Life-of-mine: 13 years; and
 - Discount rate of 15.9%.
- Impairment of FSE of US\$114 million. Management was actively engaged in the process of disposing of the investment. The disposal process proved unsuccessful and no offers were received. Management’s assessment is that the investment could be sold for any value and wrote off the investment by US\$114 million to a carrying amount of US\$0.

Ghana expected credit loss

Ghana expected credit loss (“ECL”) increased by 83% from US\$18 million in 2022 to US\$33 million in 2023. The ECL of US\$33 million in 2023 comprises US\$25 million raised against a contractor loan receivable and US\$8 million raised against a Damang receivable. The ECL of US\$18 million in 2022 comprises US\$4 million raised against a contractor loan receivable and US\$14 million raised against a Tarkwa receivable. Due to issues with both Tarkwa and Damang, an agreement was entered into between Gold Fields and Engineers and Planners (E&P) to provide financial assistance to E&P in order to procure new fleet in 2020. The initial contractor loan of US\$68 million and at 31 December 2023 a cumulative impairment of US\$68 million (2022: US\$45 million and US\$4 million) was raised, resulting in a net balance of US\$nil.

Profit on disposal of assets

Profit on disposal of assets increased by 220% from US\$10 million in 2022 to US\$32 million in 2023. This was related mainly to a gain on disposal of the Kambalda tenements at St Ives in exchange for shares in Mineral Resources Limited. The profit in 2022 related mainly to the sale of redundant assets at South Deep and Australias Gold.

Royalties

Royalties increased by 5% from US\$110 million in 2022 to US\$116 million in 2023 and are made up as follows:

Figures in millions unless otherwise stated	United States Dollar	
	2023	2022
South Africa	3	3
Ghana	55	55
Peru	7	6
Australia	51	46
	116	110

The royalty in South Africa remained flat at US\$3 million mainly due to the weakening of the South African Rand against the US Dollar. In South African Rand, the royalty increased by 21% from R48 million in 2022 to R58 million in 2023. The increase in revenue.

The royalty in Ghana remained flat at US\$55 million.

The royalty in Peru increased by 17% from US\$6 million in 2022 to US\$7 million in 2023 due to an increase in revenue and profit margin in 2023.

The royalty in Australia increased by 11% from US\$46 million in 2022 to US\$51 million in line with the strengthening of the Australian Dollar. In Australian Dollar, the royalty increased by 15% from A\$68 million in 2022 to A\$78 million in 2023 from A\$68 million to A\$78 million as above.

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Mining and income tax

The mining and income tax charge increased by 5% from US\$442 million in 2022 to US\$465 million in 2023.

The table below indicates Gold Fields’ effective tax rate in 2023 and 2022:

Figures in millions unless otherwise stated	United States Dollar	
	2023	2022
Income and mining tax charge (US\$ million)	(465)	(442)
Effective tax rate (%)	38	38

In 2023, the effective tax rate of 38.0% was higher than the maximum South African mining statutory tax rate of 28% due to the tax effect of the following:

- US\$57 million adjustment to reflect the actual realised company tax rates in South Africa and offshore;
- US\$3 million deferred tax movement on Peruvian Nuevo Sol devaluation against US Dollar; and
- US\$83 million prior year adjustments.

The above were offset by the following tax effected charges:

- US\$3 million non-deductible share-based payments;
- US\$22 million non-deductible interest paid
- US\$11 million of non-deductible share of results of equity-accounted investees, net of taxation;;
- US\$14 million dividend withholding tax;
- US\$18 million of net non-deductible expenditure and non-taxable income;
- US\$6 million of various Peruvian non-deductible expenses; and
- US\$31 million deferred tax assets utilised at Tarkwa and Damang.

In 2022, the effective tax rate of 38% was higher than the maximum South African mining statutory tax rate of 28% due to the tax effect of the following:

- US\$66 million adjustment to reflect the actual realised company tax rates in South Africa and offshore;
- US\$3 million of non-deductible share of results of equity-accounted investees, net of taxation;
- US\$18 million exclusion from capital gains tax of Yamana break fee and transaction costs;
- US\$4 million deferred tax movement on Peruvian Nuevo Sol devaluation against US Dollar; and
- US\$1 million deferred tax assets utilised at Tarkwa and Damang.

The above were offset by the following tax effected charges:

- US\$2 million non-deductible share-based payments;
- US\$39 million not recognised on FSE impairment;
- US\$22 million non-deductible interest paid;
- US\$21 million dividend withholding tax;
- US\$18 million of net non-deductible expenditure and non-taxable income;
- US\$5 million of various Peruvian non-deductible expenses;
- US\$14 million deferred tax assets not recognised at Cerro Corona;
- US\$33 million prior year adjustments; and
- US\$6 million deferred tax charge on change of tax rate at South Deep.

Gold Fields continues to believe that it will recover the withholding tax receivable of US\$76 million (US\$76 million (CAD190 million)) relating to the withholding tax deducted and paid to the Canadian tax authorities in relation to the Yamana break fee.

Profit from continuing operations

As a result of the factors discussed above, the profit increased by 5% from US\$709 million in 2022 to US\$745 million in 2023.