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.

Gold Fields may experience unforeseen difficulties, delays or costs in implementing its business strategy and projects, including any strategic projects, cost-cutting initiatives, divestments and other initiatives and any such strategy or project may not result in the anticipated benefits.

The ability to grow the business will depend on the successful implementation of Gold Fields' existing and proposed strategic initiatives, such as the ramping up of production at South Deep (which accounts for 72% of Gold Fields' mineral reserves as at December 31, 2016), the reinvestment of Damang, the development of the Gruyere Gold project, or the Gruyere Gold Project or Gruyere, as well as the achievement of a 15% free cash flow margin, or FCF Margin, at a gold price of U.S.$1,300 per ounce. See "Information on the Company—Strategy". The Gruyere Gold Project is exposed to all of the risks described below in "—To the extent that Gold Fields seeks to add to or replace its reserve base through exploration, it may experience problems associated with mineral exploration or developing mining projects."

The successful implementation of the Company's strategic initiatives depends upon many factors, including those outside its control. For example, the successful achievement of a 15% FCF Margin at a gold price of U.S.$1,300 per ounce. will depend on, among other things, prevailing market prices for input costs.

Gold Fields may also prove unable to deliver on production targets and other strategic initiatives. Unforeseen difficulties, delays or costs may adversely affect the successful implementation of Gold Fields' business strategy and projects, and such strategy and projects may not result in the anticipated benefits. For example, Gold Fields is in the process of implementing an operational and ramp up plan at South Deep intended to improve productivity at the mine, which includes the alignment of the mine's planning process with realistic productivity levels, the implementation of business improvement projects and the implementation of revised support strategies, mining sequence and pillar configuration changes. The implementation of this operational and ramp up plan is complex and there can be no assurance that the implementation of the plan will achieve the result intended or that it will not result in delays, increased costs or other issues. In addition, the reinvestment in the Damang mine may not yield the extension of reserves or life of mine expected. Any such difficulties, delays or costs could prevent Gold Fields from fully implementing its business strategy, which could have a material adverse effect on its business, operating results and financial condition.

Gold Fields is in the process of implementing initiatives relating to its strategic restructuring, including the reduction of marginal mining, cost-efficiency initiatives, increased brownfield exploration, production planning, cost-cutting and divestments. Any future contribution of these measures to profitability will be influenced by the actual benefits and savings achieved and by Gold Fields' ability to sustain these ongoing efforts. Strategic restructuring and cost-cutting initiatives may involve various risks, including, for example, labor unrest and operating license withdrawal. The risk is elevated in South Africa, given Gold Fields' mining rights obligations. See "—Gold Fields' mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute".

In addition, these initiatives may not be implemented as planned; turn out to be less effective than anticipated; only become effective later than anticipated; or not be effective at all. Depending on the nature of the outcomes of the initiatives, they, individually or in combination, may have a material adverse effect on Gold Fields' business, operating results and financial condition.

As part of its strategy, Gold Fields has stated that it intends to dispose of certain of its exploration and development assets, as well as the Darlot mine. With respect to these and any other dispositions, Gold Fields may not be able to obtain prices that it expects for assets it seeks to dispose of or to complete the contemplated disposals in the timeframe contemplated or at all.

Any of the above could have a negative impact on Gold Fields’ business, operating results and financial condition.

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.

Gold Fields’ revenues are primarily derived from the sale of gold that it produces. The Group’s policy is to remain unhedged to the gold price, though hedges are sometimes undertaken to protect cash flows at times of significant expenditure, for specific debt servicing requirements and to safeguard the viability of higher cost operations. As a result, it is exposed to changes in the gold price, which could lead to reduced revenue should the gold price decline. After falling 45% between September 2011 and December 2015, when it hit a low of U.S.$1,060 per ounce, the gold price recovered in fiscal 2016, ending the year at U.S.$1,130 per ounce. As at April 3, 2017, it was U.S.$1,247 per ounce, as trading in the metal remains volatile amid global political and economic uncertainties. See “Quantitative and Qualitative Disclosures about Market Risk”. The market price for gold has historically been volatile and is affected by numerous factors over which Gold Fields has no control, such as general supply and demand, speculative trading activity and global economic drivers.

Further, over the period from 2011 to 2016, the gold price has declined from an average price of U.S.$1,571 per ounce to an average price of U.S.$1,241 per ounce. Should the gold price decline below Gold Fields’ production costs, it may experience losses and should this situation continue for an extended period, Gold Fields may be forced to curtail or suspend some or all of its growth projects, operations and/or reduce operational capital expenditures. Gold Fields might not be able to recover any losses it incurred during, or after, such events. A sustained period of significant gold price volatility may also adversely affect Gold Fields’ ability to undertake new capital projects or continue with existing operations or make other long-term strategic decisions. The use of lower gold prices in reserve calculations and life of mine plans could also result in material impairments of Gold Fields’ investment in mining properties or a reduction in its reserve estimates and corresponding restatements of its reserves and increased amortization, reclamation and closure charges.

In Peru, 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. Over the period from 2011 to 2016, the price of copper has declined from an average price of U.S.$8,836 per tonne to an average price of U.S.$4,848 per tonne. A variety of factors have and may depress global copper prices and a decline in copper prices, which have also fluctuated widely, would adversely affect the revenues, profit and cash flows of the Cerro Corona mine.

Because gold is sold in U.S. dollars, while a significant portion 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 change in the value of these non-U.S. dollar currencies.

Gold is sold throughout the world in U.S. dollars. Gold Fields’ costs of production are incurred principally in U.S. dollars, Australian dollars, Rand and other currencies. Recent volatility in the Rand (including significant depreciation of the Rand against the U.S. dollar in recent years) and depreciation of the Australian dollar against the U.S. dollar in fiscal 2014, 2015 and 2016 has made our reported costs in South Africa and Australia and results of operations less predictable than when exchange rates are more stable. 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’ business, 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 and could have a material adverse effect on Gold Fields' business, operating results and financial condition if not offset by increased gold prices.

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

The mineral reserves stated in this annual report are estimates based on assumptions regarding, among other things, Gold Fields' costs, expenditures, commodity prices, exchange rates, geology models, geological criteria, mining methods, mining equipment 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 adversely revises any of the assumptions that underlie its mineral reserves reporting, Gold Fields may need to revise its mineral reserves downwards. See "Information on the Company—Reserves of Gold Fields as at December 31, 2016".

During fiscal 2015 and 2016, Gold Fields completed a strategic review of South Deep and delivered a revised plan, or the Rebase Plan, to the market in February 2017. The Rebase Plan defines the updated Mineral Reserve and life of mine, or LoM, plan for South Deep and incorporates all recent revisions and improvements in mine design, production scheduling and geotechnical parameters. The Rebase Plan required a diagnostic of the full value chain, from design to skills training, conducted by management and external consultants. This review highlighted opportunities for improvement and South Deep's own technical abilities were strengthened along with on-boarding various technical experts as part of developing a technically assured and deliverable mine plan. South Deep is now targeting steady-state annual production of approximately 500,000 ounces by fiscal 2022 at an AIC of U.S.$900 per ounce. There can be no assurance that the implementation of the Rebase Plan will not result in lower than expected long-term steady state production volumes, cost fluctuations, reduced reported ore reserves and life of mine, or other associated issues at South Deep, which could have a material adverse effect on Gold Fields' business, operating results and financial condition. See "Information on the Company—Reserves of Gold Fields as at December 31, 2016—Methodology".

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

Gold Fields' reserve base is depleted annually through its production activities. In fiscal 2016, four out of Gold Fields' seven non-South African mines reported lower ore reserves after taking depletion into account. In order to replace its mineral reserves at its international operations or expand its operations and reserve base, Gold Fields expects to rely, in part, on exploration 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. To the extent that ore bodies are to be 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, such as the Gruyere Gold Project in Western Australia in which Gold Fields holds a 50% interest, there could be disagreements, legal or otherwise, or divergent interests or goals among the parties, which could jeopardize the success of the project. There can be no assurances that Gold Fields will be able to replace its reserves through exploration, development or otherwise and, if Gold Fields is unable to replace its reserves, this could have a material adverse effect on its business, operating results and financial condition.

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.

To the extent that Gold Fields makes acquisitions, it may experience problems in executing the 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 companies or assets. For example, on October 1, 2013, Gold Fields completed the acquisition of the Granny Smith, Darlot and Lawlers gold mines, or the Yilgarn South Assets, in Western Australia from Barrick Gold Corporation, or Barrick. See "Information on the Company—Gold Fields' Mining Operations—Australasia Operations". 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. There can be no assurance that any acquisition will achieve the results intended, and, as such, could have a material adverse effect on Gold Fields' business, operating results and financial condition.

Gold Fields' mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute.

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 rights, concessions, licenses, permits, agreements and contracts. For example, Gold Fields' operations in South Africa are subject to legislation regulating the exploitation of mineral resources through the granting of rights required to prospect and mine for minerals. This includes broad-based black economic empowerment, or BBBEE, legislation designed to effect the entry of historically disadvantaged South Africans, or HDSAs, into the mining industry and to increase their participation in the South African economy.

The Mineral and Petroleum Resources and Development Act, or the MPRDA, came into effect on May 1, 2004 and transferred ownership of mineral resources to the South African people, with the South African government acting as custodian in order to, among other things, promote equitable access to the nation's mineral resources by South Africans, expand opportunities for historically disadvantaged persons who wish to participate in the South African mining industry and advance social and economic development. As custodian, the South African government exercises regulatory control over the exploitation of mineral resources and does so by exercising the power to grant, including, subject to terms and conditions, the rights required to prospect and mine for minerals. The MPRDA required mining companies to apply for the right to mine and/or prospect and to apply for the conversion of "old order" prospecting rights and mining rights to "new order" prospecting rights and mining rights. In order to qualify for these rights, applicants need to satisfy the South African government that the granting of such a right will advance the open-ended broad-based socio-economic empowerment requirements of the Mining Charter published pursuant to the MPRDA, or the Mining Charter. The MPRDA also required that mining companies submit social and labor plans, or SLPs, which set out their commitments relating to human resource development, labor planning and socio-economic development planning to the DMR. In order to provide guidance on the fulfillment of these broad-based socio-economic empowerment requirements to the mining industry, the DMR published the Mining Charter, which became effective on May 1, 2004. The Mining Charter required 15% HDSA ownership by 2009 and 26% HDSA ownership by 2014, or the 2014 Deadline. See "Information on the Company—Environmental and Regulatory Matters—South Africa—Mineral Rights—The MPRDA".

In 2010, the DMR introduced the Amended Mining Charter containing guidelines envisaging, among other things, that mining companies should achieve a minimum of 40% HDSA demographic representation by 2014 at executive management (board) level, senior management (executive committee) level, core and critical skills, middle management level and junior management level. See “Information on the Company—Environmental and Regulatory Matters—South Africa—Mineral Rights”. In April 2013, Gold Fields submitted a new SLP for South Deep to replace its original SLP submitted in 2010 and is awaiting a response from the DMR.

In fiscal 2014, with the 2014 Deadline in view, the DMR initiated a process of assessing mining companies’, including Gold Fields’, compliance with the BBBEE guidelines of the Mining Charter and Amended Mining Charter. This review process raised a number of concerns among mining companies due to its inflexible approach towards the assessment of compliance with the Amended Mining Charter.

On March 31, 2015, the DMR released to the public an interim report of the consolidated results of the assessment, which showed relatively general compliance with the non-ownership requirements of the Amended Mining Charter. However, the DMR did not report the results of compliance with the HDSA ownership guidelines of the Mining Charter and noted that there is no consensus on certain applicable principles.

On the same date, the Chamber of Mines, or the Chamber, reported that the DMR believes that empowerment transactions by mining companies concluded after 2004 where the HDSA ownership level has fallen due to HDSA disposal of assets or for other reasons, should not be included in the calculation of HDSA ownership for the purposes of, among other things, the 26% HDSA ownership guidelines under the Mining Charter. The position of Gold Fields is consistent with that of the Chamber and it is that such empowerment transactions should be included in the calculation of HDSA ownership. The DMR and the Chamber agreed to approach the South African courts jointly to seek a declaratory order that will provide a ruling on the relevant legislation and the status of the Mining Charter, including clarity on the status of previous empowerment transactions concluded by mining companies. The Chamber and the DMR filed papers in court and the matter, or the Main Application, was placed on the roll to be heard on March 15, 2016. In February 2016, an application was filed by a third party, Malan Scholes Inc., to consolidate the Main Application with its own application for a declaratory order on the empowerment aspects of the Mining Charter, or the Scholes Application. The Chamber opposed the consolidation of these applications on the basis that, among other things, the right to relief in the respective applications does not depend substantially on the same questions of law and/or fact. On May 3, 2016, the court refused to consolidate the two applications. The court reserved judgment in the Scholes Application after a hearing on February 7, 2017. The court is yet to hear the Main Application, which has not been enrolled pending an attempt to settle the Main Application outside of court.

If the DMR were to prevail in the Main Application or alternatively, the Scholes Application, mining companies, including Gold Fields, may be required to undertake further empowerment transactions in order to increase their HDSA ownership, which would result in the dilution of existing shareholders and could have a negative impact on the financial indebtedness of Gold Fields. In such event, mining companies may be required to maintain a minimum HDSA ownership level indefinitely. While it remains to be seen whether the Chamber will prevail in court, on April 15, 2016, the DMR published a new draft mining charter, or the New Draft Mining Charter, which seeks to, among other things, maintain HDSA equity ownership in mining companies at a minimum of 26% which could result, once published in its final form, in mining companies being required to undertake further empowerment transactions within a prescribed period of time in order to increase their HDSA ownership, which would result in the dilution of existing shareholders. Under the New Draft Mining Charter, current holders of mining rights will have a three year transitional period from the coming into effect of the New Draft Mining Charter to align themselves with the new ownership requirements. Where empowerment transactions have been concluded and empowerment partners have sold their shares and exited the structure, new empowerment transactions will need to be concluded for mining right holders to be compliant with the New Draft Mining Charter. Having first been introduced in the Amended Mining Charter, the New Draft Mining Charter also proposed that HSDA entrepreneurs, communities and employees are brought into the ownership structure and all hold a mining equity stake of no less than 5% each. The New Draft Mining Charter was open for public comment and various submissions on the New Draft Mining Charter were made as part of the public commentary process. During the latter part of 2016, the Chamber and the DMR initiated consultation in relation to the New Draft Mining Charter, which is continuing. The Minister of Mineral Resources announced on

February 6, 2017, that a revised version of the New Draft Mining Charter would be published in the government gazette in March 2017. A revised version of the New Draft Mining Charter is yet to be published in the government gazette.

Any adjustment to the ownership structure of Gold Fields' mining assets in order to meet BBBEE requirements could have a material adverse effect on the value of Gold Fields' securities. Further, Gold Fields may in the future incur significant costs or have to issue additional ordinary shares as a result of changes in the interpretation of existing laws and guidelines or the imposition of new laws relating to HDSA ownership requirements, which may have a material adverse effect on Gold Field's business, operating results and financial condition.

In terms of section 47 of the MPRDA, the Minister of Mineral Resources may suspend or cancel the existing mining rights, or under section 23(3) of the MPRDA, refuse to grant applications for new mining rights by mining companies, including Gold Fields, should such holders of mining rights be deemed not to be in compliance with the requirements of the MPRDA as read with South Africa's mining industry empowerments requirements. However, it is this very issue which also forms part of the court application by the Chamber. If the Minister were to determine that Gold Fields is not in compliance with the requirements of the MPRDA and its empowerment requirements, Gold Fields may be required to engage in remedial steps, including changes to management and actions that require shareholder approval.

There is currently uncertainty whether mining companies are, in addition to its required compliance with the MPRDA, required to comply with the BBBEE Act, 2003, or BBBEE Act, and the BBBEE Codes, which apply generally to other industries in South Africa. The MPRDA does not require mining companies to comply with the BBBEE Act and the BBBEE Codes but the Minister of Mineral Resources has expressed a desire to align the New Draft Mining Charter with the BBBEE Act and the more onerous BBBEE Codes. The current version of the New Draft Mining Charter reflects the Minister's attempts at alignment notwithstanding the questionable need to do so. Accordingly, if brought into effect in its current form, the New Draft Mining Charter could potentially create further uncertainty.

If the DMR were to determine that Gold Fields is not in compliance with the MPRDA, for any reason, including HDSA ownership, Gold Fields may challenge such a decision in court. Any such court action may be expensive and there is no guarantee that Gold Fields' challenge would be successful.

There is no guarantee that any steps Gold Fields has already taken or might take in the future will ensure the retention of its existing mining rights, the successful renewal of its existing mining rights, the granting of applications for new mining rights or that the terms of renewals of its rights would not be significantly less favorable 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 BBBEE requirements could have a material adverse effect on the value of Gold Fields' securities.

An amendment bill to the MPRDA, namely the MPRDB, was passed by both the National Assembly and the National Council of Provinces, or NCOP, on March 27, 2014. In January 2015, the President referred the MPRDB back to parliament for reconsideration and on November 1, 2016, the Portfolio Committee on Mineral Resources tabled non-substantial revisions to the MPRDB in the National Assembly and a slightly revised version of the MPRDB was passed by the National Assembly and referred to the NCOP. There is a large degree of uncertainty regarding the changes that will be brought about should the MPRDB be made law. Among other things, the MPRDB seeks to require the consent of the Minister of Mineral Resources for the transfer of any interest in an unlisted company or any controlling interest in a listed company where such companies hold a prospecting right or mining right and to give the Minister of Mineral Resources broad discretionary powers to prescribe the levels required for beneficiation in promoting the beneficiation of minerals. For further information, see "Information on the Company—Environmental and Regulatory Matters—South Africa—Mineral Rights—The MPRDA".

Failure by Gold Fields to comply with mineral rights legislation in any of the jurisdictions in which it operates may cause it to lose the right to mine, fail to acquire new rights to mine and may have a material adverse effect on Gold Fields' business, operating results and financial condition.

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

Gold Fields is subject to various regulatory costs, such as mining taxes and royalties, changes to which may have a material adverse effect on Gold Fields' operations and profits.

In recent years, governments, communities, non-governmental organizations, or NGOs, 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' business, operating results and financial condition.

In South Africa, the African National Congress, or the ANC, has adopted two recommended approaches to interacting with the mining industry. While the ANC has rejected the possibility of mine nationalization for now, the first approach contemplates, among other things, greater state intervention in the mining industry, including the revision of existing royalties, the imposition of new taxes and an increase in the South African government's holdings in mining companies. The second approach contemplates the South African government taking a more active role in the mining sector, including through the introduction of a state mining company to be involved in new projects either through partnerships or individually.

The adopted policies 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 South Africa, the President has appointed the Davis Tax Committee to look into and review the current mining tax regime. The committee's first interim report on mining, which was released for public comment on August 13, 2015, proposed no changes to the royalty regime but recommended the discontinuation of the upfront capital expenditure write-off regime in favor of an accelerated capital expenditure depreciation regime. In addition, the report recommended retaining the so called "gold formula" for existing gold mines only, as new gold mines would be unlikely to be established in circumstances where profits are marginal or where gold mines would conduct mining of the type intended to be encouraged by the formula. The committee also recommended the phasing out of additional capital allowances available to gold mines in order to bring the gold mining corporate income tax regime in line with the tax system applicable to all taxpayers. For a description of the gold formula, see "Operating and Financial Review and Prospects—Income and Mining Taxes—South Africa". A further report is awaited from the committee after receiving public comment.

In Ghana, the ownership of land on which there are mineral deposits is separate from the ownership of the minerals. On January 1, 2017, in line with the development agreement concluded between Gold Fields and the government of Ghana, or the Development Agreement, Gold Fields' royalty rate changed from a flat 5% of revenue to a sliding scale royalty based on the price of gold, starting at a rate of 3% on a gold price below U.S.$1,300 per ounce. The Development Agreement also resulted in a reduction in the corporate tax rate from 35% to 32.5%, effective March 17, 2016. The government of Ghana has a right to obtain a 10% free-carried interest in mining leases. In addition, stool/land rents of approximately U.S.$3 to U.S.$3.2 per acre are (depending on the exchange rate) payable to the government of Ghana. See "Information on the Company—Environmental and Regulatory Matters—Ghana—Mineral Rights".

In Peru, the general corporate income tax rate was increased from 28% to 29.5% with effect from January 1, 2017. In turn, the dividends income tax rate applicable to non-resident shareholders has reduced from 6.8% to 5%. Since July 2012, mining companies have also been required to pay an annual supervisory contribution to the Supervisory Body of Investment in Energy and Mining (*Organismo Supervisor de la Inversión en Energía y Minería*), or the OSINERGMIN, as well as to the Assessment and Environment Supervising Agency (*Organismo de Evaluación y Fiscalización Ambiental*), or the OEFA. See "Information on the Company—Environmental and Regulatory Matters—Peru—Mining Royalty and Other Special Mining Taxes and Charges".

In addition, a 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. See "Information on the Company—Environmental and Regulatory Matters—Peru—Mining Royalty and Other Special Mining Taxes and Charges".

Australia operates a state based royalty regime, and a federal income tax regime. Each of Gold Fields' Australian mines are in the State of Western Australia, which imposes a 2.5% royalty on the value of gold produced. In the 2012–13 State Budget, the Western Australian government announced a mineral royalty rate analysis to review Western Australia's royalty arrangements. This review was conducted jointly by the Department of State Development and the Western Australian Department of Mines & Petroleum, or DMP, and the final report was released to the public on March 25, 2015.

The review examined the efficacy and appropriateness of the royalty system and assessed alternative systems. It recommended that the gold royalty rate increase from 2.5% to 3.75%. The government noted the recommendation of the review, but announced that it would not implement any of the recommended changes.

The Australian federal government levies a corporate income tax at the rate of 30%. It is existing government policy to reduce this to 25% over time. However, as the government does not have the support of the opposition parties, it is considered unlikely that this change will occur in the near time, if at all.

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.

Mining companies are increasingly required to operate in a sustainable manner and to provide benefits to affected communities. Failure to comply with these requirements can result in legal suits, additional operational costs, investor divestment and loss of 'social license to operate', which could adversely impact Gold Fields' business, operating results and financial condition.

Many mining companies face increasing pressure over their "social license to operate" which can be understood as the acceptance of the activities of these companies by local stakeholders. While formal permission to operate is ultimately granted by host governments, many mining activities require social permission from host communities and influential stakeholders to carry out operations effectively and profitably.

These businesses are under pressure to demonstrate that, while they seek a satisfactory return on investment for shareholders, the environment, human rights and other key sustainability issues are responsibly managed and stakeholders, such as employees, host communities and the countries in which they operate, also benefit from their commercial activities. The potential consequences of these pressures and the adverse publicity in cases where companies are believed not to be creating sufficient social and economic benefit or are perceived to not be responsibly managing other sustainability issues may result in additional operating costs, higher capital expenditures, reputational damage, active community opposition (possibly resulting in delays, disruptions and stoppages), allegations of human rights abuses, legal suits, regulatory intervention and investor withdrawal.

In order to maintain its social license to operate, Gold Fields may need to design or redesign parts of its mining operations to minimize their impact on such communities and the environment, either by changing mining plans to avoid such impact, by modifying operations, changing planned capital expenditures or by relocating the affected people to an agreed location. Responsive measures may require Gold Fields to take costly and time consuming remedial measures, including the full restoration of livelihoods of those impacted. In addition, Gold Fields is obliged to comply with the terms and conditions of all the mining rights it holds in South Africa. In this regard, the SLP provisions of our mining rights must make provision for local economic development, among other obligations. See "Information on the Company—Environmental and Regulatory Matters—South Africa—Mineral Rights". Gold Fields also undertakes social and economic development spending in Australia, Ghana and Peru, both voluntarily and as a condition of its mining rights. See "Information on the Company—Community Relations and Creating Shared Value". In addition, as Gold Fields has a long history of mining operations in certain regions or has purchased operations which have a long history, issues may arise regarding historical as well as potential future environmental or health impacts in those areas.

Delays in projects attributable to a lack of community support or other community-related disruptions or delays can translate directly into a decrease in the value of a project or into an inability to bring the project to, or maintain, production. The cost of measures and other issues relating to the sustainable development of mining operations has placed significant demands on our resources, and could increase capital and operating costs and have a material adverse impact on Gold Fields' reputation, 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 2016, 13%, 32%, 43% and 12% of Gold Fields' gold-equivalent production was in South Africa, Ghana, Australia and Peru, respectively. Changes or instability in the economic, political or social environment in any of these countries or in neighboring countries could affect an investment in Gold Fields.

High levels of unemployment and a shortage of critical skills in South Africa, despite increased government expenditure on education and training, remain issues and deterrents to foreign investment. The volatile and uncertain labor and political environments, which severely impacts the local economy and investor confidence, has led, and may lead, to further downgrades in national credit ratings, making investment more expensive and difficult to secure. See "—Gold Fields' operations and profits have been and may be adversely affected by union activity and new and existing labor laws" and "—A further downgrade of South Africa's credit rating may have an adverse effect on Gold Fields' ability to secure financing." This may restrict Gold Fields' future access to international financing and could have a material adverse effect on Gold Fields' business, operating results and financial condition.

Furthermore, while the South African government has stated that it does not intend to nationalize mining assets or mining companies, certain political parties have stated publicly and in the media that the government should embark on a program of nationalization. Any threats of, or actual proceedings to, nationalize any of Gold Fields' assets, could halt or curtail operations, 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 respective investments.

In 2016, Australia, Ghana and Peru held national elections. Additionally, state elections for the government of Western Australia (the state in which Gold Fields' Australian interests are located) were held on March 11, 2017. It is not certain what if any political, economic or social impacts the newly elected governments will have on Australia, Ghana and Peru, respectively, or on Gold Fields specifically.

There has also been regional social and community-related instability in the area around Gold Fields' mining operations in Peru, where political developments in fiscal 2014 resulted in the election of local and regional officeholders who have taken public positions opposed to mining operations. In addition, engagement with community stakeholders, including in Peru and South Africa, can pose challenges to local management and any inability to properly manage these relationships may have a negative impact on our production or associated costs. There is also the potential for social instability or protests regarding mining activity in the communities near Gold Fields' South Deep mine relating to, among other things, community investment, environmental concerns, service delivery by local government or other issues. Occurrence of any of the above mentioned developments could result in Gold Fields experiencing opposition or disruptions in connection with any of its operations. Such opposition or disruptions at any of Gold Fields' operations, in particular if it has an adverse impact or costs or causes any stoppages (including as a result of any protests aimed at other mining operations that affect operations) could have a material adverse effect on Gold Fields' business, operating results and financial condition.

A further downgrade of South Africa's credit rating may have an adverse effect on Gold Fields' ability to secure financing.

Prior to 2017, the challenges facing the mining industry and other sectors, among other factors, had resulted in the downgrading of South Africa's sovereign credit rating to one level above non-investment grade, or junk, by Standard & Poor's and Fitch Ratings. However, on April 3, 2017, Standard & Poor's downgraded South Africa's sovereign credit rating to non-investment grade (BB+) with a negative outlook due to, among other things, political and economic uncertainty caused by changes in the government cabinet in South Africa. South Africa's sovereign credit rating also suffered downgrades in fiscal 2015. As of April 3, 2017, Moody's South African sovereign credit rating was Baa2 with a negative outlook and Fitch Ratings' was BBB- with a negative outlook, two and one notches above non-investment grade, respectively. On April 3, 2017, Moody's announced that it had put South Africa's sovereign credit rating on a watch for a possible downgrade.

Further downgrading of South Africa's sovereign credit rating to non-investment grade status by Moody's or Fitch Ratings may adversely affect the South African gold mining industry and Gold Fields' business, operating results and financial condition by making it more difficult to obtain external financing or could result in any such financing being available only at greater cost or on more restrictive terms than might otherwise be available. A downgrade to non-investment grade status by either of these two agencies may have a material adverse effect on the South African economy as many pension funds and other large investors are required by internal rules to sell bonds once two separate agencies rate them as non-investment grade. Any such negative impact on the South African economy may adversely affect the South African gold mining industry and Gold Fields' business, operating results and financial condition.

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

Gold Fields operations are subject to water use licenses and regulations 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. 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.

Gold Fields continues to use measures to remove underground water to permit the routine safe functioning of South Deep. South Deep was issued with a water use license in November 2011. Certain conditions and other aspects of the approved license were identified as requiring modification and an application to address these was submitted to the Department of Water Affairs and Sanitation, or DWS, in February 2012. A further amended water use license application was submitted to the DWS in November 2013, primarily to reflect the results of a re-assessment of expected water use requirements and a changing water balance. No response was received from the DWS in relation to the 2013 amendment. In November 2014, an agreement was reached with the DWS to withdraw the 2013 amendment and to submit an updated amendment application in May 2015. The May 2015 amendment application reflects the proposed changes to the approved 2011 water use license conditions. In addition, the updated amendment reflects a variety of water management projects and initiatives that were implemented during fiscal 2014 and that are planned for implementation during fiscal 2015 and beyond. A presentation was provided to the DWS in March 2015 to appraise them of the proposed structure and content of the new amendment, prior to the re-submission in May 2015. Gold Fields continued to make representations to the DWS during fiscal 2016 and is currently waiting to receive an approved amended license. The existing approved license will remain in place while the application is processed by the DWS.

In 2015, South Deep concluded a water supply agreement with Sibanye Gold to supply water from Sibanye’s Ezulwini mine, via the Leeuspruit stream. The plan to secure water to support South Deep during production ramp-up could also be negatively impacted by Sibanye’s announcement on August 31, 2016 that it will be closing the Ezulwini (Cooke 4) mine. South Deep is currently assessing the implications of the closure if such application is granted.

South Deep has implemented a water and environmental management strategy in an effort to satisfy the conditions of its water use license and other relevant water and environmental regulatory requirements. However, there can be no assurance that Gold Fields will be able to meet all of its water and environmental regulatory requirements, primarily due to the inherent uncertainties related to certain requirements of the legislation, which are subject to ongoing discussions between government and the mining industry through the Chamber.

Any failure on Gold Fields’ part to achieve or maintain compliance with the requirements of its water use 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.

Further, any constraint on the water supply to South Deep could result in delays or constraints on the ramp up of that 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 legislative requirements or results in additional operating or closure cost liabilities.

Acid mine drainage, and acid rock drainage, or ARD (collectively called acid drainage, or AD), are caused when certain sulphide minerals in rocks are exposed to oxidizing conditions (such as the presence of oxygen, combined with water). AD can occur under natural conditions or as a result of the sulphide minerals that are encountered and exposed to oxidation during mining or during storage in waste rock dumps, ore stockpiles or tailings dams. The acidic water that forms usually contains iron and other metals if they are contained in the host rock.

AD generation, and the risk of potential long-term AD issues, specifically at Gold Fields’ Cerro Corona, Damang and South Deep mines, is ongoing. Immaterial levels of surface AD generation also occur at Gold Fields’ Tarkwa and St. Ives mines. The AD issues at Damang are confined to the Rex open pit. Any AD which is currently generated is contained on Gold Fields property at all operations where it occurs and is managed as part of each mine’s operational water management strategy. The relevant regulatory authorities are also kept appraised of the Group’s efforts to manage AD through various submissions and other communications.

Gold Fields continues to investigate technical solutions at its South Deep, Damang and Cerro Corona mines to better inform appropriate strategies for long-term AD management (mainly post-closure), as well as to work towards a reliable cost estimate of these potential issues. None of these studies have allowed Gold Fields to generate a reliable estimate of the total potential impact on the Group. In addition, there can be no assurance that Gold Fields will be successful in preventing or managing long-term potential AD issues at these operations.

Gold Fields’ mine closure cost estimate (namely environmental rehabilitation provisions) for fiscal 2016 contains the aspects of AD management (namely tailings facilities, waste rock dumps, ore stockpiles and other surface infrastructure), which management has been able to reliably estimate. However, there could be no guarantee that Gold Fields’ current cost estimate, including the cost of post-closure water treatment, reflects all relevant factors and as such, the actual closure costs may be higher.

No adjustment for any effects on the Company that may result from potentially material (mainly post-closure) AD impacts at South Deep, Damang and Cerro Corona, has been made in the consolidated financial statements, other than through the Group's normal environmental rehabilitation provisions.

The existence of material long-term AD 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, operating results and financial condition.

Gold Fields' operations are subject to environmental and health and safety regulations, which could impose additional costs and compliance requirements 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 and health and safety laws, regulations, permitting requirements and standards. For example, Gold Fields is required to secure estimated mine closure liabilities. The funding methods used to make provision for the required portion of the mine closure cost liabilities, in accordance with in-country legislation, are as follows:

- South Africa: contributions to environmental trust funds and guarantees;
- Ghana: reclamation bonds underwritten by banks, and restricted cash;
- Australia: due to legislative changes in Western Australia becoming effective in July 2014, an annual levy to the State of 1% of the total mine closure liability which goes into a State-administered fund known as the Mine Rehabilitation Fund is used to rehabilitate legacy sites or sites that have been prematurely closed or abandoned. As a consequence, Gold Fields' Australian operations now self fund all mine closure liabilities; and
- Peru: bank guarantees.

Gold Fields may in the future incur significant costs to comply with such environmental and health and safety 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 well as actions by authorities relating to environmental and health and safety matters, including mine closures, the suspension of operations and prosecution for industrial accidents as well as significant penalties and fines for non-compliance. 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 2014, the Peruvian government established a three-year moratorium on the application of fines and other punitive sanctions against persons and entities operating in Peru, prioritizing instead the imposition of corrective measures. This moratorium expires in July 2017 and it is not expected that it will be extended. The expiry of the moratorium increases the chances that Gold Fields' Peruvian operations could be subject to greater focus by regulators on compliance with its environmental obligations.

The principal health risks associated with Gold Fields' mining operations in South Africa arise from occupational exposure and potential 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. Employees have sought and may continue to seek compensation for certain illnesses, such as silicosis, from their employer under workers' compensation and also, at the same time, in civil actions under common law (either as individuals or as a class) as is the case with the silicosis individual and class action lawsuits. Such actions may also arise in connection with the alleged incidence of such diseases in communities proximate to Gold Fields' mines.

A consolidated application has been brought against several South African mining companies, including Gold Fields, for certification of a class action on behalf of current or former mineworkers (and their dependents) who have allegedly contracted silicosis and/or tuberculosis while working for one or more of the mining companies listed in the application. On May 13, 2016, the South Gauteng High Court ordered, among other things the certification of the two separate classes for silicosis and tuberculosis. Subsequently, the mining companies listed in the application were granted leave to appeal against all aspects of the class certification judgment. In addition to the class action, an individual silicosis-related action has been instituted against Gold Fields and one other mining company. See "Information on the Company—Legal Proceedings and Investigations—Silicosis". If a significant number of such claims were suitably established against it, the payment of compensation for the claims and for any significant additional costs arising out of these issues could have a material adverse effect on Gold Fields' business, reputation, operating results and financial condition. On March 4, 2016, AngloGold Ashanti Limited, or AngloGold Ashanti, and Anglo American South Africa reached a settlement to resolve approximately 4,400 combined silicosis claims, under which both companies will contribute, in stages, toward a total amount of up to R464 million (approximately U.S.$30 million) to an independent trust which will administer individual claims.

South Africa's deputy Minister of Mineral Resources has stated that the ministry may increase sanctions, including closures, for mines in which fatalities occur because of violations of health and safety rules. 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 also 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 fiscal 2016, 13 Section 54 stoppages were issued following visits by the DMR due to either perceived or actual unsafe working conditions, inadequate safety procedures or untrained personnel. Five of the work stoppages were to address safety issues. 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.

Gold Fields could incur significant costs as a result of pending or threatened litigation, which could have a material adverse effect on Gold Fields' business, operating results and financial condition. See "Information on the Company—Legal Proceedings and Investigations". Further, any new regulations, potential litigation or 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 and could have a material adverse effect on Gold Fields' business, operating results and financial condition. See "Information on the Company—Environmental and Regulatory Matters".

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

Energy is a significant input and cost to Gold Fields' mining and processing operations, with its principal energy sources being electricity, purchased petroleum products, natural gas and coal. 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.

The South African government plans to introduce a carbon tax. The carbon tax was intended to come into effect from January 1, 2015 but, in order to align the framework of the proposed carbon tax with the desired reduction outcomes, the implementation of the carbon tax was postponed in order to allow sufficient time for consultation on draft legislation and the implementation process. In November 2015, the national treasury, or the

National Treasury, published for comment a draft carbon tax bill, or the Draft Carbon Tax Bill, with a view to the implementation of the tax by January 2017. However, this time-frame has been extended as a new draft bill is expected to be published for public comment with an anticipated implementation of the new legislation in fiscal 2018. The National Treasury has stated that the carbon tax will be designed to ensure that it has no net impact on the electricity price. In June 2016, the National Treasury published the draft carbon offset regulations, or the Draft Carbon Offset Regulations. Carbon offsets are one of the allowances that carbon tax-liable entities can employ to reduce their tax-related exposure. A further iteration of the carbon offset regulations is expected by mid-fiscal 2017, as are regulations providing for further limitation of exposure for those liable entities that reduce their greenhouse gas emissions intensity. In addition, the Department of Environmental Affairs, or the DEA, is currently working on draft legislation that will impose so-called “carbon budgets” on entities in identified high-emitting industries, including mining, which are intended to operate as statutory limits for carbon dioxide equivalent emissions, or CO_2e, emissions in excess of which may entail a fine or other punitive measures. Further clarification of the carbon budgets and the carbon tax, which will both target industrial greenhouse gas emissions, is expected by the end of fiscal 2017. In terms of the current Draft Carbon Tax Bill, companies that participate in the carbon budget system will be eligible for a 5% allowance under the carbon tax. While many aspects of the proposed carbon tax remain uncertain, the financial implications of government’s proposed carbon tax for Gold Fields, at an anticipated rate of R120 per tonne of CO_2e, would have been between approximately R0.2 million and R0.6 million for fiscal 2016.The potential net effect of proposed allowances is to permit the reduction of a carbon tax liability by 60% to 95%. In other words, Gold Fields’ final liability will be significantly informed by the extent it is able to make use of the full suite of allowances that are built into the carbon tax design. Since these may be revised in a further iteration of the Bill, this estimated liability is subject to change. 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. Inconsistency of regulations particularly between developed and developing countries may affect both Gold Fields’ decision to pursue opportunities in certain countries and its costs of operations. Furthermore, additional, new and/or different regulations in this area, such as the imposition of lower limits than those currently contemplated, could be enacted, all of which could have a material adverse effect on Gold Field’s business, financial condition, results of operations and prospects. 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 uncertain and may adversely impact the business, operating results and financial condition of Gold Fields’ operations.

Our high debt levels pose risks to our viability and may make us more vulnerable to adverse economic and competitive conditions, as well as other adverse developments.

Gold Fields carries significant debt relative to its shareholder equity. As of December 31, 2016, Gold Fields’ consolidated debt was U.S.$1.7 billion. U.S.$0.2 billion of Gold Fields’ consolidated debt securities becomes due over the 24 months following December 31, 2016.

Gold Fields’ significant levels of debt can adversely affect it in several respects, including:

- limiting its ability to access the capital markets;
- exposing it to the risk of credit rating downgrades, which would raise its borrowing costs and could limit its access to capital;
- hindering its flexibility to plan for or react to changing market, industry or economic conditions;
- limiting the amount of cash flow available for future operations, acquisitions, dividends, or other uses;

- making it more vulnerable to economic or industry downturns, including interest rate increases;
- increasing the risk that it will need to sell assets, possibly on unfavorable terms, to meet payment obligations;
- increasing the risk that it may not meet the financial covenants contained in its debt agreements or timely make all required debt payments; or
- affecting its ability to service the interest on its debt.

The effects of each of these factors could be intensified if Gold Fields increases its borrowings. Any failure to make required debt payments could, among other things, adversely affect Gold Fields' ability to conduct operations or raise capital, which could have a material adverse effect on Gold Fields' business, operating results or financial condition.

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

Over recent periods, there has been an increase in union activity in some of the countries in which Gold Fields operates. Any union activity that affects Gold Fields could have a material adverse impact on its operations, production and financial performance.

In South Africa, a recent increase in labor unrest has resulted in more frequent industrial disputes and extended negotiations that have negatively affected South Africa's sovereign debt rating and subsequently the credit ratings of a number of the country's leading mining companies, including Gold Fields. While widespread strikes in the gold mining industry have not occurred since the second half of fiscal 2012, the South African platinum industry was subject to a five month strike in 2014. Negotiations on a new agreement between Gold Fields and the registered trade unions of South Deep, which is due in fiscal 2018, will commence in fiscal 2017. While the outcome of Gold Fields' wage negotiations with the unions in fiscal 2015 was relatively positive and resulted in a three year wage agreement with the National Union of Mineworkers, or NUM, and UASA, in light of the ongoing labor unrest there can be no guarantee that future negotiations, including the negotiations scheduled for fiscal 2017, will not be accompanied by further strikes, work stoppages or other disruptions.

Furthermore, guidelines and targets have been provided to facilitate compliance with the open-ended broad-based socio-economic empowerment requirements espoused in Section 2 of the MPRDA and in the broad-based socio-economic empowerment charter for the South African mining and minerals industry known as the Mining Charter, as well as the amendments to that charter that took effect from September 13, 2010, or the Amended Mining Charter. The Amended Mining Charter, contains guidelines which provide that all mining companies must achieve, among other things, 26% ownership by HDSAs of mining assets and a minimum of 40% HDSA demographic representation at the executive management, senior management, middle management, junior management and core and critical skills levels (subject to offsets) in order to comply with the empowerment requirements of the MPRDA. See "—Gold Fields' mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute" and "Information on the Company—Environmental and Regulatory Matters—South Africa—Mineral Rights". The ongoing implementation and enforcement of these requirements, including as a result of any changes thereto following the announced review, may be contentious.

Gold Fields' operations in Ghana and Peru have recently been, and may in the future be, impacted by increased union activities and new labor laws. In particular, there can be no guarantee that labor unions in either country will not undertake strikes or "go-slow" actions impacting the Group's operations or those of other related industries or suppliers, or that changes in local regulations will not result in increased costs and penalties being incurred by the Group.

In Ghana, in April 2013, employees represented by the Ghana Mineworkers Union, or GMWU, the Professional Managerial Staff Union and the Branch Union at both Tarkwa and Damang undertook illegal industrial action, resulting in the temporary suspension of production at both operations. The strike lasted six days and ended after Gold Fields and the GMWU reached a settlement. Subsequently, the wage negotiations with the unions in fiscal 2015 and fiscal 2016 were completed and wage agreements for fiscal 2016 and fiscal 2017 have been signed, with a 10% basic salary increase for fiscal 2016 (to be backdated) and a 6% increase for fiscal 2017. Nevertheless, in light of the recent labor unrest there can be no guarantee that negotiations in the future will not be difficult or accompanied by further strikes, work stoppages or other labor actions.

In Peru, the Group may see increased union activity over the course of fiscal 2017 as a result of reduced commodity and mineral prices which may lead to reductions in the annual income of employees. This may in turn cause unions to seek better and/or additional benefits to compensate for any such decrease in their annual income, such as through increased activities and/or industrial action. However, in January 2017, Gold Fields executed a three year agreement with Cerro Corona’s union that provides for a S/. 220 annual wage increase in fiscal 2017 which is equivalent to a 5.3% annual wage increase on average for this group of employees, 5.5% increase in fiscal 2018 and 5.8% increase in fiscal 2019. In addition, there was an increase in labor inspection activities over the course of fiscal 2016, and this may continue into fiscal 2017. See “Information on the Company—Environmental and Regulatory Matters—Peru”.

In the event that Gold Fields experiences further industrial relations related interruptions at any of its operations or in other industries that impact 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, operating costs, production targets, operating results, financial condition, reputation and future prospects. In addition, lower levels of mining activity can have a longer term impact on production levels and operating costs, which may affect operating life. Mining conditions can deteriorate during extended periods without production, such as during and after strikes, and Gold Fields will not re-commence mining until health and safety conditions are considered appropriate to do so.

Existing labor laws (including those that impose obligations on Gold Fields regarding worker rights) 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.

Power cost increases may adversely affect Gold Fields’ business, operating results and financial condition.

Gold Fields’ South Deep mining operation depends upon electrical power generated by the state-owned power 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. Eskom tariffs are regulated by the National Energy Regulator of South Africa, or NERSA. During Eskom’s 2013-2014 fiscal year, through a third multi-year-price determination process, or MYPD3, NERSA granted Eskom 8% tariff increases for each fiscal year until 2018-2019. For 2015, NERSA granted Eskom an average tariff increase of 12.69% effective April 1, 2015, being 8% plus 4.69% due to the clawing back by Eskom of prudent costs from the “regulatory clearing account” applicable from April 2010 to March 2013, the first year of the MYPD3. On March 1, 2016, NERSA gave permission to Eskom to raise rates by an additional 9.4%, being 8% plus a net 1.4% due to the 2016 regulatory clearing account charge (for the second year of the MYPD3), in order to make up a cash flow shortfall. A regional group of intensive electricity users challenged NERSA’s decision in court. On August 16, 2016, the North Gauteng High Court overturned NERSA’s decision. On November 17, 2016, the North Gauteng High Court granted NERSA’s appeal to the Supreme Court of Appeal, which is currently pending. The outcome of the Supreme Court of Appeal’s judgment, and possibly the outcome of a further appeal to the Constitutional Court, will likely have notable impacts on the cost of electricity. The increase granted to Eskom for the period beginning April 1, 2017 is 2.2%. Should Gold Fields experience further power tariff increases, its business, operating results and financial condition may be adversely impacted.

In Australia, Gold Fields' St. Ives and Agnew/Lawlers mines contract for the supply of electricity with BHP Nickel-West under a power purchasing agreement. Granny Smith receives its entire electricity supply from a new gas-fired power station, sourcing gas from a nearby gas pipeline, which has been constructed for the nearby Tropicana mine to supply gas to its operations. Access to this pipeline is facilitated through a newly constructed gas power station, which provides a 24 megawatt power generating system to Granny Smith. If any of Gold Fields' Australian operations were to lose their supply, 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.

The Ghanaian state electricity supplier, the Volta River Authority, or the VRA, supplies power to Gold Fields Ghana Limited (Tarkwa mine), or Gold Fields Ghana, and the Electricity Company of Ghana, or the ECG, provides power to Abosso Goldfields Limited (Damang mine), or Abosso. The ECG's tariff from January 1, 2015 to December 31, 2015 was U.S.$0.23/kWh. Following negotiations with management, the ECG agreed to decrease its tariff to U.S.$0.20/kWh from August 1, 2015 to January 31, 2016. There has been no revision of the ECG tariff to date. Gold Fields Ghana has agreed tariffs with the VRA with a base tariff of U.S.$0.1674/kWh with effect from January 1, 2015 using a tariff model which inputs actual variables (including the generation mix and input prices) of the previous quarter to determine the tariff for each quarter on a rolling basis. The average VRA tariff for fiscal 2016 was U.S.$0.158/kWh. On December 11, 2015, the Public Utilities Regulatory Commission increased the average electricity tariffs for the transmission grid, or GRIDCo, by approximately 59.2% increasing the tariff paid by Tarkwa only from U.S.$0.01539/kWh to U.S.$0.024252/kWh. In addition, the new Energy Sector Levies Act enacted in 2015 (Act 899) imposed a levy of 9% per kilowatt hour of electricity, on both public lighting and national electrification, applicable to all consumers (resulting in an increased charge to Tarkwa from the VRA of 1.2 c/kWh). While in his budget speech on March 2, 2017, the Minister of Finance announced that the levy of 9% on public lighting and national electrification will be reduced to 2% and 3% respectively there can be no guarantee that this reduction will be enacted. Although Gold Fields Ghana has also entered into an agreement with Genser Power, or Genser, for the supply of off-grid electricity, Genser will require a period of time to stabilize its operational performance and during this phase there is a risk of incurring periods of downtime which, if extended, would require Damang to revert back to ECG grid power. 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.

Electricity supply in South Africa remains constrained and future power disruptions are possible. In the first quarter of fiscal 2014, rain impacted coal supply and placed serious strain on Eskom's ability to provide power. In November 2014, Eskom declared a power emergency and required large industrial users, including Gold Fields' South Deep operation, to reduce their electricity usage by 10% for five hours as part of a broader load shedding program. Gold Fields also experienced rolling load shedding during fiscal 2015. In addition, although NERSA approved an electricity tariff increase of 9.4% for 2016 and 2017, Eskom has expressed concern that this increase may not be adequate to prevent future electricity interruptions.

Gold Fields has been warned of possible load shedding under its voluntary load curtailment agreement with Eskom. While no load shedding was requested by Eskom in 2016, under this agreement, Gold Fields is required to reduce demand by up to 25% of load, depending on the severity of the shortage, for a specified period of time during which the national grid is unable to maintain its load. Any further 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.

The Department of Energy is developing a power conservation program in an attempt to improve the power situation in South Africa and Eskom is embarking on the construction of new power stations, among other resources. However, there can be no assurance that these and other interventions will provide sufficient supply for the needs of the country or for Gold Fields to run its operations at full capacity or at all.

Although the VRA has not imposed any power cuts in Ghana since August 2006, frequent power interruptions have occurred in the power supplied by the ECG. In 2015, the Ghanaian government imposed a 33% load shedding program on all mining and industrial companies. While the power supply stabilized during fiscal 2016, there can be no guarantee that further power interruptions will not occur. While Gold Fields has taken steps to source power from an independent power producer to complement its self-generation source, there can be no guarantee that Gold Fields will be able to source enough power to make up for any shortfall in the power supplied by the ECG.

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

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 September 2013, Gold Fields was informed that it is the subject of a regulatory investigation in the United States by the SEC relating to the BBBEE transaction associated with the granting of the mining rights for its South Deep operation. In South Africa, the Directorate for Priority Crime Investigation, BBBEE informed the Company that it had started a preliminary investigation into this BEE transaction to determine whether or not to proceed to a formal investigation, following a complaint by the Democratic Alliance. While Gold Fields was informed on June 22, 2015 that the Foreign Corrupt Practices Act Unit of the SEC concluded its investigation in connection with the BBBEE transaction related to South Deep and, based on the information available to them, would not recommend to the SEC that enforcement action be taken against Gold Fields, it is not possible to determine at this stage what effect the ultimate outcome of these investigations, any regulatory findings and any related developments may have on the Company. Among other things, the notice provided by the SEC regarding the conclusion of its investigation noted that the notice "must in no way be construed as indicating that the party has been exonerated or that no action may ultimately result from the staff's investigation". See "Information on the Company—Legal Proceedings and Investigations—Regulatory Investigation".

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, or the FCPA) under any circumstances, they may lead to investigations and examinations, 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, operating results and financial condition.

Due to the nature of mining and the extensive environmental footprint of the operations, environmental and industrial accidents and pollution may result in operational disruptions such as stoppages which could result in increased production costs as well as financial and regulatory liabilities.

Gold mining by its nature involves significant risks and hazards, including environmental hazards and industrial and mining accidents. These may include, for example, seismic events, fires, cave-ins and blockages, flooding, discharges of gases and toxic substances, contamination of water, air or soil resources, radioactivity and other accidents or conditions resulting from mining activities including, among other things, blasting and the transport, storage and handling of hazardous materials.

The occurrence of any of these hazards or risks could delay or halt production, increase production costs and result in financial and regulatory liability for Gold Fields (including as a result of the occurrence of hazards that took place at the Spin-off operations when they were owned by Gold Fields), which could have a material adverse effect on Gold Fields’ business, operating results and financial condition.

Due to ageing infrastructure at our operations, unplanned breakdowns and stoppages may result in production delays, increased costs and industrial accidents.

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’ infrastructure in South Africa, Ghana and Australia falls into this category. Ageing infrastructure may also cause the Group to be unable to maintain throughput at its operations in Peru. Although Gold Fields has comprehensive strategies in place to address these issues, including maintenance and process plant optimization projects, incidents resulting in production delays, increased costs or industrial accidents may occur. Such incidents may have a material adverse effect on Gold Fields’ business, operating results and financial condition.

If Gold Fields loses senior management or is unable to hire and retain sufficient technically skilled employees or sufficient HDSA representation in management positions, 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. In particular, there is a shortage of mechanized mining skills in the South African gold mining industry. Gold Fields may be unable to hire or retain appropriate senior management, 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. Additionally, as a condition of our mining rights at South Deep, we must ensure that there is sufficient HDSA participation in our management and core and critical skills, and failure to do so could result in fines or the loss or suspension of our mining rights. If Gold Fields is not able to hire and retain appropriate management and technically skilled personnel or is unable to obtain sufficient HDSA representation in management positions or if there are not sufficient succession plans in place, this could have a material adverse effect on its business (including production levels), operating results and financial position.

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’ operating results 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.

The price of oil has been volatile, fluctuating between U.S.$36.25and U.S.$58.07 per barrel of Brent Crude in 2016. As of April 3, 2017, the price of oil was at U.S.$53.53 per barrel of Brent Crude. Gold Fields does not currently have any significant oil hedges.

Furthermore, the price of steel has also been volatile. Steel is used in the manufacture of most forms of fixed and mobile mining equipment, which is a relatively large contributor to the operating costs and capital expenditure of a mine.

Fluctuations in oil and steel prices may have a significant impact on operating costs and capital expenditure estimates and, in the absence of other economic fluctuations, could result in significant changes in the total expenditure estimates for new mining projects or render certain projects non-viable.

Gold Fields' insurance coverage may not adequately satisfy all potential claims in the future.

Gold Fields has an insurance program, however, it may become subject to liability 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. For example, should Gold Fields be subject to any regulatory or criminal fines or penalties, these amounts would not be covered under its insurance program. Should Gold Fields suffer a major loss, future earnings could be affected. In addition, Gold Fields' insurance does not cover loss of profits. Further, 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 it 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, operating results and financial condition. See "Directors, Senior Management and Employees—Employees—Labor Relations—South Africa", "Directors, Senior Management and Employees—Employees—Labor Relations—Ghana", "Directors, Senior Management and Employees—Employees—Labor Relations—Australia" and "Directors, Senior Management and Employees—Employees—Labor Relations—Peru".

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 illegal and artisanal miners could lead to depletion of mineral reserves, potentially affecting the economic viability of mining certain areas and shortening the lives of the operations as well as causing possible operational disruption, project delays, disputes with illegal miners and communities, pollution or damage to property for which Gold Fields could potentially be held responsible, leading to fines or other costs. Rising gold and copper prices may result in an increase in gold and copper thefts. The occurrence of any of these events could 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.

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, 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".

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. 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. If there is a significant increase in the incidence of HIV/AIDS infection and related diseases among the workforce, this may have a material adverse effect on Gold Fields' business, operating results and financial condition. See "Directors, Senior Management and Employees—Employees—Safety and Wellness—Employee Health and Wellness—HIV/AIDS".

Additionally, the spread of contagious diseases such as respiratory diseases are exacerbated by communal housing and close quarters. The spread of such diseases could impact employees' productivity, treatment costs and, therefore, operational costs.

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

Gold Fields utilizes and is reliant on various information technology and communications systems, in particular SAP, payroll and time and attendance applications. Damage or interruption to Gold Fields' information technology and communications systems, whether due to accidents, human error, natural events or malicious acts, may lead to important data being irretrievably lost or damaged, thereby adversely affecting Gold Fields' business, prospects and operating results.

These systems may be subject to security breaches (e.g. cyber-crime or activists) or other incidents that can result in misappropriation of funds, increased health and safety risks to people, disruption to our operations, environmental damage, loss of intellectual property, disclosure of commercially or personally sensitive information, legal or regulatory breaches and liability, other costs and reputational damage. While no material losses related to cyber security breaches have been discovered, given the increasing sophistication and evolving nature of this threat, Gold Fields cannot rule out the possibility of them occurring in the future. An extended failure of critical system components, caused by accidental, or malicious actions, including those resulting from a cyber security attack, could result in a significant environmental incident, commercial loss or interruption to operations.

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

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

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

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

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

Gold Fields may not pay dividends or make similar payments to its shareholders in the future and any dividend payment may be subject to withholding tax.

Gold Fields pays cash dividends only if funds are available for that purpose. Whether funds are available depends on a variety of factors, including the amount of cash available and Gold Fields' capital expenditures (on both existing infrastructure as well as on exploration and other projects) and other cash requirements existing at the time. Under South African law, Gold Fields will be entitled to pay a dividend or similar payment to its shareholders only if it meets the solvency and liquidity tests set out in the Companies Act No. 71 of 2008, or the Companies Act, and Gold Fields' Memorandum of Incorporation, or MOI. Given these factors and the Board of Directors' discretion to declare cash dividends or other similar payments, dividends may not be paid in the future. It should be noted that a 20% withholding tax on dividends declared by South African resident companies to non-resident shareholders or non-resident ADS holders was introduced with effect from February 22, 2017. 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 CMA. 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.

Shareholders' equity interests in Gold Fields will be diluted to the extent of future exercises or settlements of rights under the Gold Fields 2012 Share Plan, or the 2012 Plan, the Gold Fields 2005 Share Plan, or the 2005 Plan, the revised Gold Fields Limited 2012 share plan, or the revised Gold Fields Limited 2012 Share Plan, and any additional rights. See "Directors, Senior Management and Employees—The Gold Fields Limited 2005 Share Plan" and "Directors, Senior Management and Employees—The Revised Gold Fields Limited 2012 Share Plan". 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 involved in underground and surface gold and copper mining and related activities, including exploration, development, extraction, processing and smelting.

In 2016, the South African, West African, Australasian and South American operations produced 13%, 32%, 43% and 12% of Gold Fields total gold-equivalent production, respectively. Gold Fields' currently holds a 91.3% interest in the South African operation, South Deep. Gold Fields also owns the St. Ives mine, the Yilgarn South Assets 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 99.53% economic interest in the Cerro Corona mine in Peru. In November 2016, Gold Fields entered into a 50:50 unincorporated joint venture with Gold Road Resources, or Gold Road, for the development and operation of the Gruyere Gold Project in Western Australia. 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, 2016, Gold Fields reported attributable proven and probable gold and copper reserves of 48.0 million ounces of gold and 454 million pounds of copper, as compared to the 46.1 million ounces of gold and 532 million pounds of copper, reported as of December 31, 2015. See "—Reserves of Gold Fields as at December 31, 2016".

In fiscal 2016, Gold Fields processed 34.2 million tonnes of ore and produced 2.22 million ounces of gold equivalent ounces. On an attributable basis, Gold Fields produced 2.15 million ounces of gold equivalent ounces.

Competitive Position

Gold Fields is a producer of gold and major holder of gold reserves in South Africa, Australia, Ghana, 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 and 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.

Historically, the key gold producers globally have been Barrick, Newmont Mining Corporation, or Newmont, AngloGold Ashanti, Goldcorp Inc., or Goldcorp, and Gold Fields before the Spin-off. In fiscal 2016, Barrick, Newmont, AngloGold Ashanti and Goldcorp were, in that order, the four largest gold producers in the world, producing 5,517, 4,898, 3,628 and 2,873 thousand ounces respectively, and together accounted for 16% of the total global production for the year, according to the information provided by the companies and industry reports. Gold Fields was the seventh largest gold producer in the world in 2016, producing 2.15 million gold equivalent ounces on an attributable basis.

According to publicly available sources, at December 31, 2016 for each of Barrick, Newmont, AngloGold Ashanti and Goldcorp, Barrick had 13 operations in eleven countries, Newmont had 15 operations in five countries, AngloGold Ashanti had 17 operations in nine countries and Goldcorp had 12 operations in six countries.

Gold Fields attempts to attract and retain motivated high caliber employees through a mix of guaranteed and performance-based remuneration, as well as short-term and long-term incentives, and non-financial rewards relating to work experience. However, the worldwide mining industry, including Gold Fields, continues to