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.

Most 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;
- demand for gold from relatively new emerging markets, particularly Brazil, Russia, India and China, and the emerging middle class in these markets;
- actual, expected or rumored purchases and sales of gold bullion holdings by central banks or other large gold bullion holders or dealers;
- demand for exchange traded funds which replicate the exact performance of gold;
- demand for gold for investment purposes;
- 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. However, the effect on the market of these or any other gold sales is unclear.

Due to the credit crisis in the Euro zone countries and other factors, the market price of gold has experienced significant volatility. In fiscal 2011, the average London afternoon fixing price for gold was U.S.$1,571 per ounce. For the same period, the high was U.S.$1,895 per ounce and the low was U.S.$1,319 per ounce. On March 23, 2012, the London afternoon fixing price for gold was U.S.$1,664 per ounce. A sustained period of significant gold price volatility may adversely affect Gold Fields' ability to evaluate the feasibility of undertaking new capital projects or continuing existing operations or to make other long-term strategic decisions.

While the aggregate effect of these factors is impossible for Gold Fields to predict, if gold prices 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 exploration projects, growth projects, operations and/or reduce operational 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 variety of factors may depress global copper prices, including slowing growth rates in Brazil, Russia, China and India. A decline in copper prices, which have also fluctuated widely, could adversely affect the revenues and cash flows 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 may be impacted by any significant decline in the price of gold.

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 the price that it receives for gold which generally is higher than the then current spot price. To the extent that Gold Fields does not generally use commodity or derivative instruments, it will not be protected against declines in the gold price, which could lead to reduced revenue in respect of gold production that is not hedged. See "Quantitative and Qualitative Disclosures About Market Risk".

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

The mineral reserves stated in this annual report represent the amount of gold and copper that Gold Fields estimated, as of December 31, 2011, 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, which may prove inaccurate due to a number of factors, many of which are beyond Gold Fields' control.

In 2010, Gold Fields changed its fiscal year-end from June 30 to December 31 to align with the company's peers in the gold mining industry. The mineral reserves as at December 31, 2011 have been prepared in accordance with the SAMREC Code. Therefore, the information regarding the Group's mineral reserves as at December 31, 2011 and December 31, 2010 has been prepared at a different point in the year than the reserves information as at June 30, 2009. As a result, the mineral reserve information prepared as at December 31, 2011 and December 31, 2010 may not be directly comparable to that reported by the Group in prior years.

In the event that Gold Fields revises any of its assumptions that underlie its mineral reserves reporting in an adverse manner, Gold Fields may need to revise its mineral 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' mineral 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 December 31, 2011".

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 Gold Fields' standards, controls, procedures and policies at the acquired business;
- operating in a new environment to the extent that Gold Fields makes an acquisition outside of markets in which it has previously operated; and
- legal, regulatory or other changes in any jurisdiction that may affect the success of an acquisition.

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 as well as its ability to develop mining projects. Exploration for gold and other metals associated with gold is speculative in nature, involves many risks and is frequently unsuccessful. Any exploration program entails risks relating to the location of economic ore bodies, the development of appropriate extractive 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 ore bodies 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. In addition, to the extent Gold Fields participates in the development of a project through a joint venture or any other multi-party commercial structure, there could be disagreements, legal or otherwise, or divergent interests or goals amongst the parties, which could jeopardize the success of the project.

Furthermore, 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, mine stoppages 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 KDC and South Deep operations;
- extreme ambient operating temperature
- 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 locomotives, 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 due to mining at deep levels.

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

- flooding of the open pit;
- extreme ambient operating temperatures;
- 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 rock dumps or 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 or actual conditions and policies at the mines or to the perceived or actual environmental impact of the mines. These actions may delay or halt production, increase production costs, result in liability for the Group or may create negative publicity related to Gold Fields.

Ageing infrastructure may cause breakdowns and unplanned stoppages, which may result in production delays, increased costs and industrial accidents.

Deep level gold mining shafts and processing plants are usually designed with a lifespan of 25 to 30 years. Vertical shafts consist of large quantities of infrastructure steelwork for guiding conveyances and services such as high and low tension electric cables, air and water pipe columns. Maintaining this infrastructure requires skilled human resources, capital allocation, management and planned maintenance.

Once a shaft or a processing plant has reached the end of its intended lifespan, more than normal maintenance and care is required to maintain it. Some of Gold Fields' South African operating shafts and Gold Fields' processing plants are more than 30 years old. Although Gold Fields has a comprehensive maintenance strategy in place, incidents resulting in production delays, increased costs or industrial accidents may occur. Such incidents may have a material adverse effect on the company's results of operations and financial position.

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

Gold Fields' ability to operate or expand effectively depends largely on the experience, skills and performance of its senior management team and technically skilled employees. 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: South Africa, West Africa, South America and Australasia. See "Information on the Company—Strategy—Regional Delivery Model". An important element of this restructuring was 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 remuneration 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, or if there are not sufficient succession plans in place, Gold Fields may not achieve the intended benefits of its regional restructuring, which could have a material adverse effect on its business, results of operations and financial position.

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 and financial condition could be materially harmed by an appreciation in the value of these non-U.S. dollar 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 non-U.S. dollar currencies against the U.S. dollar may materially increase Gold Fields' costs in U.S. dollar terms, which could materially adversely affect Gold Fields' operating results and financial condition.

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

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

In particular, 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.

In recent years, governments (local and national), communities, non-governmental organizations and trade unions in several jurisdictions have sought and, in some cases, have implemented greater cost imposts on the mining industry, including through the imposition of additional taxes and royalties. These trends are evident in the cost of electricity and other levies imposed by governments in many of the countries in which Gold Fields operates. In South Africa, the African National Congress, or the ANC, is considering a report which, among other things, proposes greater state intervention in the mining industry, including the imposition of new taxes and increasing the state's holdings in mining companies. Moreover, the Ghanaian parliament passed a bill that, effective March 9, 2012, increases taxes on mining companies in order to benefit from the movement in gold prices. These changes included introducing a separate tax category for companies engaged in mining which would raise the applicable corporate tax rate from 25% to 35% as well as introducing a much less favorable capital allowance regime, which may affect Gold Fields' future capital expenditure decisions. Further, a draft bill is being prepared proposing a windfall tax on mining activities but it has not yet been released for consent. The impositions of additional operational costs, taxes or royalty payments could have a material adverse effect on Gold Fields' business, operating results and financial condition.

Further, 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 a material adverse impact on Gold Fields' operations and financial results.

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.

Numerous public statements have been made about the nationalization of South African mines. While the official policy of the South African government is not to nationalize mines, these comments and any other potential threats of nationalization may negatively affect investors' perceptions of South Africa. The ANC set up a committee to investigate greater intervention in the minerals sector. A research report from this committee was recently reviewed at the National Executive Committee of the ANC. The report recommends against full scale nationalization in favor of, among other things, the revision of the existing royalty and tax regimes and will be discussed at the next national policy conference of the ANC to be held in June 2012.

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.

In addition, there has also been local opposition to mine development projects in Peru. The Group's operations and other mining operations in Peru have been the subject of local protests in the past, including the illegal blockades of access roads. Such blockades are normally accompanied by demands for increased employment from local communities and increased use of local contractors. In addition, Gold Fields' Cerro

Corona mine is near the planned Newmont-Buenaventura Conga Project which was the subject of local protests. While production at Cerro Corona has not been affected by this opposition, Cerro Corona, along with other mining operations, may be affected by protests or heightened restrictions on mining activities in the future. Cerro Corona shares the same public road as the Conga Project. There have also been protests against the Gold Fields Chucapaca 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.

Regional and national elections took place in Peru in late 2010 and early 2011 respectively. President Humala took office in late July 2011. Based on the appointments made in key governmental positions and public declarations, management does not expect major changes to Peruvian government policy, other than increased attention given to social inclusion programs. However, as announced during President Humala's campaign, a new special tax regime for mining companies was established in 2011, increasing the tax burden on mining companies. In addition, a new consultation law has been enacted, requiring the government to consult with indigenous or native populations on legislative or administrative proposals that may have an impact on their collective rights. It is not yet certain what, if any, other political or economic impact the policies of the new administration will have on Peru generally, or on Gold Fields specifically.

Power cost increases may adversely affect Gold Fields' results of operations.

In South Africa, Gold Fields' mining operations depend upon electrical power generated by the State utility, Eskom. Eskom holds a monopoly on power supply in the South African market. Eskom 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, and NERSA granted average increases of 24.8%, 25.8% and 25.9%, respectively. However, in March 2012, Eskom announced that as of April 1, 2012, the tariff increase will be 16%. Gold Fields expects further significant additional increases during the next several years as Eskom embarks on an electricity generation capacity expansion program. Should Gold Fields experience further power tariff increases, its results of operations may be adversely impacted. In fiscal 2011, power costs made up 14% of the cost of production at the South African operations. See "Information on the Company—Gold Fields' Mining Operations—KDC Operation—Mining".

Both Gold Fields Ghana Limited, or Gold Fields Ghana, and Abosso Goldfields Limited, or Abosso, have agreed on new tariffs with their respective power suppliers (the state electricity supplier, the Volta River Authority, or VRA, supplies power to Gold Fields Ghana and the Electricity Company of Ghana, or ECG, provides power to Abosso), representing approximately a 54% increase over the previous year. In fiscal 2011, Gold Fields paid $0.157 per kilowatt hour. In the first half of calendar 2010, Gold Fields paid $0.099 per kilowatt hour, while in the second half of calendar 2010, it paid $0.131 per kilowatt hour. Until gas supply to the generating units in Ghana is assured, energy prices will correlate with the crude oil price. In this regard, it is expected that the next tariff review will result in an increase in the tariff. The VRA has provided a revised "Power Sales and Purchase Agreement between VRA and Gold Fields Ghana" which is expected to be concluded in April 2012. VRA tariffs for the period from January 2011 to December 2011 have been concluded. A tariff has been agreed with the ECG covering the period June 1, 2010 to May 31, 2011. Tariff rates for June 2011 to May 2012 are being negotiated. Any increase in the electricity price could have a material adverse effect on the Group's business and operating results.

Further, Gold Fields' contract for the supply of electricity to its Australian operations is due to expire in 2014. Any replacement of this supply may entail a significant increase in costs due to the volatile Western Australian gas market. Any such increase in costs could have a material adverse impact on the Group's business and operating results.

Power stoppages, fluctuations and usage constraints may force Gold Fields to halt or curtail operations.

In 2008, South Africa experienced disruptions in electrical power supply and these disruptions impacted Gold Fields' operations. The Department of Energy is in the process of developing a power conservation program, including rules regarding baseline adjustments and load growth. However, there can be no assurance that this conservation program will ensure that there is sufficient electricity available for Gold Fields to run its South African operations at full capacity or at all.

Although the VRA has not imposed any power cuts in Ghana since August 2006, frequent power interruptions have occurred. 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. Should Gold Fields experience power outages, fluctuations or usage constraints at any of its operations, then its business and results of operations may be materially adversely impacted.

Actual and potential supply chain shortages and increases in the prices of production inputs may have a material 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 in the supply of any of these materials would require Gold Fields to find acceptable substitute suppliers 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.

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

Gold Fields has an insurance program, however it 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.

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, or the CMA. Transactions between South African residents (including companies) and non-residents of the CMA 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 CMA 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. As a result, the Treasury may refuse to approve any proposed acquisitions of Gold Fields or its South African assets 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 profits may be adversely affected by union activity and new and existing labor laws.

There has been an increase in union activity in many of the countries in which Gold Fields operates, including South Africa and, in recent years, there have been new labor laws introduced or amendments to existing labor laws that impose additional obligations on Gold Fields or grant additional rights to workers.

Greater union activity has resulted in more frequent industrial action and has impacted labor negotiations. A number of unions in various industries have threatened to or have recently gone on strike in South Africa, causing work stoppages and production losses. Negotiations with the South African mining unions in 2011 resulted in above-inflation wage increases between 8.0% to 10.0%, depending upon the category of employee. This is a two year wage agreement. Other South African mining industry participants are undergoing negotiations with labor unions and the results of these negotiations may have an effect on future negotiations by Gold Fields. Wages and related labor costs accounted for 43% of Gold Fields' total cost of sales in South Africa in fiscal 2011. The unions representing Gold Fields employees have indicated that they may continue to take industrial action to protest a variety of issues, including the issues raised during the strike at South Deep in fiscal 2010 relating to the relationship between the union's and management, greater union involvement in human resource and other management decision-making processes at the mine (which issues, amongst others, remain unresolved). For example, the unions representing gold mining workers in South Africa went on strike starting from July 28, 2011 until August 2, 2011 over wage negotiations. Gold Fields is currently in discussions with its unions at South Deep regarding a number of operational and employee matters and is endeavouring to seek agreement on the unresolved issues.

Gold Fields' operations in Peru and Ghana have recently been and may in the future be impacted by increased union activities. For example, the operational employees at Cerro Corona formed a labor union and negotiated a five-year collective bargaining agreement with Gold Fields. In Ghana, Gold Fields entered into a three year wage agreement with the labor unions in October 2010, but there can be no guarantee that the labor unions will not undertake strikes and "go slow" actions against the Group's operations or other mining companies.

In the event that Gold Fields experiences work stoppages, delays, sabotage, go-slow actions, lower productivity levels than envisaged or any other industrial relations related interruptions at any of its operations or increased employment-related costs due to union or employee activity, these may have a material adverse effect on its business, production levels, production targets, results of operations, financial condition and reputation.

Gold Fields may also be affected by certain labor laws that impose obligations regarding worker rights. 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. In addition, the Australian federal government has recently introduced a new industrial relations system that includes "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. Existing labor laws and any new or amended labor laws may increase Gold Fields' labor costs and have a material adverse effect on Gold Fields' business, operating results and financial condition.

If Gold Fields is unable to implement cost cutting measures or increase production levels to offset any increases in labor costs or production losses, these costs and losses 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 portion of Gold Fields' operations in Australia and Peru 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 carbon 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 that may restrict emissions of greenhouse gases in areas in which Gold Fields operates.

In Australia, the Australian Clean Energy Act 2011 (Cth) and associated legislation establishing a national carbon pricing scheme, or Scheme, passed into law in November 2011. Under the Scheme, entities that have operational control over facilities (i.e. activities) that emit more than 25,000 tons CO_2-e per annum in greenhouse gas emissions covered by the Scheme, will be directly regulated and will be required to acquire and surrender carbon units to cover those emissions.

The Scheme will operate in two phases: a fixed price phase commencing July 1, 2012, followed by a floating price phase commencing on July 1, 2015. Members of Gold Fields' Australian group are likely to be indirectly affected by the Scheme. While emissions from the Australian operations are unlikely to be directly regulated, the price of diesel fuel paid by Gold Fields' operations is likely to rise due to changes in fuel subsidy levels. Gold Fields expects this to introduce additional costs of between A$6 and A$8 million (U.S.$6 and U.S.$8 million) a year at current levels of fuel consumption. See "Information on the Company—Environmental and Regulatory Matters—Australia—Environmental".

The South African government is considering the introduction of a carbon tax in 2013 to reduce greenhouse gas emissions. The proposed carbon tax is Rand 120 per ton CO_2-e, however, 60% of emissions would initially be tax exempt. The 60% discount will continue to apply until 2020. The net carbon tax will therefore only be R48 per ton. The R48 per ton will be escalated by 10% per annum until 2020. The 60% discount will be scaled back gradually from 2020 until 2025 and may be replaced by absolute emissions thresholds thereafter. If the proposed carbon tax had been in effect in fiscal 2011, management estimates this would have introduced an additional cost of R223 million (after taking the 60% discount into consideration). A revised policy paper which discusses the proposed carbon tax and the possibility of introducing a trading scheme for greenhouse gases is expected to be released by the South African government for public comment later this year. See "Information on the Company—Environmental and Regulatory Matters—South Africa—Environmental.

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. These costs may include, among other things, emission measurement and reduction, audit processes and human resource costs. Non-compliance with statutory initiatives may result in monetary liabilities. Insurance premiums may increase and the Company's position relative to industry competitors may change. 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.

Furthermore, the potential physical impacts of climate change on Gold Fields' operations are highly uncertain and may differ across geographies. They may include changes in rainfall patterns and intensities, water shortages, extreme weather conditions and changing temperatures. Flooding could disrupt mining, processing and transportation, and result in increased health and safety risks. Reduced rainfall could result in electricity supply shortages in certain countries where Gold Fields operates and extreme weather conditions may negatively impact Gold Fields' workforce. These effects may adversely impact the cost, production and financial performance of Gold Fields' operations.

Theft of gold and copper as well as illegal mining occur on Gold Fields' properties, are 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 and theft of gold bearing materials and copper (which may be by employees or third parties). The activities of the illegal miners could cause pollution or other damage to Gold Fields' properties, including underground fires, or personal injury or death, for which Gold Fields could potentially be held responsible. An increase in illegal mining activities could result in depletion of mineral deposits, potentially making the future mining of such deposits uneconomic. The presence of illegal miners could lead to project delays and disputes regarding the development or operation of commercial gold deposits, particularly in Ghana. An increase in the theft of gold and copper may reduce the amount of these metals that Gold Fields is able to recover from its operations. Rising gold and copper prices may increase the likelihood of such thefts occurring. Illegal mining and theft could also result in lost gold reserves, mine stoppages, and have a material adverse effect on Gold Fields' financial condition or results of operations.

HIV/AIDS and tuberculosis pose 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. Management has recently estimated that approximately 18%

of Gold Fields' workforce in South Africa is infected with HIV. Increasingly, Gold Fields is seeing an adverse impact of HIV/AIDS on its affected employees similar to that experienced by other companies in the South African mining sector, evidenced by increased absenteeism and reduced productivity. Compounding this is the concomitant infections with tuberculosis that can accompany HIV illness, particularly the end stages, and causes additional healthcare-related costs. In South Africa, the incidence of tuberculosis in mine workers is aggravated by exposure to crystalline silica dust and by compromised immunity due to HIV infection. Exposure of HIV-positive individuals to silica dust can significantly increase the risk of contracting tuberculosis, HIV/AIDS remains an important focus for Gold Fields and Gold Fields will continue its extensive intervention campaigns. However, 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 the surrounding community, the impact on employees' productivity, treatment costs and other costs. 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 and Gold Fields may face claims and liability for breaches, or alleged breaches, of such regulations and other applicable laws.

Gold Fields' South African operations are subject to various environmental laws and regulations including, for example, those relating to waste treatment and disposal, emissions and water management, and must comply with permits or standards governing, among other things, tailings dams and waste disposal areas, water consumption, air emissions, water discharges, and naturally occurring radioactive material. 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. Gold Fields may also 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 environmental 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". Additionally, the proliferation of social media and other internet technologies may contribute to negative publicity relating to any actual or perceived environmental, labor or other issues at Gold Fields' operations.

Gold Fields' South African operations are also subject to various health and safety laws and regulations that impose various duties on Gold Fields' mines while granting the authorities broad powers to, among other things, close or suspend operations at unsafe mines and order corrective action relating to health and safety matters. Under these health and safety laws and regulations, the Group may also be subject to prosecution for industrial accidents as well as significant penalties and fines for non-compliance. 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. If a mine fails to achieve these targets, the Mine Health and Safety Inspectorate, or the MHSI, could potentially order that operations be halted due to overexposure of employees to unsafe or unhealthy working conditions.

The principal health risks associated with Gold Fields' mining operations in South Africa arise from occupational exposure to silica dust, noise, heat and certain hazardous chemicals. The most significant occupational diseases affecting Gold Fields' workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease, or COAD) as well as noise-induced hearing loss, or NIHL. The Occupational Diseases in Mines and Works Act 78 of 1973, or ODMWA, governs the payment of compensation and medical costs for certain illnesses, such as silicosis, contracted by those employed in mines or at sites where activities ancillary to mining are conducted. Recently, the South African Constitutional Court ruled that a claim for compensation under ODMWA does not prevent the employee from seeking to recover compensation from the employer concerned in a civil action under common law (either as individuals or as a class). While issues, such as negligence and causation, need to be proved on a case by case basis, it is nevertheless possible that such ruling could expose Gold Fields to claims related to occupational hazards and diseases (including silicosis), which may be in the form of a class action or similar group action. If Gold Fields were threatened with or faced a significant number of such claims and the claims were suitably established against it, the payment of compensation for the claims could have a material adverse effect on Gold Fields' business, reputation, results of operations and financial condition. In addition, Gold Fields may incur significant additional costs arising out of these issues, including costs relating to the payment of fees, increased levies or other contributions in respect of compensatory or other funds established (if any) and expenditures arising out of its efforts to resolve any outstanding claims or other potential action.

A number of accidents, many of which resulted in fatalities, have recently occurred at various mining operations in South Africa, including at some of Gold Fields' operations. There can be no assurance that the unions will not take industrial action in response to such accidents which 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 when serious accidents occur in order to rectify dangerous situations and, if necessary, retrain workers. Any additional stoppages in production, or increased costs, could have a material 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, mining operations to achieve and maintain certain water quality limits regarding all water discharges. The Kloof operation (now part of the KDC mine) was issued a water use license in December 2008 that expired in December 2011. The Group applied for renewal of, and amendments to, this license. Pending approval of the Kloof water use license, Gold Fields has obtained a regulatory directive from the Department of Water Affairs, or the DWA, that permits the continuation of water uses at its Kloof operations while its application is being processed. Historically, Gold Fields has been in compliance with the license granted to the Kloof operation in 2008. However, since February 2011, the water discharged from one of the shafts of the KDC mine covered by the Kloof license has exceeded the discharge parameters specified by the license. Gold Fields has informed the DWA and has investigated the cause of the increased discharge. One of the findings of the investigation was that the increased discharge was most likely due to external variables beyond the control of Gold Fields. Based on this information, the directive described above included an increase to the discharge limit. However, there can be no assurance that the Kloof operation will be granted a license or that it will be granted a license that includes this increased discharge limit. The Driefontein operation (now part of the KDC mine) was issued a water use license in October 2010. However, due to certain discrepancies in the information in the water use license, Gold Fields is in discussions with the DWA to rectify and revise the license. In addition, once this process is complete, Gold Fields intends to apply for an amendment to the Driefontein water use license to add certain water uses not previously required. Gold Fields believes that it is discharging water within the parameters of the Driefontein license but there can be no assurance that a revised license will be issued or that the DWA will not determine that Gold Fields is not in compliance with its requirements. While there was a delay in processing the water license application at South Deep, Gold Fields was issued a new water use license for South Deep in December 2011. The DWA advised Beatrix, which had pre-existing water permits of indefinite length, that its current water usage remains authorized and it need not apply for a new license. However, Beatrix has nevertheless submitted a water use license application, which is currently being processed.

Gold Fields has identified a risk of potential long-term acid mine drainage, or AMD, issues which are currently experienced by peer mining groups. AMD relates to the acidification and contamination of naturally occurring water resources by pyrite-bearing ore contained in underground mines and in rock dumps, tailings dams and pits on the surface. Gold Fields has commissioned several technical studies to identify the steps required to prevent AMD at its facilities but none of these studies have allowed Gold Fields to generate a reliable estimate of the potential impact of AMD on the Company. If Gold Fields were to experience any AMD issues, it could cause Gold Fields to not be in compliance with its water use license requirements and could expose Gold Fields to potential liabilities.

Gold Fields is reviewing and investigating a water treatment strategy that will, if successfully implemented, position Gold Fields favorably to satisfy conditions of new water use licenses across its South African operations, while also preventing potential AMD issues. However, there can be no assurance that Gold Fields will be in compliance with its licensing agreements within the required timeframe due primarily to the associated regulatory approval processes and commercial agreements that are required for the water treatment strategy. Gold Fields expects to incur significant expenditure to achieve and maintain compliance with the license requirements at each of its South African operations. 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 claims, penalties, fees and expenses; significant delays in operations; or 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 Mineral and Petroleum Resources Development Act No. 28 of 2002, or the MPRDA, 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 required (i) each mining company to achieve a 15% HDSA ownership of mining assets within five years of the Mining Charter coming into effect and a 26% HDSA ownership of mining assets within 10 years of the Mining Charter 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.

Following a review and as anticipated, the DMR released the Amended Mining Charter on September 13, 2010. The requirement under the Mining Charter for mining entities to achieve a 26% HDSA ownership of mining assets by the year 2014 was retained. Amendments to the Mining Charter in the Amended Mining Charter include, *inter alia*, the requirement by mining companies to (i) facilitate local beneficiation of mineral commodities; (ii) procure a minimum of 40% of capital goods, 70% of services and 50% of consumer goods from HDSA suppliers (i.e. suppliers of which a minimum of 25% + 1 vote of their share capital must be owned by HDSAs) by 2014 (exclusive of non-discretionary procurement expenditure); (iii) ensure that multinational suppliers of capital goods contribute a minimum of 0.5% of their annual income generated from South African mining companies towards the socio-economic development of South African communities into a social development fund from 2010; (iv) achieve a minimum of 40% HDSA demographic representation by 2014 at executive management (board) level, senior management (EXCO) level, core and critical skills, middle management level and junior management level; (v) invest up to 5% of annual payroll in essential skills development activities; and (vi) implement measures to improve the standards of housing and living conditions for mineworkers by converting or upgrading mineworkers’ hostels into family units, attaining an occupancy rate of one person per room and facilitating home ownership options for all mineworkers in consultation with organized labor. (i) to (vi) must be achieved by 2014. In addition, mining companies are required to monitor and evaluate their compliance to the Amended Mining Charter, and must submit annual compliance reports to the DMR. The Scorecard for the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry attached to the Amended Mining Charter, or the Scorecard, makes provision for a phased-in approach for compliance with the above targets over the five year period ending in 2014. For measurement purposes, the

Scorecard allocates various weightings to the different elements of the Amended Mining Charter. Failure to comply with the provisions of the Amended Mining Charter will amount to a breach of the MPRDA and may result in the cancellation or suspension of a mining company's existing mining rights.

In accordance with the MPRDA, the DMR on April 29, 2009 published a Code of Good Practice for the Minerals Industry and the Housing and Living Condition Standard for the Mining Industry, or the Code, relating to the socio-economic transformation of the mining industry. However, certain provisions of the Code appeared to be inconsistent with the Mining Charter, or to go beyond the scope envisaged in the MPRDA. Various industry participants have been in discussions with the DMR regarding the scope and applicability of the Code. It is anticipated that the contents of the Code will ultimately be amended to be made consistent with the Amended Mining Charter. Details of when this will happen and the contents of the final Code are currently uncertain. See "Information on the Company—Environmental and Regulatory Matters—South Africa—Mineral Rights—The MPRDA".

The acquisition by Mvelaphanda Resources Limited, or Mvela Resources, of a 15% beneficial interest in GFI Mining South Africa (Proprietary) Limited, or GFIMSA, for a cash consideration of Rand 4,139 million was effected in March 2009 to meet the requirement for a 15% HDSA ownership within five years of the Mining Charter coming into effect. See "Operating and Financial Review and Prospects—Overview—General—Mvelaphanda Transaction". During the six month period ended December 31, 2010, Gold Fields completed three further empowerment transactions which ensured Gold Fields' compliance with the 2014 Black Economic Empowerment, or BEE, equity ownership targets. These transactions included an Employee Share Option Plan, or ESOP, housed through the Thusano Share Trust for 10.75% of GFIMSA (represented by 13.5 million unencumbered Gold Fields Limited shares with full voting rights); a broad-based BEE transaction for 10% of South Deep with a phased in participation over 20 years; and a broad-based BEE transaction for a further 1% of GFIMSA, excluding South Deep. The three transactions had a combined value of approximately R2.4 billion. See "Additional Information—Material Contracts—Black Economic Empowerment Transactions".

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 its existing mining rights, the retaining of new mining rights, 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. Any further adjustment to the ownership structure of Gold Fields' South African mining assets in order to meet the Amended Mining Charter's requirements could have a material adverse effect on the value of Gold Fields' ordinary shares or debt and failing to comply with the Amended Mining Charter's requirements could subject Gold Fields to negative consequences, the scope of which have not yet been fully determined. As noted, the ANC is considering a report which, among other things, proposes greater state intervention in the mining industry, including the imposition of new taxes and increasing the state's holdings in mining companies.

Failure by the Group's South African operations to comply with the 26% HDSA ownership requirements as set out in the MPRDA and the Amended Mining Charter amounts to breach of the MPRDA and may result in the cancellation or suspension of the company's existing mining rights and may prevent the Group's South African operations from obtaining any new mining rights.

The Broad-Based Black Economic Empowerment Act, 2003, or the BBBEE Act, established a national policy on broad-based black economic empowerment with the objective of increasing the participation of black South Africans in the economy. The BBBEE Act provides for various measures to promote black economic empowerment, including empowering the Minister of Trade and Industry to issue Codes of Good Practice, or Codes, with which organs of state and public entities and parties interacting with them or obtaining rights and licenses from them would be required to comply. There has been some debate as to whether or to what extent the mining industry was subject to the BBBEE Act and the policies and Codes provided for thereunder. In December 2011, the Minister of Trade and Industry, published for public comment by the 9th of February 2012 a draft BBBEE Amendment bill, which has the effect of expanding and strengthening the black economic empowerment provisions of the BBBEE Act. It was expected that the draft bill would have clarified the extent, if any, of the application of the BBBEE Act to the mining industry, but such clarification has not been provided for in the draft bill. While it is anticipated that the draft bill will undergo various amendments before it becomes law, it should be appreciated that a risk exists that the companies in the mining industry may become subject to another layer of black economic empowerment regulation.

Gold Fields may, in the future, incur significant costs as a result of changes in the interpretation of existing laws, or the imposition of new laws, which may have a material adverse effect on Gold Fields' business, operating results and financial condition.

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 by 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. While there are indications that the regulator may demand the posting of a bond covering a greater percentage of the estimated rehabilitation costs during future negotiations and is also trying to establish a standard for calculating rehabilitation cost across all mines, there have been no changes requested. Changes in the required method of calculation for these bonds or an unforeseen circumstance that 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 that 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 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. Under the Minerals and Mining Law, mining companies must pay royalties of 5% of the total revenue earned from minerals. Companies must also pay corporate taxes and the government has a right to obtain a 10% free-carried interest in mining leases.

Moreover, the Ghanaian parliament has passed a bill that, effective March 9, 2012 increases taxes on mining companies in order to benefit from the movement in gold prices. These changes included introducing a separate tax category for companies engaged in mining which would raise the applicable corporate tax rate from 25% to 35% as well as introducing a much less favorable capital allowance regime, which may affect Gold Fields' future capital expenditure decisions. Further, a draft bill is being prepared proposing a windfall tax on mining activities but it has not yet been released for comment.

If 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 incur significant costs to comply with 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 would not necessarily cover the actual cost of rehabilitation 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 that 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 that 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".

Some of 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 protects 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 that 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 have a material adverse affect 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 that 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.$3.00 per hectare) and compliance with a minimum annual production target. 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.

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

In addition to general taxation, mining companies in Peru are subject to a royalty and a special tax regime established in September 2011. Any additional mining royalties, taxes, charges or payments could have an adverse effect on Gold Fields' results of operations or financial condition. See "Information on the Company—Environmental and Regulatory Matters—Peru—Mining Royalty and Other Special Mining Taxes and Charges" and "Operating and Financial Review and Prospects—Costs—Income and Mining Taxes—Peru".

Gold Fields' operations in Peru are subject to environmental laws, health and safety laws, labor 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. Moreover, recent legislation requires the government to consult with indigenous or tribal communities on legislative or administrative measures that may directly affect their collective rights.

Gold Fields may in the future incur significant costs to comply with Peruvian environmental and health and safety requirements imposed under existing or new legislation, regulations or permit requirements. For example, as part of Cerro Corona's mine closure plan review, Gold Fields recently concluded a set of studies that were required by the MEM to analyze post-closure water treatment requirements. The conclusion of these studies was that Cerro Corona will require post-closure water treatment, which represents a change with respect to Cerro Corona's previous closure plan. Gold Fields is in the process of conferring with the MEM regarding its post-closure plans and cannot provide a precise estimate of the cost impact of these water treatment requirements at this stage. While the cost of these water treatment requirements is not expected to be material, future costs of compliance could have a material adverse effect on Gold Fields' business, operating results and financial condition.

There can be no assurance that current environmental laws, health and safety laws, labor 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. Further, changes to existing or new labor laws could raise benefit requirements or strengthen unions. 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—Environmental".

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

Prior to acquiring a 100% interest in South Deep in 2007 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 fraud whereby JCI Limited unlawfully disposed of shares owned by R&E in Randgold Resources Limited and Afrikander Lease Limited, now known as Uranium One. The action currently remains in abeyance. See "Information on the Company—Legal Proceedings".

Gold Fields relies on information technology and communications systems, the failure of which could significantly impact its operations and business

Gold Fields relies on its information technology and communications systems, in particular its SAP, payroll and time and attendance applications. Gold Fields' information technology and communications systems could be exposed to, among other things, damage or interruption from telecommunications failure, unauthorized entry and malicious computer code, fire, natural disaster, power loss, industrial action and human error. While Gold Fields has offsite backup systems in place, the occurrence of any of the above may also disrupt Gold Fields' information technology and communications systems and may lead to important data (including the geophysical and geological data) being irretrievably lost or damaged. Such damage or interruption may adversely affect Gold Fields' business, prospects and results of operations.

Shareholders outside South Africa may not be able to participate in future issues of securities (including ordinary shares) carried out by or on behalf of Gold Fields.

Securities laws of certain jurisdictions may restrict Gold Fields' ability to allow participation by certain shareholders in future issues of securities (including ordinary shares) carried out by or on behalf of Gold Fields. In particular, holders of Gold Fields securities who are located in the United States (including those who hold ordinary shares or ADSs) may not be able to participate in securities offerings by or on behalf of Gold Fields unless a registration statement under the Securities Act is effective with respect to such securities or an exemption from the registration requirements of the Securities Act is available thereunder.

Securities laws of certain other jurisdictions may also restrict Gold Fields' ability to allow the participation of all holders in such jurisdictions in future issues of securities carried out by Gold Fields. Holders who have a registered address or are resident in, or who are citizens of, countries other than South Africa should consult their professional advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to participate in any offering of Gold Fields securities.

Investors in the United States and other jurisdictions outside South Africa 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 or under the laws of other jurisdictions outside South Africa.

Gold Fields is incorporated in South Africa. All 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. In addition, investors in other jurisdictions outside South Africa may face similar difficulties. 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 proceedings outside South Africa 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 original 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 or the laws of other jurisdictions outside South Africa 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.

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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 and any dividend payment may be subject to withholding tax.

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 (on both existing infrastructure as well as on exploration and other projects) 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. 71 of 2008, or the Companies Act, and Gold Fields' Memorandum of Incorporation. Given these factors (including the capital and investment needs of the business) and the Board of Directors' discretion to declare a dividend (including the amount and timing thereof) cash dividends or other similar payments may not be paid in the future. It should be noted that a 15% withholding tax on dividends declared by South African resident companies to non-resident shareholders or non-resident ADS holders is expected to be introduced with effect from January 1, 2012. See "Additional Information—Taxation—Certain South African Tax Considerations—Withholding Tax on Dividends".

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 December 31, 2011, Gold Fields had an aggregate of 1,000,000,000 ordinary shares authorized to be issued and as of that date an aggregate of 723,735,186 ordinary shares were issued, listed 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 35,309,563 ordinary shares. As of December 31, 2011, 12,752,380 shares are allocated and outstanding under these plans.

Gold Fields' employees and directors had outstanding, as of December 31, 2011, options to purchase a total of 311,225 ordinary shares at exercise prices of between Rand 60.40 and Rand 140.66 that expire between January 3, 2012 and August 18, 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 December 31, 2011, 5,030,143 share appreciation rights at strike prices of between Rand 69.48 and Rand 136.29, which expire between March 24, 2012 and December 1, 2017, and 7,369,112 performance vesting restricted shares due to be settled between March 1, 2012 and September 1, 2013. As of the same date, Gold Fields had outstanding, 41,900 restricted shares due to be settled in November 2012 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," and "Directors, Senior Management and Employees—The Gold Fields Limited 2005 Non-Executive Share Plan".

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 (and associated by-product metals) exploration project in Finland. Gold Fields is one of the largest gold producers in the world, based on annual production.

Approximately half of Gold Fields' operations, based on gold production, are located in South Africa. Its South African operations are KDC, Beatrix and South Deep. Gold Fields also owns the St. Ives and Agnew gold mining operations in Australia and has a 90.0% interest in each of the Tarkwa gold mine and the Damang gold mine in Ghana. Gold Fields also owns a 98.5% 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 December 31, 2011, Gold Fields had attributable proven and probable reserves of approximately 80.6 million ounces, including copper expressed as gold equivalent ounces, as compared to the 76.7 million ounces (including copper) reported as of December 31, 2010. See "—Reserves of Gold Fields as of December 31, 2011—Methodology".

In fiscal 2011, Gold Fields processed 59.4 million tons of ore and produced 3.70 million ounces of gold (including gold equivalent ounces). On an attributable basis, Gold Fields produced 3.49 million ounces of gold (including gold equivalent ounces).

Developments since June 30, 2010

Since the end of fiscal 2010, the following significant events have occurred:

On October 1, 2010, Gold Fields announced an international offering of 10 year, U.S.$1 billion bonds consisting of 4.875% bonds due in 2020. The offering closed on October 7, 2010. See "Operating and Financial Review and Prospects—Credit Facilities and Other Capital Resources—$1 Billion Note Issue".

On November 4, 2010, as a part of the BPR, Gold Fields announced the restructuring of the South Africa Region, and specifically the Driefontein and Kloof mines. The South Africa Region has been reorganized into three operations—a combined Driefontein/Kloof, or KDC; Beatrix; and South Deep. The Kloof and Driefontein executive offices and the regional office have been combined into a new management team, whose primary role is to service KDC, but which also has governance oversight across the South Africa Region. The team is based in Libanon and the Regional Office at Constantia was closed in December 2010. A Strategic Management Office has been established to implement the restructuring and to identify future areas for value. Progress in terms of this project will be reported each quarter under the cost and revenue optimization initiatives for the South Africa region.

On March 22, 2011, Gold Fields Corona (BVI) Limited, a wholly owned subsidiary of Gold Fields made a voluntary purchase offer to acquire the outstanding common voting shares and investment shares of Gold Fields La Cima S.A.A., or La Cima, that were not already owned. The offer closed on April 15, 2011. With the closing of the offer and with further purchases of shares after that date, Gold Fields' effective economic shareholding in La Cima increased to 98.5% from 80.7% for a total cash consideration of U.S.$382 million. La Cima holds the Cerro Corona mine in Peru.