## 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. 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. 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. Since Gold Fields does not generally use commodity or derivative instruments, it will generally be unprotected against declines in the gold price, which could lead to reduced revenue in respect of gold production that is not hedged. For example, during April 2013, the gold price had fallen approximately 30% from its high in September 2011. See "Quantitative and Qualitative Disclosures about Market Risk". 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, or ETFs, which replicate the exact performance of gold;
- demand for gold for investment purposes;
- investor confidence in gold and the gold business;
- 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.

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, or after, such periods.

In addition, the current demand for, and supply of, gold does not necessarily affect the price of gold 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. Pursuant to a gold sales agreement entered into by 15 European central banks, individual banks may sell up to 400 tonnes of gold per year, effective through September 2014. However, the effect on the market of these or any other gold sales is unclear.

Due to the credit crisis in the Eurozone countries and other factors, the market price of gold has been at historically high levels recently, and has experienced significant volatility. See "Operating and Financial Review and Prospects—Overview—Revenues". 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.

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.

***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, 2012, could be mined, processed and sold at prices at least sufficient to recover Gold Fields' estimated future total costs of production, remaining investment and anticipated additional capital expenditures, along with comparative figures for the mineral reserves as of December 31, 2011. Ore reserves are estimates based on assumptions regarding, among other things, Gold Fields' costs, expenditures, prices and exchange rates and metallurgical and mining recovery assumptions, which may prove inaccurate due to a number of factors, many of which are beyond Gold Fields' control.

In the event that Gold Fields revises any of the 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, 2012".

***To the extent that Gold Fields makes acquisitions, it may experience problems in executing acquisitions or managing and integrating the acquisitions with its existing operations.***

In order to maintain or expand its operations and reserve base, Gold Fields may seek to make acquisitions of selected precious metal producing and/or exploration companies or assets. Any such acquisition may change the scale of the Company's business and operations and may expose it to new geographic, geological, political, social, operating, financial, legal, regulatory and contractual risks. For example, there may be a significant change in commodity prices after Gold Fields has committed to complete the transaction and established the purchase price or share exchange ratio; a material ore body may not meet expectations; Gold Fields may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls; the integration may disrupt Gold Fields' on-going business and its relationships with employees, suppliers and contractors; the acquisition may divert management's attention from Gold Fields' day-to-day business; and the acquired business may have undetected liabilities which may be significant. Furthermore, Gold Fields operates and acquires businesses in different countries, with different regulatory and operating cultures, which may exacerbate the risks described above.

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 or other factors could have a material adverse effect on Gold Fields' business, operating results and financial condition.

***Gold Fields' operations and profits have been and may be adversely affected by union activity and new and existing labor laws.***

There has been an increase in union activity in some 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, thereby increasing compliance and other costs. In fiscal 2012, union activity had a material adverse impact on Gold Fields' operations, production and financial performance as described below. While the divestiture of the Sibanye Gold assets has lessened Gold Fields' exposure to these risks in South Africa, the occurrence of any such events in the future could have further negative impacts upon Gold Fields and its financial performance and condition.

Greater union activity, including the entry of rival unions, has resulted in more frequent industrial disputes, including violent protests and clashes with police authorities, and has impacted labor negotiations in the industry. In the second half of fiscal 2012, there was heightened labor unrest in the South African mining industry. A number of unions in various industries have threatened to or have recently gone on strike, causing work stoppages and production losses. As a result, on September 27, 2012, South Africa's sovereign debt credit rating, along with the credit ratings of a number of the country's leading mining companies, including Gold Fields, was downgraded. Those strikes have impacted Gold Fields' operations and caused work stoppages and significant production losses.

For example, during August, September and October 2012, approximately 29,000 employees at Gold Fields' formerly owned KDC and Beatrix mines (out of nearly 36,000 employees at those mines) engaged in work stoppages. Work stoppages occurred at the KDC West mine from September 9, 2012 to October 18, 2012. At the KDC East mine, work stoppages occurred from August 29, 2012 to September 5, 2012 and again from October 14, 2012 to October 23, 2012, when 8,100 workers were dismissed for failing to return to work, with 7,600 appealing that dismissal. After an appeal process, a majority of the employees returned to work on November 6, 2012. At the Beatrix mine, work stoppages occurred from September 21, 2012 to October 18, 2012. Workers at Beatrix West went on strike on September 21, 2012 and workers at Beatrix North and South went on strike on September 24, 2012. On October 17, 2012, the strike at Beatrix North and South ended. On October 18, 2012, the strike at Beatrix West ended. In each case, these work stoppages continued despite the Chamber of Mines negotiating a settlement with three labor unions, the National Union of Mineworkers, or NUM, the Solidarity Trade Union, or Solidarity, and UASA, formerly known as the United Association of South Africa, which the striking employees rejected. Gold Fields continued to engage with the relevant unions and communicated with its employees in an attempt to resolve the work stoppages throughout the strikes.

Gold Fields estimated that, as a result of these work stoppages, the losses for fiscal 2012 were approximately 145,000 ounces of gold production and R2.1 billion of revenue. These estimated losses, however, were partially offset by approximately R0.4 billion saved in wages, electricity, consumables and other costs not paid.

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. Such negotiations, historically, have occurred every two years. However, the recent labor unrest has resulted in South African mining industry participants undergoing negotiations with workers and labor unions outside this period. These ad-hoc negotiations resulted in a settlement proposal made by a number of the gold mining companies in South Africa, including Gold Fields. Through the Chamber of Mines, Gold Fields agreed with the trade unions to an earlier implementation of a number of provisions of the wage agreement reached in 2011 that were agreed to by all parties, culminating in an adjustment to wages in the relevant bargaining units of around 2.5%, or R150 million, per annum relating to changes to job grades and entry-level wages. In addition, the gold mining companies, trade unions and government have set up a working group for a wide-ranging review of working practices, productivity improvements and socio-economic conditions in the gold mining industry, which will feed into the next round of wage negotiations scheduled for 2013. Despite the fact that returning employees will receive the benefit of the settlement proposal referred to above, Gold Fields' employees may continue to take industrial action to protest and seek redress in connection with a variety of issues, including pay and working conditions. Negotiations with the South African mining unions generally take place every two years, and, in light of the recent labor unrest, Gold Fields expects that the negotiations in 2013 may be difficult and may be accompanied by further strikes, work stoppages or other labor actions that could disrupt its remaining South African operation, South Deep.

On August 2, 2012, Gold Fields announced that its South Deep mine had entered into a formal 60 day consultation process with the NUM and other affected employees in terms of Section 189(3) of the Labour Relations Act No. 66 of 1995, or the LRA. These negotiations centered around reaching agreement on a proposed new operating model. In terms of Section 189 of the LRA, Dismissals Based on Operational Requirements, when an employer contemplates dismissing employees for reasons based on the employer's operational requirements, the employer must engage in a consensus-seeking process with its trade unions. On October 2, 2012, a formal agreement was reached between Gold Fields, the NUM and the UASA, which was implemented during the fourth quarter of fiscal 2012. The new South Deep operating model is expected to not only secure current jobs but allow management to create an additional 400 full-time positions at the mine. It should improve productivity and performance in order for the mine to approach international best practice. Further, during the second half of fiscal 2012, labor actions in several other South African industries also occurred, including in the transportation industry, the coal industry (which supplies the South African electricity utility) and the platinum industry. Such labor actions have the potential to impact on Gold Fields' business by influencing its own labor negotiations and by curtailing the supply of necessary inputs.

Gold Fields' operations in Peru 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 for the years 2010 to December 2012, 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 December 2012, the unions declined to start negotiations because of the general elections in Ghana on December 6, 2012. The renegotiation process is scheduled to start in the second quarter of 2013 with the aim of securing a multi-year wage agreement. Further, on April 3, 2013, employees at Gold Fields' Ghanaian operations engaged in a work stoppage that led to a halt in production. On April 8, 2013, in order to end the strike, management and the Ghana Mineworkers Union, or GMWU, agreed to a settlement regarding the process for resolving certain issues raised by union petitions. However, the employees at these operations engaged in a further "go slow" action related to these issues between April 26, 2013 and May 2, 2013, which ended after further discussions between management and the GMWU.

In the event that Gold Fields experiences strikes or 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 and future prospects. In addition, lower levels of mining activity can have a longer term impact on production levels and operating costs, particularly since mining conditions can deteriorate during extended periods without production and Gold Fields will not re-commence mining until health and safety conditions are considered appropriate to do so.

Gold Fields may also be affected by certain labor laws that impose obligations regarding worker rights. For example, the Australian federal government introduced a new industrial relations system between 2009 and 2010 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. In addition, laws in South Africa impose monetary penalties for non-compliance with the administrative and the reporting requirements in respect of affirmative action policies. In Ghana, the Minerals and Mining (General) Regulations, 2012 (L.I. 2173) contain specific provisions requiring mining companies to recruit and train Ghanaian personnel and to procure goods and services with Ghanaian content. Failure to do so may result in the payment of a penalty. Gold Fields' localization plan for recruiting and training Ghanaian personnel was approved by the Minerals Commission of Ghana in early January 2013 and is likely to be used as a template for the rest of the industry. 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.

***An actual or alleged breach or breaches in governance processes, or fraud, bribery and corruption may lead to public and private censure, regulatory penalties, loss of licenses or permits and impact negatively upon our empowerment status and may damage Gold Fields' reputation.***

Gold Fields operates globally in multiple jurisdictions and with numerous and complex frameworks, and its governance and compliance processes may not prevent potential breaches of law or accounting or other governance practices. Gold Fields' operating and ethical codes, among other standards and guidance may not prevent instances of fraudulent behavior and dishonesty, nor guarantee compliance with legal and regulatory requirements.

In December 2012, Gold Fields, through the Social and Ethics Committee of the Board, commenced an examination of a Black Economic Empowerment transaction related to its South Deep license. The Company took this action following press reports raising questions about the transaction. In that context, the Board engaged an independent law firm to assist in its examination and that firm has undertaken an investigation. The Board may also authorize a review of the Company's relevant internal controls in order to determine whether any improvements are necessary. The Board's examination of the matter is on-going.

To the extent that Gold Fields suffers from any actual or alleged breach or breaches of relevant laws (including South African anti-bribery and corruption legislation or the U.S. Foreign Corrupt Practices Act of 1977) under any circumstances, they may lead to regulatory and civil fines, litigation, public and private censure, loss of operating licenses or permits and impact negatively upon our empowerment status and may damage Gold Fields' reputation. The occurrence of any of these events could have a material adverse effect on Gold Fields' business, financial condition and results of operations.

***To the extent that Gold Fields seeks to add to its reserve base 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. 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' mining operations include:

- rock bursts;
- seismic events, particularly at the South Deep operation;
- extreme ambient operating temperature;
- surface or underground fires and explosions, including those caused by flammable gas or in connection with blasting;
- cave-ins, wall collapse or gravity falls of ground, including collapses of rock dumps or tailings dams;
- 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, elevators, open pit mining and rock transportation equipment;
- ground and surface water pollution, including as a result of potential spillage or seepage from tailings dams;
- production disruption due to weather;
- sinkhole formation and ground subsidence; and
- other accidents and conditions resulting from drilling, blasting and removing and processing material.

Gold Fields is at risk of experiencing any and all of these environmental or other industrial hazards. The Sibanye Gold assets were historically more susceptible, to certain of these risks due to mining at deep levels. The occurrence of any of these hazards could delay or halt production, increase production costs and result in liability for Gold Fields (including as a result of the occurrence of hazards that took place at the Sibanye Gold assets when they were owned by 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 voltage electric cables, air, backfill and water pipe columns and communication cables. 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. Some of Gold Fields' processing plants and South Deep's South Shaft complex fall into this category. Although Gold Fields has comprehensive maintenance strategies 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 loses 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. However, the mining industry, including Gold Fields, continues to experience a global shortage of qualified senior management and technically skilled employees. Gold Fields cannot be certain that the services of its senior management and a sufficient number of its technically skilled employees will continue to be available to it. Any senior management departures, unavailability (due to death, injury, illness or other reasons) or technically skilled worker shortages could adversely affect Gold Fields' operational efficiency and production levels.

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. For instance, the production of gold at South Deep and at Gold Fields' Australian underground mines relies heavily on mechanical equipment operators and maintenance staff. Competition for skills is particularly intense in Western Australia, where mining companies compete not only with one another, but also with the hydrocarbon sector. Further, in the surface open pit operations in Ghana, Australia and Peru, there is strong reliance on heavy mining equipment operators for machines such as drill rigs, excavators and dump trucks, as well as required technical staff to ensure maintenance programs are maintained. Turnover in these areas also remains a challenge across Gold Fields. For example, Gold Fields' Ghana operations face skilled worker shortages due to the increasing number of skilled workers accepting work assignments outside of Ghana. Additionally, as experienced managers and technical specialists become eligible for retirement, Gold Fields and the mining industry as a whole face demographic challenges as there are not enough younger workers to replace them. 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, this could have a material adverse effect on its business (including production levels), results of operations and financial position.

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

Gold is sold throughout the world principally in U.S. dollars. Gold Fields' costs of production are incurred principally in U.S. dollars, Australian dollars, Rand and other 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.

Conversely, inflation in any of the countries in which 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.

***Gold Fields is subject to various cost imposts, such as mining taxes or royalties, which may have a material adverse effect on Gold Fields' operations and profits.***

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. Such resource nationalism, whether in the form of cost imposts, interference in project management, mandatory social investment requirements, local content requirements or creeping expropriation could impact the global mining industry and Gold Fields' financial condition and results of operations.

In South Africa, the African National Congress, or the ANC, has adopted a recommendation which, among other things, proposed greater state intervention in the mining industry, including the revision of existing royalties, the imposition of new taxes and increasing the South African government's holdings in mining companies. In June 2012, the recommendation was discussed at the national policy conference of the ANC. The conference recommended that the South African government take a more active role in the mining sector, including through the strengthening of a state mining company to be involved in new projects either through partnerships or individually. The policy conference's recommendations were adopted as ANC policy during the national conference of the ANC held in December 2012.

The adopted policy may impose additional restrictions, obligations, operational costs, taxes or royalty payments on gold mining companies, including Gold Fields, any of which could have a material adverse effect on Gold Fields' business, operating results and financial condition.

In Ghana, the parliament passed an Act that, effective March 9, 2012, increases taxes on mining companies. These changes included introducing a separate tax category for companies engaged in mining which raised the applicable corporate tax rate from 25% to 35%. At the same time, the 5% National Fiscal Stabilization levy was abolished, resulting in a net increase in the tax rate of 5%. The favorable capital allowance was changed from 80% for the first year, with the 20% remaining component, after being indexed at a rate of 10%, to be claimed on a reducing balance method, to a uniform regime of 20% over five years, which may affect Gold Fields' future capital expenditure decisions. In addition, expenses exclusively incurred in a mining area may not be deducted against revenue derived from another mining area owned by the company in determining its chargeable income. On November 18, 2012, Ghana's parliament passed Legislative Instrument 2191, which increased annual grounds rent on mining concessions from GH 0.5 per square kilometer to GH 36.5 per acre (GH 9,019 per square kilometer), which will be effective from the 2013 year of assessment. The new law threatens current and future exploration projects. Further, a draft bill has been presented to the Ghanaian parliament which, if passed in 2013, will impose a windfall profit tax of 10% of the cash balance of a company engaged in mining activities. The bill would also allow the Commissioner-General, in determining the cash balance of a company, to disregard or re-characterize a transaction or any other transaction if the Commissioner-General believes that the transaction was carried out for the purpose of reducing the cash balance with respect to calculation of the windfall profit tax. In his budget speech on March 5, 2013, the Minister of Finance announced that a mining review committee would consider the windfall profit tax as part of its full review of the mining industry and report to Parliament by the second half of 2013.

Further, 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. 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. See "Information on the Company—Environmental and Regulatory Matters—Ghana—Mineral Rights".

In Peru, a new special tax regime for mining companies was established in 2011 (relating to mining royalties), 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.

The impositions of additional restrictions, obligations, operational costs, taxes or royalty payments could have a material adverse effect on Gold Fields' business, 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.***

In fiscal 2012, approximately half of Gold Fields' production was in South Africa. Gold Fields also has significant operations in Ghana, Australia and Peru. After the Spin-off, Gold Fields expects that its South African, Ghanaian, Australian and Peruvian operations will produce 16%, 42%, 28% and 14% of its total gold production in 2013, respectively. 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.

As noted above, the South African mining industry in general, including Gold Fields, was the target of large scale labor strikes in fiscal 2012. Labor unrest has increased in the South African mining industry and the entry of rival unions has contributed to increased violence and greater frequency of unrest.

In South Africa, Gold Fields' South Deep operation may be subject to actions by labor groups or other interested parties who object to perceived or actual conditions and policies at its mines or to perceived or actual environmental impact of such mines. Such action may also be influenced by political forces within South Africa. 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. These actions may delay or halt production, increase production costs, result in liability, lead to greater costs or may create negative publicity related to Gold Fields. Additionally, these actions and especially those related to labor groups and work stoppages can lead to a loss of investor confidence in the gold industry in general which may restrict Gold Fields' access to international financing and could have a material adverse effect on Gold Fields' business, operating results and financial condition.

For example, in the second half of 2012, South Africa's sovereign credit rating was lowered by certain rating agencies, resulting in higher interest rates for South Africa's sovereign debt, which may in turn adversely affect South Africa's economy. The credit ratings of a number of the country's leading mining companies, including Gold Fields, were also downgraded. This could lead to increased borrowing costs for Gold Fields and a diminished ability to raise capital from the international debt markets in the future.

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 difficulty attracting and retaining qualified local employees. There has also been regional, political and economic instability in certain 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 South Africa, numerous public statements have also been made about the nationalization of South African mines by labor unions and political groups in South Africa. While the official policy of the South African government and the ANC, which was confirmed at the ANC conference that took place during December 2012, is not to nationalize mines, these comments and any other potential threats of nationalization may negatively affect the perceived value of Gold Fields' property and investors' perceptions of South Africa. It remains unclear what effect the policies adopted at this conference will have on the South African gold mining industry or on Gold Fields specifically. Any threat of, or actual proceeding to, nationalize any of Gold Fields' assets could halt or curtail operations at South Deep, resulting in a material adverse effect on Gold Fields' business, operating results and financial condition and could cause the value of Gold Fields' securities to decline rapidly and dramatically, possibly causing investors to lose the entirety of their investment.

There has been regional social instability in the area around Gold Fields' La Cima operation. While the unrest has not caused any stoppages to Gold Fields' La Cima operations, it could have a negative impact on Gold Fields' ability to manage and operate its Peruvian operations. There has been local opposition to mine development projects in Peru. Gold Fields' 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 shares the same public road as Newmont-Buenaventura's Yanacocha mine and is near the planned Conga Project, which was the subject of local protests, some of them violent. There have also been protests against the Gold Fields Chucapaca project in southern Peru. 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. 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.

In Ghana, national elections took place on December 6, 2012. On March 5, 2013, the Minister of Finance announced in his 2013 budget speech that a major review of Ghana's tax and investment laws would be conducted and programs to maintain single digit inflation, ensure exchange rate stability, reduce the budget deficit and achieve high annual economic growth rates would be introduced. However, it is not yet certain what, if any, political or economic impact the policies of the new administration will have on Ghana generally, or on Gold Fields specifically, as the speech did not provide further details about these initiatives.

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

Gold Fields' South Deep mining operation depends upon electrical power generated by the state utility provider, Eskom Limited, or Eskom. See "Operating and Financial Review and Prospects—Overview—Costs". Eskom holds a monopoly on power supply in the South African market. In calendar 2009, 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 April 2012, Eskom implemented an average tariff increase of 16%. On February 28, 2013, NERSA announced that it had approved an 8% per annum average increase in the electricity tariff over the next 5 year period but within such average increases for the mining and industrial sectors may be greater. Eskom has announced its intention to institute an average annual tariff increase of 8.0% and 9.6% for industrial users, the latter of which will apply to Gold Fields, for the five-year period starting April 1, 2013. Therefore, 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 Australia, Gold Fields' contract for the supply of electricity to both of its Australian operations is due to expire in 2014. Gold Fields is in the process of negotiating a replacement for this contract with parties including the major mining company which presently supplies power under a power purchasing agreement, and also with domestic gas suppliers in Western Australia. 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 Gold Fields' business and operating results.

Both Gold Fields Ghana Limited, or Gold Fields Ghana, and Abosso Gold Fields Limited, or Abosso, have concluded tariff negotiations for 2012 and 2013 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 and the South Heap Leach facility at Gold Fields Ghana), representing a 19% increase on VRA and 15% increase on ECG, respectively from fiscal 2011 to fiscal 2013. The 2013 tariffs will remain unchanged from the 2012 tariffs. The VRA has provided a revised "Power Sales and Purchase Agreement between VRA and Gold Fields Ghana" which is expected to be concluded by June 2013. Gold Fields Ghana has concluded a Transmission Service Agreement with Ghana Grid Company Limited, or GridCo. Until gas supply to the generating units in Ghana is assured, energy prices will correlate with the crude oil price. The Deregulated Mining Companies, or the DMC, are currently in discussions with the VRA regarding a new tariff model from 2014. Discussions with the ECG on behalf of Damang generally depend on the outcome of discussions with the VRA and have not been pursued in light of the status of discussions with the VRA. Tariffs with the ECG are not expected to be more than U.S. cents 2 per kilowatt hour above the VRA tariff. Management expects further tariff increases in the future. Any further increase in the electricity price could have a material adverse effect on the Group's business and operating results. See "Information on the Company—Description of Mining Business".

***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 Deep operation at full capacity or at all. In October 2012, the South African state utility Eskom announced that its forecasted electricity sales for the financial year ending March 31, 2013 would be 2.5% lower than those in the previous financial year, but still warned that it may face constraints on the supply of power until the first units of its new power station come on line by mid-2014. Any disruption or decrease in the electrical power supply available to Gold Fields' South Deep operation could have a material adverse effect on its business, operating results and financial condition.

Although the VRA has not imposed any power cuts in Ghana since August 2006, frequent power interruptions have occurred in the power supplied by ECG. In August 2012, damage to the West African Gas Pipeline resulted in disruptions to the power supply in Ghana. Since September 2012, Damang has been affected by an evening peak period load shedding by ECG, which is expected to be concluded by the end of April 2013. Further, intermittent low voltage has affected Damang's operations. Part of the heap leach facilities in Tarkwa, which is also supplied by ECG, have been similarly affected, although stacking at the South Heap Leach facility has now been stopped due to profitability reasons. Gold Fields is in discussions with the VRA and the ECG on how to minimize the impact of power interruptions on its operations.

Should Gold Fields continue to experience power outages, fluctuations or usage constraints at any of its operations, then its business and results of operations may be materially adversely impacted.

***Gold Fields may not realize the potential benefits from the Spin-off.***

Gold Fields may not realize the potential benefits that it expects from the Spin-off. Gold Fields has described these anticipated benefits elsewhere in this annual report. See "Information on the Company—Strategy." Moreover, the Spin-off could cause operational, human resources or information technology disturbances. Following the Spin-off, Gold Fields and Sibanye Gold are continuing to provide services to each other as described in a transitional services agreement signed on December 21, 2012, or the Transitional Services Agreement. These services include corporate functions and infrastructure support, purchasing, corporate communications, human resources and benefit management, treasury and finance, investor relations, corporate controller, internal audit, legal and tax advice, compliance regarding internal controls and information technology functions, which will be provided on a transitional basis for a period of up to 12 months. See "Additional Information—Material Contracts—Transitional Services Agreement". The transition is continuing and may give rise to certain operating issues as the corporate and operational functions of the two companies are separated. In addition, Gold Fields will incur significant costs which may exceed its estimates. Any such issues could have a material adverse effect on Gold Fields' business, results of operations and financial condition.

***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 and quality 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.

***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 or any cross-claims made.

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

South Africa's exchange control regulations, or the 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. 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".

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

A portion of Gold Fields' operations in South Africa, Ghana, 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 contract risk, execution risk, litigation risk, regulatory risk and labor risk.

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—Australia" and "Directors, Senior Management and Employees—Employees—Labor Relations—Peru".

***Regulation of greenhouse gas emissions and climate change issues may materially 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, including the United Nations Framework Convention on Climate Change and the Kyoto Protocol, have introduced or are contemplating regulatory changes in response to the potential impact of climate change. Many of these contemplate restricting emissions of greenhouse gases in jurisdictions 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. While emissions from Gold Fields' Australian operations are not currently being directly regulated, the price of diesel fuel paid by Gold Fields' operations did rise due to changes in fuel subsidy levels. Other costs, predominantly electricity, have risen to reflect the flow-through impact of the Scheme on Gold Fields' suppliers. The overall impact of the Scheme is estimated at A$8 million (U.S.$8 million) per annum on Gold Fields' Australian operations. See "Information on the Company—Environmental and Regulatory Matters—Australia—Environmental".

The South African government is considering the introduction of a carbon tax with effect from January 1, 2015 to reduce greenhouse gas emissions. The updated carbon tax policy paper released on May 2, 2013 confirmed that the proposed carbon tax will be R120 per tonne of carbon dioxide equivalent, or $CO_2$-e, emitted above certain thresholds. The tax rate will increase by 10% a year, reaching R176 per tonne of $CO_2$-e by 2019. However, 60% of emissions would initially be tax exempt. The 60% discount will continue to apply until December 31, 2019, along with certain "offsets" of 5% or 10%, a carbon intensity correction based on industry benchmarks and a correction for international trade exposure of 5% to 10% of tax liability, which together may allow for a cumulative reprieve from tax liability of up to 90%. The 60% discount and the associated tax reprieves will be scaled back gradually from 2020 until 2050 and may be replaced by absolute emissions thresholds thereafter. If the proposed carbon tax had been in effect in fiscal 2012 (as proposed), management estimates this would have introduced an additional cost of R38.0 million (after taking the 60% discount into consideration), R0.5 million at South Deep and R37.5 million at the Sibanye Gold assets. See "Information on the Company—Environmental and Regulatory Matters—South Africa—Environmental.

In addition, a number of other regulatory initiatives are underway in countries in which Gold Fields operates that seek to reduce or limit industrial greenhouse gas emissions. These regulatory initiatives will be either voluntary or mandatory and are likely to impact Gold Fields' operations directly or by affecting the cost of doing business, for example by increasing the costs of its suppliers or customers. These costs may include, among others, 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 bearing materials and production inputs, as well as illegal and artisanal mining, occur on some of 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 and artisanal mining activities and theft of gold and copper bearing materials and copper cables (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 or artisanal 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 where illegal mining activities could lead to the discharge of contaminants into water sources in a manner inconsistent with Gold Fields' environmental obligations. Gold Fields has developed a high-level strategy to deal with the illegal miners problem and is engaging with businesses and the government regarding this problem. The Government of Ghana has encouraged a clamping down on illegal mining. However, an increase in the theft of gold and copper bearing materials or any inputs required for the production 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 and mine stoppages, cause Gold Fields to incur fines or other costs and have a material adverse effect on Gold Fields' financial condition or results of operations.

***HIV/AIDS, tuberculosis and other contagious diseases 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

17.1% of Gold Fields' workforce at its remaining South African operation at South Deep 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 are the concomitant infections, such as tuberculosis, that can accompany HIV illness, particularly at the end stages, and cause 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. HIV/AIDS remains an important focus for Gold Fields and the Group will continue its extensive intervention campaigns. However, the potential impact of HIV/AIDS on Gold Fields' South Deep operation and financial condition is significant. 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".

Additionally, the spread of contagious diseases such as respiratory diseases, including seasonal flu and latent epidemics like avian, swine flu and severe acute respiratory syndrome, are exacerbated by communal housing and close quarters. Although Gold Fields is in the process of creating improved housing facilities at its mines, the spread of such diseases could impact employees' productivity, treatment costs and, therefore, operational costs.

***Gold Fields' operations 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' operations are subject to various environmental laws and regulations in the jurisdictions in which they operate including, for example, those relating to waste treatment and disposal, emissions and water management. Further, Gold Fields must comply with permits or standards governing, among other things, land rehabilitation, tailings dams and waste disposal areas, water consumption, air emissions, water discharges, naturally occurring radioactive material, transportation of ore or hazardous substances, power use and generation, use and storage of explosives, housing and other facilities for workers, reclamation, labor standards and mine safety and occupational health.

In several of the countries in which Gold Fields operates, the environmental protection laws require, among other things, that Gold Fields register with the environmental authorities and obtain environmental permits and certificates for its operations, as well as rehabilitate land disturbed by mining operations. In several jurisdictions, such as Ghana and Australia, Gold Fields is required to secure estimated environmental rehabilitation costs in part by posting a reclamation bond. In South Africa, similar security is required in the form of financial provision for rehabilitation of a mine during and particularly after the mine has been closed in terms of the Mineral and Petroleum Resources Development Act No. 28 of 2002, or the MPRDA.

Moreover, in Peru, recent legislation now requires the government to consult with indigenous or tribal communities on any legislative or administrative measures that may directly affect their collective rights.

In Western Australia, proposed new mining rehabilitation fund legislation, the Mining Rehabilitation Fund Act 2012 (WA), was assented to on November 5, 2012. The legislation will be implemented from July 1, 2013. Upon implementation, most holders of mining tenements granted pursuant to the Mining Act 1978 (Western Australia), or the Mining Act, will be required to pay a levy into the fund. The levy will consist of an annual fund contribution, calculated as a percentage (likely initially to be 1% of each tenement's closure liability estimate). The closure liability estimate for a tenement will be assessed in accordance with a per-hectare levy calculator which is currently being developed. The proposed legislation does not make any changes to the Mining Act of 1978, and environmental security bonds can still be applied to any Mining Act of 1978 tenements in accordance with that act. If the proposed legislation passes, the associated levy will create additional costs for Gold Fields.

Gold Fields may in the future incur significant costs to comply with such 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 national constitutions or other sources of environmental rights. These costs could have a material adverse effect on Gold Fields' business, results of operations and financial condition. See "Information on the Company—Environmental and Regulatory Matters".

In each of the jurisdictions in which it operates, Gold Fields is 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. 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."

In South Africa, certain targets were set by the Mine Health and Safety Council, or the MHSC, 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, or it is found to be in excess of noise or silicosis limits generally, the Mine Health and Safety Inspectorate, or the MHSI, could potentially order that operations be halted at any time due to overexposure of employees to unsafe or unhealthy working conditions. Gold Fields expects that the MHSC targets related to the reduction of accidents, noise and silicosis will be revised to tighten these standards over the next several years.

The principal health risks associated with Gold Fields' mining operations in South Africa arise from occupational exposure and community environmental exposure to silica dust, noise and certain hazardous substances, including toxic gases and radioactive particulates. 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 or other ailments alleged to arise due to exposure to hazardous materials and substances), which may be in the form of a class action or similar group action. Although risks associated with alleged occupational exposure are likely to be greater, such actions may also arise in connection with the alleged incidence of such diseases in communities proximate to Gold Fields' mines.

In the second half of 2012, two suits were filed against several South African mining companies, including Gold Fields, on behalf of current and former gold mine workers and the dependants of gold mine workers who have contracted or died from silicosis or other occupational lung diseases.

If a significant number of such 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 remediate these matters or to resolve any outstanding claims or other potential action. Further, we expect that the levels of statutory compensation payable to individuals may be increased over the next several years.

Gold Fields monitors health and safety issues in the jurisdictions in which it operates. One issue that has arisen in the context of the United States is diesel particulate matter, or DPM. While regulations and litigation regarding DPM have not occurred in the jurisdictions where Gold Fields operates, there is a risk that these issues may arise in the future. Therefore, Gold Fields is unable to estimate any costs relating to new regulations or potential litigation around this issue, however, any such regulations or litigation could have a material adverse effect on Gold Fields' business, operating results and financial condition.

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. For example, on June 30, 2012, Gold Fields' former KDC mine was closed when there were five fatalities following a fire at its No. 4 (West), or Ya Rona, mine shaft. KDC East reopened on July 3, 2012 and KDC West reopened on July 9, 2012. The fire in the affected shaft was extinguished on August 14, 2012; however, this shaft remained closed subject to a Section 54 order issued by the Department of Mineral Resources, or the DMR, and reopened on October 17, 2012, although production did not recommence at that time due to the labor actions described above. See "—Gold Fields' operations and profits have been and may be adversely affected by union activity and new and existing labor laws". A Section 54 order suspends mining operations at an operating section following a safety incident or accident. Prior to the Spin-off, Gold Fields launched an internal investigation into the fire at KDC in order to better understand the cause of this accident. South Africa's deputy Mineral Resources Minister has stated that the ministry may increase sanctions, including closures, for mines in which fatalities occur because of violations of health and safety rules. As occurred in June, the DMR can and does issue, in the ordinary course of its operations, instructions, including Section 54 orders, following safety incidents or accidents to partially or completely halt operations at affected mines. 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. In addition, 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. Any additional stoppages in production, or increased costs associated with such incidents, could have a material adverse effect on Gold Fields' business, operating results and financial condition. Such incidents may also negatively affect Gold Fields' reputation with, among others, employees and unions, South African regulators and regulators in other jurisdictions in which Gold Fields operates.

In April 2009, the Mine Health and Safety Amendment Act no.74 of 2008, or the Mine Health and Safety Amendment Act, became law, resulting in more stringent regulations regarding mine health and safety, to which Gold Fields is subject. Additionally, Gold Fields may be subject to an increased risk of prosecution for industrial accidents as well as greater penalties, including mine closure, and fines for non-compliance.

In Ghana, statutory workers' compensation is not the exclusive means for workers to claim compensation, as claims may be made under common law torts. 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.

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—Health and Safety".

***Gold Fields' operations 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 (part of the KDC operation) was issued a water use license in December 2008 that expired in December 2011. The Group has applied for renewal of, and amendments to, this license. Pending approval of the Kloof water use license, Gold Fields obtained a regulatory directive, or the Kloof Directive, from the Department of Water Affairs, or the DWA, that permits the continuation of water uses at its Kloof operations while its application for renewal of, and amendments to, its water use license was being processed. Prior to February 2011, the Kloof operation had been in compliance with the license granted to it in 2008. However, from February 2011 to September 2011, the water discharged from one of the shafts of the KDC operation covered by the Kloof license exceeded the discharge parameters specified by the license. Gold Fields informed the DWA and other relevant regulators and has investigated the cause of the increased discharge. One of the key findings of the investigation was that the increased discharge was most likely due to external variables beyond the control of the KDC operation. Based on this information, the Kloof Directive included an increase to the discharge limits of that specific discharge point. As of December 9, 2011, the date of issue of the Kloof Directive, the water discharged from the shaft covered by the Kloof water use license has been in compliance with the discharge parameters specified in the directive. Monitoring of the discharge quality is ongoing. However, there can be no assurance that the water discharge from the KDC operation will remain within these discharge parameters, that the renewed Kloof license will be granted or that it will be granted with the increased discharge limit provided by the Directive. The Driefontein operation (now part of the KDC operation) was also issued a water use license in October 2010. However, due to certain inaccuracies and discrepancies in the information provided for the water use license, Gold Fields has remained in discussions with the DWA to revise the license. While there was a delay in processing the water use license application at South Deep, which was submitted within the applicable time limits, Gold Fields was issued a new water use license for South Deep in December 2011. Gold Fields has made an application for rectification and amendment of this water use license to the DWA as well.

The DWA has 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 proactively submitted a water use license application which is currently being processed. Therefore, management believes that the South African operations now have all required authorizations to undertake regulated water uses for purposes of carrying out its mining operations.

Gold Fields is investigating a water treatment strategy in an effort to satisfy the conditions of new water use licenses and prevent potential acid mine drainage, or AMD, issues across its South African operations. 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.

In Ghana, environmental regulations also impose water treatment and discharge conditions on a mine owner. Gold Fields is required to comply with these regulations under its permits and licenses and any failure to do so could result in the curtailment or halting of production at the affected locations. On July 16, 2012, the operation of all heap leach facilities at Tarkwa was suspended after Gold Fields Ghana received a directive from the Environmental Protection Agency of Ghana, or the Ghanaian EPA, and the Ministry of Environment, Science and Technology to stop discharging water from these facilities and treat all water discharges through a water treatment plant to reduce conductivity levels to prescribed levels. In accordance with environmental best practice and in compliance with the Ghanaian EPA directive Gold Fields has commissioned the construction of two water treatment plants at its North and South Heap Leach facilities. On August 9, 2012, Gold Fields received permission from the Ghanaian EPA to reopen the heap leach facilities while the water treatment plants were being built. The North Heap Leach water treatment plant was operational on January 1, 2013 with increased capacity expected by the third quarter of 2013. The South Heap Leach water treatment plant is expected to come into operation during the second quarter of 2013. Certain weather patterns, including those associated with the rainy season in Ghana, when combined with the operation of the mine will increase the risk that the heap leach facilities discharge water in excess of the prescribed conductivity levels. Gold Fields has engaged in discussions with the Ghanaian EPA regarding these issues. However, if Gold Fields does not comply with applicable water treatment and discharge conditions, it could be subject to fines, mine closures, production curtailment or it could incur additional operating costs, and any such events could have a material adverse effect on Gold Fields’ business, production and results of operations.

Any failure on Gold Fields' part to achieve or maintain compliance with the requirements of its 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 has experienced and may experience further acid mine drainage related pollution, which may compromise its ability to comply with its water use licenses.***

Gold Fields has identified incidences of AMD, and the risk of potential short-term and long-term AMD issues, specifically at its Cerro Corona mine, its South Deep mine and, at currently immaterial levels, its Damang mine. 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 or mitigate 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.

As part of Cerro Corona's mine closure plan review, Gold Fields recently concluded a set of studies that were required by the Ministry of Energy and Mines, or 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.

At South Deep, the old tailings are currently acid generating and acid base accounting, or ABA, and leachate testing have indicated that other material at the mine has the potential to be acid generating. While the majority of contaminated water emanating from the tailings is captured by collection trenches and return water dams, shallow seepage (off the underlying shale) of low pH water generated by the tailings and periodic overflows of the return dams occur into the surrounding watercourse and shallow groundwater. Gold Fields has informed the relevant regulators of these incidents and has put in place a number of measures agreed with the regulator. Gold Fields is also developing water and waste management strategies in an effort to, among other things, prevent or mitigate AMD issues at South Deep in the short, medium and long term. However there can be no assurance that Gold Fields will be successful in preventing or mitigating any current or potential AMD issues.

The existence of AMD issues at any of Gold Fields operations could cause it to fail to comply with its water use license requirements and could expose Gold Fields to fines, mine closures, production curtailment, additional operating costs and other liabilities, any of which could have a material adverse effect on Gold Fields' business, production and results of operations.

***Gold Fields' mineral rights are subject to legislation, which could impose significant costs and burdens.***

Gold Fields' right to own and exploit mineral reserves and deposits is governed by the laws and regulations of the jurisdictions in which the mineral properties are located. Currently, a significant portion of Gold Fields' reserves and deposits are located in countries where mining rights could be suspended or canceled should it breach its obligations in respect of the acquisition and exploitation of these rights.

In all of the countries where Gold Fields operates, the formulation or implementation of governmental policies on certain issues may be unpredictable. This may include changes in laws relating to mineral rights and ownership of mining assets and the right to prospect and mine, and, in extreme cases, nationalization, expropriation or nullification of existing concessions, licenses, permits agreements and contracts.

For example, in South Africa, the MPRDA, together with the implementation of a broad-based socio-economic empowerment charter (amended with effect from September 13, 2010), or the Amended Mining Charter, effects entry of historically disadvantaged South Africans, or HDSAs, into the mining industry. Among other things, the Amended Mining Charter required each mining company to achieve a minimum of 26% HDSA ownership of mining assets by 2014, as well as requiring numerous other social and economic commitments from each mining company. There is uncertainty relating to the enforceability of the Amended Mining Charter's requirement for mining entities to achieve a 26% HDSA ownership of mining assets by 2014. See "Information on the Company—Environmental and Regulatory Matters—South Africa—Mineral Rights—The MPRDA".

Failure by the Group's South Deep operation to comply with the 26% HDSA ownership requirements as set out in the MPRDA and the Amended Mining Charter, or other provisions of the Amended Mining Charter, may amount 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 from obtaining any new mining rights in South Africa.

In December 2012, a draft Mineral and Petroleum Resources and Development Bill, 2012, or MPRDB, was published for comment, with the stated purpose of, among other things, removing ambiguities and enhancing sanctions. However, the MPRDB has been criticized for introducing new and burdensome regulations relating to, among other things, the upstream beneficiation of minerals, the status of tailings created prior to the commencement of the MPRDA, closure certificates, restricting the transfer of shares in listed and unlisted mining companies and retaining undue regulatory discretion over the conditions for, and issuance of, prospecting, mining and other rights. The MPRDB also seeks to significantly increase the penalties that may be imposed for, among other things, non-compliance with the MPRDA, other relevant law, the terms and conditions of a right or a social and labor plan. While it is anticipated that the MPRDB may undergo various amendments before it becomes law, the passage of the MPRDB may subject companies in the mining industry, like Gold Fields, to more stringent regulation in the future.

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 Broad-Based Black Economic Empowerment Act, No. 53, 2003, or the BBBEE Act, established a national policy on broad-based black economic empowerment, or BBBEE, with the objective of increasing the participation of HDSAs 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 the BBBEE 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. On November 23, 2012, the Broad-Based Black Economic Empowerment Amendment Bill, or the BBBEE Amendment Bill was published in the Government Gazette. The BBBEE Amendment Bill 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 more stringent black economic empowerment regulation.

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 MPRDA's BEE requirements or 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 MPRDA's BEE requirements or the Amended Mining Charter's requirements could subject Gold Fields to negative consequences, the scope of which have not yet been fully determined but which may include, among other things, the loss of one or more mining rights. As noted, the ANC adopted a policy conference recommendation which, among other things, proposes greater state intervention in the mining industry.

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.

***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 current title claims, and other tenements may become the subject of native title claims if Gold Fields seeks to expand or otherwise change its interest in rights to those tenements. There are also a number of recognized Aboriginal cultural heritage sites located on certain of Gold Fields' tenements.

Native title and Aboriginal cultural heritage legislation protects the claims and determined rights of Aboriginal people in relation to the land and waters throughout Australia in certain circumstances. Native title claims could require costly negotiations with the registered claimants and could have implications for 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. Similarly, there are risks that if Aboriginal cultural heritage sites are damaged or materially altered as a result of current or future operations, that Gold Fields could be subject to criminal and/or civil penalties under relevant legislation. See "Information on the Company—Environmental and Regulatory Matters—Australia—Land Claims".

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".

***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 GFO (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 is still current. See "Information on the Company—Legal Proceedings and Investigations".

***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.

***Gold Fields' results of operations may be adversely impacted if it becomes obligated to make payments under certain guarantees it has provided on notes issued by Gold Fields Orogen Holding (BVI) Limited.***

On September 30, 2010, Gold Fields Orogen Holding (BVI) Limited, or Orogen, announced the issue of $1,000,000,000 4.875% guaranteed notes due October 7, 2020, or the Notes, issued on October 7, 2010. The payment of all amounts due in respect of the Notes was unconditionally and irrevocably guaranteed by Gold Fields, Sibanye Gold, Gold Fields Operations Limited, or GFO, and Gold Fields Holdings Company (BVI) Limited, or GFH, or, together, the Guarantors, on a joint and several basis. The Notes and guarantees constitute direct, unsubordinated and (subject to the negative pledge provisions related to further capital market indebtedness) unsecured obligations of Orogen and the Guarantors, respectively, and rank equally with all other existing and future unsubordinated and unsecured obligations from time to time outstanding of Orogen and the Guarantors, respectively.

Each of Gold Fields and the other Guarantors have entered into an indemnity agreement, or the Indemnity Agreement, in favor of Sibanye Gold in order to indemnify Sibanye Gold against any loss caused to Sibanye Gold in circumstances where Sibanye Gold is required to make a payment to noteholders or the trustee of the Notes by virtue of its guarantee of the Notes. If Gold Fields or the other Guarantors were to become obligated to indemnify Sibanye Gold, it could have a material adverse effect on Gold Field's business, financial condition and results of operations.

Further, market conditions may negatively impact Gold Fields' ability to obtain financing for amounts it becomes required to pay under its obligations as guarantor, as well as the rate of interest required to finance these amounts.

***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 approvals 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.

Investors should be aware that 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, it does not mean that such awards are necessarily contrary to public policy. Whether a judgment is contrary to public policy depends on the facts of each case. Exorbitant, unconscionable or excessive awards will generally be contrary to public policy. South African courts cannot enter into the merits of a foreign judgment and cannot act as a court of appeal or review over the foreign court. South African courts will usually implement their own procedural laws and, where an action based on an international contract is brought before a South African court, the capacity of the parties to the contract will usually be determined in accordance with South African law. It is doubtful whether an original action based on United States federal securities laws or the laws of other jurisdictions outside South Africa may be brought before South African courts. Further, 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. In addition, the Rules of the High Court of South Africa require that documents executed outside South Africa must be authenticated for the purpose of use in South Africa.

Investors should also be aware that 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, No. 99 of 1978, as amended, of the Republic of South Africa.

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

Historically, trading volumes and liquidity of shares listed on the JSE have been low in comparison with other major markets. The ability of a holder to sell a substantial number of Gold Fields' ordinary shares on the JSE in a timely manner, especially in a large block trade, may be restricted by this limited liquidity. See "The Offer and Listing—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 was introduced with effect from April 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 future dividends or distributions with respect to Gold Fields' ordinary shares, if any, 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 not 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, 2012, Gold Fields had an aggregate of 1,000,000,000 ordinary shares authorized to be issued and as of that date an aggregate of 731,588,614 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, 2012, 14,447,471 shares we are allocated and outstanding under these plans. After the Spin-off, as of May 9, 2013, 14,575,791 shares are allocated and outstanding under these plans. 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". Shareholders' equity interests in Gold Fields will be diluted to the extent of future exercises or settlements of these rights and any additional rights. Gold Fields shares are also subject to dilution in the event that the Board is required to issue new shares in compliance with BBBEE legislation.

## ITEM 4: INFORMATION ON THE COMPANY

**Introduction**

Gold Fields is a significant producer of gold and a 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.

On the Spin-off date, Gold Fields completed the Spin-off. The Spin-off was achieved by way of Gold Fields making a distribution on a *pro rata* basis of one Sibanye Gold ordinary share for every one Gold Fields share (whether held in the form of shares, ADRs or international depositary receipts) to Gold Fields shareholders, registered as such in Gold Fields' register at close of business on February 15, 2013 in terms of section 46 of the South African Companies Act and section 46 of the South African Income Tax Act. The board of directors of Gold Fields passed the resolution necessary to implement the Spin-off on December 12, 2012. Sibanye Gold shares listed on the JSE, and on the NYSE on February 11, 2013. As of the Spin-off date, Gold Fields and Sibanye Gold were independent, publicly traded companies with separate public ownership, boards of directors and management.

Prior to the Spin-off, approximately half of Gold Fields' operations, based on gold production, were located in South Africa. After the Spin-off, Gold Fields expects that its South African, Ghanaian, Australian and Peruvian operations will produce 16%, 42%, 28% and 14% of its total gold production in 2013, respectively. Gold Fields' remaining South African operation is 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. 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, 2012, Gold Fields reported attributable proven and probable gold and copper reserves of approximately 68.4 million ounces of gold and 1,024 million pounds of copper, as compared to the 77.6 million ounces of gold and 1,109 million pounds of copper, reported as of December 31, 2011. Of the 68.4 million ounces as of December 31, 2012, the Sibanye Gold assets accounted for 13.5 million ounces of gold. See "—Reserves of Gold Fields as of December 31, 2012—Methodology".

In fiscal 2012, Gold Fields processed 56.1 million tonnes of ore and produced 3.348 million ounces of gold (including gold equivalent ounces). On an attributable basis, Gold Fields produced 3.254 million ounces of gold (including gold equivalent ounces), of which 1.224 million ounces of gold was produced by the Sibanye Gold assets. In the second half of 2012, Gold Fields, like several other South African mining companies, was significantly affected by work stoppages that impacted much of the South African mining industry.

**Competitive Position**

Gold Fields is a producer of gold and major holder of gold reserves in South Africa, Ghana, Australia and Peru. Gold is a commodity product generally sold in U.S. dollars, with London being the world's primary gold trading market. Gold is also actively traded using futures and forward contracts. The price of gold has historically been significantly affected by macroeconomic factors, such as inflation, exchange rates, reserves policy and by global political and economic events, rather than simple supply and demand dynamics. As a general rule, Gold Fields sells the gold it produces at market prices to obtain the maximum benefit from prevailing gold prices.

The key gold producers globally have historically been Barrick Gold, Newmont Mining, AngloGold and Gold Fields, which produced 6.996, 4.726, 3.948 and 3.697 million ounces, respectively, in 2011 and together accounted for approximately 21% of the total global gold production for the year, according to the information provided by the companies and the World Gold Council, or WGC.