GOLD FIELDS LTD
Form 20-F
December 22, 2005

As filed with the Securities and Exchange Commission on December 22, 2005

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 20-F

(Mark One)

- o **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**
  or
- ý **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
  For the fiscal year ended June 30, 2005
  or
- o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
  For the transition period from to

Commission file number: 1-31318

Gold Fields Limited

(Exact name of registrant as specified in its charter)

Republic of South Africa

(Jurisdiction of incorporation or organization)

24 St Andrews Road,

Parktown, 2193

South Africa

011-27-11-644-2400

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of Each Exchange on Which Registered**
Ordinary shares of par value Rand 0.50 each	New York Stock Exchange*
American Depositary Shares, each representing one ordinary share	New York Stock Exchange

* Not for trading, but only in connection with the registration of the American Depositary Shares pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the Annual Report:

Ordinary shares of par value Rand 0.50 each 492,294,226

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes ý No o

Indicate by check mark which financial statement item the registrant has elected to follow: Item 17 o Item 18 ý

Presentation of Financial Information

Gold Fields is a South African company and the majority of its operations, based on gold production, are located there. Accordingly, its books of account are maintained in South African Rand and its annual and interim financial statements are prepared in accordance with International Financial Reporting Standards, or IFRS, as prescribed by law. Gold Fields also prepares annual financial statements in accordance with United States Generally Accepted Accounting Principles, or U.S. GAAP, which are translated into U.S. dollars. Except as otherwise noted, the financial information included in this annual report has been prepared in accordance with U.S. GAAP and is presented in U.S. dollars, and descriptions of significant accounting policies refer to accounting policies under U.S. GAAP.

For Gold Fields financial statements, unless otherwise stated, balance sheet item amounts are translated from Rand to U.S. dollars at the exchange rate prevailing on the date of the balance sheet (Rand 6.67 per $1.00 as of June 30, 2005), except for specific items included within shareholders equity that are translated at the rate prevailing on the date the relevant transaction was entered into, and statement of operations item amounts are translated from Rand to U.S. dollars at the weighted average exchange rate for each period (Rand 6.20 per $1.00 for the year ended June 30, 2005).

In this annual report, Gold Fields presents the financial items total cash costs, total cash costs per ounce, total production costs and total production costs per ounce, which have been determined using industry standards promulgated by the Gold Institute and are not U.S. GAAP measures. An investor should not consider these items in isolation or as alternatives to production costs, net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the Gold Institute has provided definitions for the calculation of total cash costs and total production costs, the calculation of total cash costs, total cash costs per ounce, total production costs and total production costs per ounce may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies. See Key Information Selected Historical Consolidated Financial Data, Information on the Company Glossary of Mining Terms Total cash costs per ounce and Information on the Company Glossary of Mining Terms Total production costs per ounce.

Defined Terms and Conventions

In this annual report, all references to South Africa are to the Republic of South Africa, all references to Ghana are to the Republic of Ghana, all references to Australia are to the Commonwealth of Australia, all references to Finland are to the Republic of Finland and all references to Peru are to the Republic of Peru.

This annual report contains descriptions of gold mining and the gold mining industry, including descriptions of geological formations and mining processes. In order to facilitate a better understanding of these descriptions, this annual report contains a glossary defining a number of technical and geological terms. See Information on the Company Glossary of Mining Terms.

In this annual report, R and Rand refer to the South African Rand, cents and Rand cents refer to subunits of the South African Rand, GHC an Cedi refer to Ghanaian Cedi, $ and U.S. dollars refer to United States dollars, U.S. cents refers to subunits of the U.S. dollar, A$ and Austr dollars refer to Australian dollars and C$ refers to Canadian dollars.

In this annual report, gold production figures are provided in troy ounces, which are referred to as ounces, or oz, and ore grades are provided in grams per metric tonne, which are referred to as grams per tonne or g/t. All references to tonnes or t in this annual report are to metric tonnes. See Information on the Company Glossary of Mining Terms for further information regarding units of measurement used in this annual report and a table providing rates of conversion between different units of measurement.

In this annual report, except where otherwise noted, all production and operating statistics are based on Gold Fields total operations, which include production from the Tarkwa and Damang mines in Ghana which is attributable to the minority shareholders in those mines.

For the convenience of the reader, certain information in this annual report presented in Rand and Australian dollars has been translated into U.S. dollars. Unless otherwise stated, the conversion rates for these translations are Rand 6.46 per $1.00 and A$1.00 per $0.74 , which were the noon buying rates on November 30, 2005. By including convenience currency translations, Gold Fields is not representing that the Rand and Australian dollar amounts actually represent the U.S. dollar amounts shown or that these amounts could be converted into U.S. dollars at the rates indicated.

Forward-Looking Statements

This annual report contains forward-looking statements with respect to Gold Fields financial condition, results of operations, business strategies, operating efficiencies, competitive position, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters. Statements in this annual report that are not historical facts are forward-looking statements.

These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Gold Fields, wherever they may occur in this annual report and the exhibits to the annual report, are necessarily estimates reflecting the best judgment of the senior management of Gold Fields and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered

in light of various important factors, including those set forth in this annual report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

- overall economic and business conditions in South Africa, Ghana, Australia and elsewhere;
- the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions;
- the success of exploration and development activities;
- decreases in the market price of gold;
- the occurrence of hazards associated with underground and surface gold mining;
- the occurrence of labor disruptions;
- availability, terms and deployment of capital;
- changes in relevant government regulations, particularly environmental regulations and potential new legislation affecting mining and mineral rights;
- fluctuations in exchange rates, currency devaluations and other macroeconomic monetary policies; and
- political instability in South Africa, Ghana and regionally.

Gold Fields undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events.

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Part I

Item 1: IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

Item 2: OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

Item 3: KEY INFORMATION

Selected Historical Consolidated Financial Data

The selected historical consolidated financial data set out below for the three years ended June 30, 2005, and as of June 30, 2005, 2004 and 2003 have been extracted from the more detailed information, including Gold Fields audited consolidated financial statements for those years and as of those dates and the related notes, which appear elsewhere in this annual report. The selected historical consolidated financial data for the two years ended June 30, 2002, and as of June 30, 2002 and 2001 have been derived from Gold Fields audited consolidated financial statements as of that date, which are not included in this annual report. The selected historical consolidated financial data presented below have been prepared in accordance with U.S. GAAP.

	Year ended June 30,				
	2001	2002	2003	2004	2005
	(in $millions, except where otherwise noted)				
Statement of Operations Data					
Revenues(1)	1,006.6	1,210.0	1,538.2	1,706.2	1,893.1
Production costs (exclusive of depreciation and amortization)	743.4	710.0	1,015.0	1,355.2	1,500.6
Depreciation and amortization	99.8	113.3	188.1	198.6	274.5
Corporate expenditure	16.0	12.3	16.6	20.3	22.5
Employment termination costs	5.0	6.4	3.8	10.5	13.7
Exploration expenditure	17.7	16.5	29.6	39.9	46.0
Impairment of assets	112.1		29.6	72.7	233.1
Impairment of critical spares					2.8
(Decrease)/increase in post-retirement healthcare provision	8.8	6.6	(5.0)	(5.1)	(4.2)
Accretion expense on environmental rehabilitation	12.2	4.7	5.3	8.4	11.5

Share-based compensation		4.8			2.1
Harmony hostile bid costs					50.8
IAMGold transaction costs					9.3
Franco-Nevada merger costs	2.5				
Settlement costs of Oberholzer irrigation water dispute	1.2	1.0			
Interest and dividends	(9.0)	(8.9)	21.3	(19.4)	(29.2)
Finance (income)/expense	1.9	(8.3)	(4.2)	12.2	54.9
Unrealized gain on financial instruments	(0.8)	(45.9)	(35.7)	(39.2)	(4.9)
Realized (gain)/loss on financial instruments	(7.4)	(4.7)	(15.1)	8.7	(2.1)
Gain on disposal of St. Helena mine			(13.4)		
New York Stock Exchange listing and associated costs		4.3			
Profit on disposal of listed investments			(57.2)	(13.9)	(8.1)
Profit on disposal of exploration rights					(7.5)
Profit on disposal of mineral rights				(27.1)	

	Year ended June 30,				
	2001	2002	2003	2004	2005
	(in $millions, except where otherwise noted)				
Statement of Operations Data					
Write-down of investments	2.0				7.7
Write-down of mineral rights				3.6	
Other expenses/(income)	(11.8)	(0.5)	(3.4)	(2.1)	5.2
(Loss)/income before tax, share of equity investees (losses) profits, minority interests and cumulative effect of change in accounting principles	13.0	398.4	405.5	82.9	(285.6)
Income and mining tax benefit/(expense)	(21.6)	(147.1)	(133.8)	(11.8)	100.4
(Loss)/income before, share of equity investees (losses) profits, minority interests and cumulative effect of change in accounting principles	(8.6)	251.3	271.7	71.1	(185.2)
Share of equity investee s (loss)/profits after taxation				1.0	(0.4)
Minority interests	(8.8)	(12.2)	(14.4)	(21.8)	(20.6)
(Loss)/income before cumulative effect of changes in accounting principles	(17.4)	239.1	258.3	48.9	(206.2)
Cumulative effect of changes in accounting principles, net of tax	(0.6)		(1.3)		
Net (loss)/income	(18.0)	239.1	257.0	48.9	(206.2)
Other Financial and Operating Data					
Basic (loss)/earnings per share before cumulative effect of changes in accounting principles ($)	(0.04)	0.52	0.55	0.10	(0.42)
Diluted (loss)/earnings per share before cumulative effect of changes in accounting principles ($)	(0.04)	0.51	0.54	0.10	(0.42)
Basic (loss)/earnings per share ($)	(0.04)	0.52	0.54	0.10	(0.42)
Diluted (loss)/earnings per share ($)	(0.04)	0.51	0.54	0.10	(0.42)
Dividend per share (Rand)	1.05	1.30	3.70	1.40	0.70
Dividend per share ($)	0.13	0.13	0.39	0.19	0.11
Total cash costs per ounce of gold produced($/oz)(2)	194	170	212	302	331
Total production costs per ounce of gold produced ($/oz)(3)	224	198	254	349	393

Notes:

(1) Revenues comprise only product (gold) sales. See note 2(w) to Gold Fields audited consolidated financial statements which appear elsewhere in this annual report.

(2) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined using guidance provided by the Gold Institute, by gold ounces sold for all periods presented. The Gold Institute was a non-profit international industry association of miners, refiners, bullion suppliers and manufacturers of gold products, that ceased operation in 2002, which developed a uniform format for reporting production costs on a per ounce basis. The Gold Institute has now been incorporated into the National Mining Association. The guidance was first adopted in 1996 and revised in November 1999. Total cash costs, as defined in the Gold Institute industry guidance, are production costs as recorded in the statement of operations, less offsite (i.e., central) general and administrative expenses (including head office costs charged to the mines, central training expenses, industry association fees and social development costs), rehabilitation costs, plus royalties and employee termination costs. Changes in total cash costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and Australian dollar and the U.S. dollar. Management, however, believes that total cash costs per ounce provides a measure for comparing Gold Fields operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. Total cash costs and total cash costs per ounce are not U.S. GAAP measures. An investor should not consider total cash costs and total cash costs per ounce in isolation or as an alternative to net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. In particular, depreciation and amortization is included in a measure of production costs under U.S. GAAP, but is not included in total cash costs

under the guidance provided by the Gold Institute. Furthermore, while the Gold Institute has provided a definition for the calculation of total cash costs, the calculation of total cash costs per ounce may vary significantly among gold mining companies, and by itself does not necessarily provide a basis for comparison with other gold mining companies. See Information on the Company Glossary of Mining Terms Total cash costs per ounce. For a reconciliation of Gold Fields production costs to its total cash costs for fiscal 2005, 2004 and 2003, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2004 and 2005 and Years Ended June 30, 2003 and 2004.

(3) Gold Fields has calculated total production costs per ounce by dividing total production costs, as determined using the guidance provided by the Gold Institute, by gold ounces sold for all periods presented. Total production costs, as defined by the Gold Institute industry guidance, are total cash costs, as calculated using the Gold Institute guidance, plus amortization, depreciation and rehabilitation costs. Changes in total production costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and Australian dollar and the U.S. dollar. Management, however, believes that total production costs per ounce provides a measure for comparing Gold Fields operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. Total production costs per ounce is not a U.S. GAAP measure. An investor should not consider total production costs per ounce in isolation or as an alternative to net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the Gold Institute has provided a definition for the calculation of total production costs, the calculation of total production costs per ounce may vary significantly among gold mining companies, and by itself does not necessarily provide a basis for comparison with other gold mining companies. See Information on the Company Glossary of Mining Terms Total production costs per ounce. For a reconciliation of Gold Fields production costs to its total production costs for fiscal 2005, 2004 and 2003, see Operational and Financial Review and Prospects Results of Operations Years Ended June 30, 2004 and 2005 and Years Ended June 30, 2003 and 2004.

	Year ended June 30,				
	2001	**2002**	**2003**	**2004**	**2005**
	(in $millions, except where otherwise noted)				
Balance Sheet Data					
Cash and cash equivalents	23.6	195.1	133.6	656.3	503.7
Financial instruments				37.0	46.8
Receivables	50.5	56.2	74.9	116.4	119.9
Inventories	21.1	68.5	76.8	63.9	77.4
Material contained on heap leach pads	31.3	45.0	41.8	42.5	55.1
Total current assets	126.5	364.8	327.1	916.1	802.9
Property, plant and equipment, net (1)	1,798.7	1,726.9	2,231.0	2,805.5	2,554.1
Financial instruments		46.2	67.7	70.3	32.4
Non-current investments	42.2	73.3	101.0	179.8	203.5
Total assets	1,967.4	2,211.2	2,726.8	3,971.7	3,592.9
Accounts payable and provisions	127.4	153.3	184.7	290.6	274.5
Income and mining taxes payable	1.2	44.5	52.0	14.2	18.0
Current portion of long-term loans		37.0	20.5		
Total current liabilities	128.6	234.8	257.2	304.8	292.5
Long term loans		145.0	21.1	643.2	653.1
Deferred income and mining taxes	506.9	448.2	647.3	769.0	596.2
Provision for environmental rehabilitation	47.5	58.8	99.2	116.0	134.6

Provision for post-retirement health care costs	51.0	44.7	23.9	18.9	9.0
Minority interests	39.0	52.8	58.8	102.7	118.4
Share capital	41.3	42.1	42.2	43.6	43.7
Additional paid-in capital	1,498.1	1,560.8	1,565.2	1,792.3	1,797.9
Retained earnings	2.7	182.6	255.3	211.6	(49.1)
Accumulated other comprehensive loss	(347.7)	(556.8)	(243.4)	(30.4)	(3.4)

Total shareholders equity	1,194.4	1,226.9	1,619.3	2,017.1	1,789.1
Total liabilities and shareholders equity	1,967.4	2,211.2	2,726.8	3,971.7	3,592.9
Other Data					
Number of ordinary shares as adjusted to reflect changes in capital structure	455,836,608	470,522,224	472,364,872	491,492,520	492,294,226
Net assets	1,194.4	1,226.9	1,619.3	2,017.1	1,789.1

Note:

(1) As discussed in Note 2 to the audited consolidated financial statements which appear elsewhere in this annual report, Gold Fields changed its method of accounting for mineral and surface use rights during the 2004 fiscal year in accordance with FASB Staff Position FAS 141-1, which required the balance of the mineral interests and other intangible assets in 2002 and 2003 to be restated and included as part of Property, plant and equipment, net.

Exchange Rates

The following tables set forth, for the periods indicated, the average, high, low and period-end noon buying rates in New York City for cable transfers in Rand as certified for customs purposes by the Federal Reserve Bank of New York expressed in Rand per $1.00:

	Year ended June 30,			
	Average(1)	**High**	**Low**	**Period end**
2001	7.64	8.16	6.79	8.05
2002	10.20	13.60	8.01	10.39
2003	9.12	10.90	7.18	7.51
2004	6.82	7.80	6.17	6.23
2005	6.20	6.92	5.62	6.67
2006 (through November 30, 2005)	6.50	6.90	6.35	6.46

Note:

(1) The average of the noon buying rates on the last day of each full month during the relevant period.

	Month ended		
	High	**Low**	**Period end**
June 30, 2005	6.92	6.63	6.67
July 31, 2005	6.90	6.53	6.56
August 31, 2005	6.55	6.35	6.40
September 30, 2005	6.45	6.26	6.35
October 31, 2005	6.72	6.44	6.71
November 30, 2005	6.79	6.46	6.46

The noon buying rate for the Rand on November 30, 2005 was Rand 6.46 per $1.00. Fluctuations in the exchange rate between the Rand and the U.S. dollar will affect the dollar equivalent of the price of the ordinary shares on JSE, which may affect the market price of the ADSs on the New York Stock Exchange. These fluctuations will also affect the dollar amounts received by owners of ADSs on the conversion of any dividends paid in Rand on the ordinary shares.

RISK FACTORS

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

Changes in the market price for gold, which in the past has fluctuated widely, affect the profitability of Gold Fields operations and the cash flows generated by those operations.

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

the demand for gold for industrial uses and for use in jewelry;

actual, expected or rumored purchases and sales of gold bullion holdings by central banks or other large gold bullion holders or dealers;

speculative trading activities in gold;

the overall level of forward sales by other gold producers;

the overall level and cost of production by other gold producers;

international or regional political and economic events or trends;

the strength of the U.S. dollar (the currency in which gold prices generally are quoted) and of other currencies;

financial market expectations regarding the rate of inflation; and

interest rates.

In addition, the current demand for and supply of gold affects the price of gold, but not necessarily in the same manner as current demand and supply affect the prices of other commodities. Since the potential supply of gold is large relative to mine production in any given year, normal variations in current production will not necessarily have a significant effect on the supply of gold or the gold price. Central banks, financial institutions and individuals historically have held large amounts of gold as a store of value and production in any given year historically has constituted a small portion of the total potential supply of gold. Historically, gold has tended to retain its value in relative terms against basic goods in times of inflation and monetary crisis.

On March 8, 2004, fifteen European central banks entered into a new gold sales agreement effective September 27, 2004, pursuant to which they restrict their annual sales of gold to specified limits. This agreement will be reviewed in five years. Although the new agreement calls for an increase in the amount of gold that can be sold by individual banks to 500 tonnes per year, the effect on the market in terms of total gold sales is unclear.

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

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

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

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

The ore reserves stated in this annual report represent the amount of gold that Gold Fields calculated, as of June 30, 2005, could be mined, processed and sold at prices sufficient to recover Gold Fields estimated future total costs of production, remaining investment and anticipated additional capital expenditures. Ore reserves are estimates based on assumptions regarding, among other things, Gold Fields costs, expenditures, prices and exchange rates, many of which are beyond Gold Fields control. In the event that Gold Fields revises any of these assumptions in an adverse manner, Gold Fields may need to revise its ore reserves downwards. In particular, if Gold Fields production costs or capital expenditures increase or if gold prices decrease or the Rand or Australian dollar strengthens against the U.S. dollar, a portion of Gold Fields ore reserves may become uneconomical to recover, forcing Gold Fields to lower its estimated reserves. Gold Fields reported attributable gold ore reserves were 75.6 million ounces for fiscal 2004 as compared to 62.8 million ounces for fiscal 2005 (including 2.4 million ounces of proven and probable gold reserves for the Cerro Corona Project that will be attributable to Gold Fields upon completion of its acquisition of an 80.7% economic interest in the Cerro Corona Project; see Information on the Company Exploration Gold Fields

Exploration Projects Cerro Corona Project), a decrease of 12.8 million ounces, resulting primarily from a decrease in below infrastructure reserves at Kloof where new geological modeling indicated that the ore body is more challenging than originally anticipated. See Information on the Company Reserves at Gold Fields as of June 30, 2005 and Information on the Company Exploration Gold Fields Exploration Projects Cerro Corona Project.

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

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

negotiating acceptable terms with the seller of the business to be acquired;

obtaining approval from regulatory authorities in South Africa and the jurisdiction of the business to be acquired;

assimilating the operations of an acquired business in a timely and efficient manner;

maintaining Gold Fields financial and strategic focus while integrating the acquired business;

implementing uniform standards, controls, procedures and policies at the acquired business; and

to the extent that Gold Fields makes an acquisition outside of markets in which it has previously operated, conducting and managing operations in a new operating environment.

Any problems experienced by Gold Fields in connection with an acquisition as a result of one or more of these factors could have a material adverse effect on Gold Fields business, operating results and financial condition.

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

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

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

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

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

- rock bursts;
- seismic events, particularly at the Driefontein and Kloof operations;
- underground fires and explosions, including those caused by flammable gas;
- cave-ins or falls of ground;
- discharges of gases and toxic substances;
- releases of radioactivity;
- flooding;
- sinkhole formation and ground subsidence; and
- other accidents and conditions resulting from drilling, blasting and removing and processing material from an underground mine.

Hazards associated with Gold Fields open pit mining operations include:

- flooding of the open pit;
- collapses of the open pit walls;
- accidents associated with the operation of large open pit mining and rock transportation equipment;
- accidents associated with the preparation and ignition of large scale open pit blasting operations;
- production disruptions due to weather; and

hazards associated with heap leach processing, such as groundwater and waterway contamination.

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

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

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

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

Gold Fields may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities. Gold Fields existing property and liability insurance contains exclusions and limitations on coverage. In fiscal 2003, in an effort to reduce costs, Gold Fields changed from business interruption insurance cover based on gross profit to cover based on fixed operating costs or standing charges only. Should Gold Fields suffer a major loss, future earnings could be affected. In addition, insurance may not continue to be available at economically acceptable premiums. As a result, in the future Gold Fields insurance coverage may not cover the extent of claims against Gold Fields, including, but not limited to, claims for environmental or industrial accidents or pollution.

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

Gold is sold throughout the world principally in U.S. dollars, but Gold Fields operating costs are incurred principally in Rand and Australian dollars. As a result, any significant and sustained appreciation of either of these currencies against the U.S. dollar may materially increase Gold Fields costs and reduce its net revenue.

The Rand and the Australian dollar each appreciated against the U.S. dollar during calendar years 2002, 2003 and 2004, with the Rand appreciating by approximately 28.4%, 22.9% and 17.0% in 2002, 2003 and 2004, respectively, and the Australian dollar appreciating by approximately 10.0%, 24.6% and 4.1% in 2002, 2003 and 2004, respectively. More recently however, the Rand and the Australian dollar have experienced a period of depreciation against the U.S. dollar. As of November 30, 2005, the Rand had depreciated by 12.5%, and the Australian dollar had depreciated by 4.7%, against the U.S. dollar since January 1, 2005. An appreciation trend for either of these currencies could have a material adverse effect on Gold Fields operating results or financial condition as the appreciation results in an increase to Gold Fields costs in U.S. dollar terms. See Quantitative and Qualitative Disclosures About Market Risk Foreign Currency Sensitivity.

Political or economic instability in South Africa or regionally may have an adverse effect on Gold Fields operations and profits.

Gold Fields is incorporated and owns significant operations in South Africa. As a result, political and economic risks relating to South Africa could affect an investment in Gold Fields. Large parts of the South African population do not have access to adequate education, health care, housing and other services, including water and electricity. Government policies aimed at alleviating and redressing the disadvantages suffered by the majority of citizens under previous governments may have an adverse impact on Gold Fields operations and profits. In recent years, South Africa has experienced high levels of crime and unemployment. These problems have impeded fixed inward investment into South Africa and have prompted emigration of skilled workers. As a result, Gold Fields may have difficulties attracting and retaining qualified employees.

Recently, the South African economy has been growing at a relatively slow rate, inflation and unemployment have been high by comparison with developed countries and foreign reserves have been relatively low. GDP (based on 1990 prices given by Statistics South Africa) growth was 3.4% for 2000, 2.7% for 2001, 3.6% for 2002, 1.9% for 2003 and 3.4% for 2004. Corresponding inflation rates (as given by reference to the consumer price index used by the South African government) were 5.3% in 2000, 5.7% in 2001, 9.2% in 2002, 5.8% in 2003 and 1.4% in 2004, while corresponding unemployment rates were 26.7%, 26.9%, 30.5%, 28.4% and 26.5% as of December 31, 2000, 2001, 2002, 2003 and 2004, respectively. Gross foreign exchange reserves stood at approximately $20.1 billion as of November 30, 2005. The depreciation of the Rand in 1997 and 1998 resulted in an increase in the South African prime lending rate, which peaked at approximately 25.5% during 1998, although rates have since decreased substantially. On November 30, 2005, the rate was 10.5%. Consequently, Gold Fields could face a high cost of capital should it need to borrow in South Africa.

In the late 1980s and early 1990s, inflation in South Africa reached record highs. This increase in inflation resulted in considerable year over year increases in operational costs. In recent years, the inflation rate has decreased to single-digit figures. A return to significant inflation in South Africa, without a concurrent devaluation of the Rand or an increase in the price of gold, could have a material adverse effect on Gold Fields operating results and financial condition.

There has been regional political and economic instability in the countries surrounding South Africa. Any similar political or economic instability in South Africa could have a negative impact on Gold Fields ability to manage and operate its South African operations.

Political or economic instability in Ghana may have an adverse effect on Gold Fields operations and profits.

A significant portion of Gold Fields production takes place in Ghana at the Tarkwa and Damang mines. As a result, political and economic risks relating to Ghana could affect an investment in Gold Fields.

Ghana has had periods of political instability, and could be subject to instability again in the future. Presidential and parliamentary elections were conducted under the present Ghanaian constitution in 1992, 1996, 2000 and 2004. The 2000 elections resulted in the principal opposition party winning the elections and forming the present government, which was re-elected in 2004. Since the present government came into power it has passed legislation imposing a tax and import duty which have affected the mining industry. The Ghana Chamber of Mines, of which Gold Fields Ghana Limited and Abosso Goldfields Limited, subsidiaries of Gold Fields, are members, has expressed its concern to the government that these legislative measures have eroded the competitiveness of the fiscal regime affecting mining companies in Ghana. The current government or a future government might adopt additional changes to policies in the future, which could: (1) modify the regulatory or fiscal regime governing mining companies in Ghana, such as increasing the proportion of foreign currency earnings that mining companies are required to repatriate to Ghana or (2) otherwise make investments or foreign-owned operations in Ghana less attractive. Any departure from current policies by the government of Ghana could have a material adverse effect on Gold Fields business, operating results and financial condition.

In addition, it is possible that in the future Ghana will experience adverse economic conditions or disruptions which may negatively impact Gold Fields Ghana operations.

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

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

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

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

In some circumstances, potential acquisitions of shares in or assets of South African companies by non-South African resident purchasers are subject to review by the SARB pursuant to South African exchange control regulations. In 2000, the South African Treasury, or the Treasury,

refused to approve an acquisition of Gold Fields by Franco-Nevada Mining Corporation Limited, a Canadian mining company. The Treasury may refuse to approve similar proposed acquisitions of Gold Fields in the future. As a result, Gold Fields management may be limited in its ability to consider strategic options and Gold Fields shareholders may not be able to realize the premium over the current trading price of Gold Fields ordinary shares which they might otherwise receive upon such an acquisition. See Information on the Company Regulatory and Environmental Matters South Africa Exchange Controls.

Gold Fields operations and financial condition may be adversely affected by labor disputes or changes in South African, Ghanaian or Australian labor laws.

As of June 30, 2005, approximately 79% of Gold Fields employees belonged to unions. Accordingly, Gold Fields is at risk of having its production stopped for sustained periods due to strikes called by unions and other labor disputes. In August 2005, Gold Fields experienced a 48-hour unexpected strike by approximately half the employees of the Tarkwa mine in Ghana. In South Africa, Gold Fields also experienced a one day illegal strike on March 30, 2005, and an industry wide gold mining labor strike in August 2005. See Directors, Senior Management and Employees Labor Relations South Africa and Ghana. In South Africa, in addition to strikes, on occasion Gold Fields experiences work stoppages based on national trade union stay away days regardless of the state of its relations with its workforce. Significant labor disruptions at any of Gold Fields operations could have a material adverse effect on Gold Fields business, operating results and financial condition.

Gold Fields production may also be materially affected by relatively new labor laws. Since 1995, South African laws relating to labor have changed significantly in ways that affect Gold Fields operations. In particular, laws enacted since then that impose large monetary penalties for non-compliance with the administrative and the reporting requirements in respect of affirmative action policies could result in significant costs to Gold Fields. There may continue to be significant and adverse changes in labor law in South Africa over the next several years.

Ghanaian law contains broad provisions requiring mining companies to recruit and train Ghanaian personnel and to use the services of Ghanaian companies. Any expansion of these provisions or new labor legislation which increases labor costs in Ghana could have a material adverse effect on Gold Fields mining operations in Ghana and, accordingly, on Gold Fields business, operating results and financial condition.

The Labor Relations Reform Act of Western Australia was passed by Parliament in July 2002. This law reduces the availability of state workplace agreements and is designed to promote collective bargaining and union access to the workplace. This law could strengthen the role of unions in Western Australia s mining industry, which could have a material adverse effect on labor costs at Gold Fields mining operations in Australia and, accordingly, on Gold Fields business, operating results and financial condition. See Directors, Senior Management and Employees Employees Labor Relations Australia.

Gold Fields may suffer adverse consequences as a result of its reliance on outside contractors to conduct its operations in Ghana and Australia.

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

negotiating agreements with contractors on acceptable terms;

the inability to replace a contractor and its operating equipment in the event that either party terminates the agreement;

reduced control over those aspects of operations which are the responsibility of the contractor;

failure of a contractor to perform under its agreement with Gold Fields;

interruption of operations in the event that a contractor ceases its business due to insolvency or other unforeseen events;

failure of a contractor to comply with applicable legal and regulatory requirements, to the extent it is responsible for such compliance; and

problems of a contractor with managing its workforce, labor unrest or other employment issues.

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

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

Wages and related labor costs accounted for approximately 50% of Gold Fields total production costs in fiscal 2005. Accordingly, Gold Fields costs may be materially affected by increases in wages and related labor costs, particularly with respect to Gold Fields South African employees, who are unionized. Negotiations with South African unions concluded in August 2005 resulted in above inflation wage increases ranging from 6% to 7%, depending upon the category of employees. Under the agreement, wage increases for South African employees will be linked to inflation with a minimum increase of 5.5% or 6.0%, depending upon the category of employees. The next round of negotiation with the South African unions is expected to take place prior to June 2007, when the current agreement expires. See Directors, Senior Management and Employees Labor Relations South Africa. If Gold Fields is unable to increase production levels or implement cost cutting measures to offset these increased wages and labor costs, these costs could have a material adverse effect on Gold Fields mining operations in South Africa and, accordingly, on Gold Fields business, operating results and financial condition. See Directors, Senior Management and Employees Employees Labor Relations South Africa.

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

The incidence of HIV/AIDS in South Africa, which is forecast to increase over the next decade, poses risks to Gold Fields in terms of potentially reduced productivity and increased medical and other costs. Gold Fields current estimate of the potential impact of HIV/AIDS on its operations and financial condition is based on a variety of existing data and certain assumptions, including the incidence of HIV infection among its employees, the progressive impact of HIV/AIDS on infected employees health, and the medical and other costs associated with the infection, most of which involve factors beyond Gold Fields control. Should Gold Fields actual experience significantly differ from the assumptions on which its current estimate is based, the actual impact of HIV/AIDS on its business, operating results and financial condition could be significantly worse than Gold Fields expects. See Directors, Senior Management and Employees Employees Health and Safety HIV/AIDS Program.

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

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

South African mining companies are required by law to undertake rehabilitation works as part of their ongoing operations. In addition, during the operational life of their mines, they must make arrangements to fund the cost of mine closure and post-closure rehabilitation and monitoring once mining operations cease. Gold Fields fully provides for these environmental rehabilitation costs in its financial statements based on the present value of future costs and funds these costs by making contributions into an environmental trust fund, with amounts approved by the authorities. As of September 30, 2005, Gold Fields had contributed a total of approximately Rand 401.2 million, including accrued interest, to the fund. Changes in legislation or regulations (or the approach to enforcement of them) or other unforeseen circumstances may materially and adversely affect Gold Fields future environmental expenditures or the level and timing of Gold Fields provisioning for these expenditures. See Information on the Company Regulatory and Environmental Matters South Africa Environmental.

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

The present Mine Health and Safety Act 29 of 1996, or the Mine Health and Safety Act, came into effect in January 1997. The principal objective of the Mine Health and Safety Act is to improve health and safety at South African mines and, to this end, the Mine Health and Safety Act imposes various duties on Gold Fields at its mines, and grants the authorities broad powers to, among other things, close unsafe mines and order corrective action relating to health and safety matters.

The Occupational Diseases in Mines and Works Act 78 of 1973, or the Occupational Diseases Act, governs the payment of compensation and medical costs related to certain illnesses contracted by persons employed in mines or at sites where activities ancillary to mining are conducted. Occupational health care services are made available by Gold Fields to employees from its existing facilities. Pursuant to changes in the Occupational Diseases Act, Gold Fields may experience an increase in the cost of these services, which could have an adverse effect on Gold Fields business, operating results and financial condition. This increased cost, should it transpire, is currently indeterminate. See Information on the Company Regulatory and Environmental Matters South Africa Health and Safety.

Gold Fields mineral rights in South Africa have become subject to new legislation which could impose significant costs and burdens.

The New Minerals Act

The Mineral and Petroleum Resources Development Act 2002, or the New Minerals Act, came into effect on May 1, 2004.

Among other things, the New Minerals Act: (1) vests the right to prospect and mine in the state without the automatic payment of compensation, (2) makes provision for a transitional period for the phasing out of privately held mineral rights, prospecting permits and mining authorizations held under the old regime and (3) requires that new applications be made in respect of those rights and new rights to be granted pursuant to the New Minerals Act. Consistent with international practice, the New Minerals Act provides that a mining or prospecting right granted under the New Minerals Act could be cancelled if the mineral to which the right relates is not mined at an optimal rate. There is no guarantee that Gold Fields will be able to successfully apply for any or all of its existing mining rights under the New Minerals Act or that the terms on which they will be granted will not be significantly less favorable to Gold Fields than the current terms. The requirements of the New Minerals Act could have a material adverse effect on Gold Fields mining and exploration activities in South Africa and, as a result, on Gold Fields business, operating results and financial condition. See Information on the Company Regulatory and Environmental Matters South Africa Mineral Rights The New Minerals Act.

The Mining Titles Registration Amendment Act, or the Mining Titles Act, came into force on May 1, 2004. The Mining Titles Act provides for the registration of rights granted under the New Minerals Act. The Mining Titles Act repeals certain sections of the former legislation dealing with the registration of mineral rights, subject to the transitional provisions of the New Minerals Act. Until rights held under the previous regime are converted to rights under the New Minerals Act, rights held under the previous regime that become subject to a change in ownership during the transition period will not be able to be registered under the name of the new owner.

The New Minerals Act contains a provision requiring the Minister of Minerals and Energy, or the Minister, within six months of the relevant provision becoming operational, to develop a broad-based socio-economic empowerment charter for effecting entry of historically disadvantaged South Africans, or HDSAs, into the mining industry. The South African government appointed a task team which included representatives from mining companies, including Gold Fields, to develop a charter. On October 11, 2002, the Minister and representatives of certain mining companies and the National Union of Mineworkers signed a charter that reflects the consultation process called for by the New Minerals Act. The Mining Charter became effective on May 1, 2004.

The charter s stated objectives are to:

promote equitable access to South Africa s mineral resources for all the people of South Africa;

substantially and meaningfully expand opportunities for HDSAs, including women, to enter the mining and minerals industry and to benefit from the exploitation of South Africa s mineral resources;

utilize the existing skills base for the empowerment of HDSAs;

expand the skills base of HDSAs in order to serve the community;

promote employment and advance the social and economic welfare of mining communities and areas supplying mining labor; and

promote beneficiation of South Africa s mineral commodities beyond mining and processing, including the production of consumer products.

To achieve these objectives, the charter requires that mining companies achieve a 15% HDSA ownership of mining assets within five years and a 26% HDSA ownership of mining assets within 10 years by each mining company. Under the charter, the mining industry as a whole agrees to assist HDSA companies in securing finance to fund participation in an amount of Rand 100 billion over the first five years. Beyond the Rand 100 billion commitment, HDSA participation will be increased on a willing seller-willing buyer basis, at fair market value, where the mining companies are not at risk. In addition, the charter requires, among other things, that mining companies spell out plans for achieving employment equity at management level with a view to achieving a baseline of 40% HDSA participation in management and achieving a baseline of 10% participation by women in the mining industry, in each case within five years. When considering applications for the conversion of existing licenses, the government will take a scorecard approach, evaluating the commitments of stakeholders to the different facets of promoting the objectives of the charter. See Information on the Company Regulatory and Environmental Matters South Africa Mineral Rights The New Minerals Act.

In order to comply with the terms of the charter, Gold Fields has adjusted the ownership structure of its South African mining assets. On March 8, 2004, the shareholders of Gold Fields approved a series of transactions, referred to in this discussion as the Mvelaphanda Transaction, involving the acquisition by Mvelaphanda Resources Limited of a 15% beneficial interest in the South African gold mining assets of Gold Fields for cash consideration of R4,139 million. See Operating and Financial Review and Prospects Overview General Mvelaphanda Transaction. The Mvelaphanda Transaction is intended to meet the charter s requirement that mining companies achieve a 15% HDSA ownership within five years of the charter coming into effect. See Information on the Company Regulatory and Environmental Matters South Africa Mineral Rights The New Minerals Act. There is no guarantee, however, that the Mvelaphanda Transaction will not have a negative effect on the value of Gold Fields ordinary shares. In addition, any further adjustment to the ownership structure of Gold Fields South African mining assets in order to meet the mining charter s 10 year HDSA ownership requirement of 26% could have a material adverse effect on the value of Gold Fields ordinary shares and failing to comply with the charter s requirements could subject Gold Fields to negative consequences, the scope of which has not yet been fully determined. Gold Fields may also incur expenses to give effect to the charter s other requirements, and may need to incur additional indebtedness in order to comply with the industry-wide commitment to assist HDSAs in securing Rand 100 billion of financing during the first five years of the mining charter s effectiveness. Moreover, there is no guarantee that any steps Gold Fields has already taken or might take in the future will ensure the successful conversion of any or all of its existing mining rights or for the grant of new mining rights or that the terms of any conversion or grant would not be significantly less favorable to Gold Fields than the terms of its current rights.

The Royalty Bill

On March 20, 2003 the draft Mineral and Petroleum Royalty Bill, or the Royalty Bill, was released for public comment. The South African National Treasury subsequently missed an August 1, 2003 deadline for submitting a revised draft to the South African Parliament and, as yet, no revised draft has been submitted or published.

The Royalty Bill proposes to impose a 3% revenue based royalty on the South African gold mining sector payable to the South African government. Under the terms of the proposed Royalty Bill, the royalty is to take effect when companies convert to new order mining rights in accordance with the New Minerals Act, although the Minister has indicated that the royalty is not expected to take effect until the transitional period for the conversion of mining rights under the New Minerals Act expires. The Minister of Finance in his Budget Speech in February 2004 indicated that the royalty will be based on revenues and will take effect in 2009. The Royalty Bill is in the process of being redrafted and is expected to contain a royalty consisting of a percentage of gross sales. There is uncertainty as to what further amendments will be made to the Royalty Bill. If adopted, in either its current or a revised form, the Royalty Bill could have a negative impact on Gold Fields South African operations and therefore an adverse effect on its business, operating results and financial condition. See Information on the Company Regulatory and Environmental Matters South Africa Mineral Rights The Royalty Bill.

Gold Fields land and mineral rights in South Africa could be subject to land restitution claims which could impose significant costs and burdens.

Gold Fields privately held land and mineral rights could be subject to land restitution claims under the Restitution of Land Rights Act 1994, or the Land Claims Act. Under this Act, any person who was dispossessed of rights in land in South Africa as a result of past racially discriminatory laws or practices without payment of just and equitable compensation is granted certain remedies, including the restoration of the land. Under the Land Claims Act, persons entitled to institute a land claim were required to lodge their claims by December 31, 1998. Gold Fields has not been notified of any land claims, but any claims of which it is notified in the future could have a material adverse effect on Gold Fields right to the properties to which the claims relate and, as a result, on Gold Fields business, operating results and financial condition. See Information on the Company Regulatory and Environmental Matters South Africa Land Claims.

The Restitution of Land Rights Amendment Act, or the Amendment Act, became law on February 4, 2004. Under the Land Claims Act, the Minister for Agriculture and Land Affairs, or the Land Minister, may not acquire ownership of land for restitution purposes without a court order unless an agreement has been reached between the affected parties. The Amendment Act, however, entitles the Land Minister to acquire ownership of land by way of expropriation in certain limited circumstances. Expropriation would be subject to provisions of legislation and the South African Constitution which provides, in general, for just and equitable compensation. There is, however, no guarantee that any of Gold Fields privately held land rights could not become subject to acquisition by the state without Gold Fields agreement, or that Gold Fields would be adequately compensated for the loss of its land rights, which could have a negative impact on Gold Fields South African operations and therefore an adverse effect on its business, operating results and financial condition. See Information on the Company Regulatory and Environmental Matters South Africa Land Claims.

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

Gold Fields Ghana operation is subject to extensive environmental laws and regulations. The Ghanaian environmental protection laws require, among other things, that Gold Fields register with the Ghanaian environmental authorities, and obtain environmental permits and certificates for the Ghana operation.

Ghanaian mining companies are required by law to rehabilitate land disturbed as a result of their mining operations pursuant to an environmental reclamation plan agreed with the Ghanaian environmental authorities. Gold Fields funds these environmental rehabilitation costs in part by posting a reclamation bond to secure estimated costs of rehabilitation. Changes in the required method of calculation for these bonds or an unforeseen circumstance which produces unexpected costs may materially and adversely affect Gold Fields future environmental expenditures. See Information on the Company Regulatory and Environmental Matters Ghana Environmental.

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

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

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

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

In Ghana, the ownership of land on which there are mineral deposits is separate from the ownership of the minerals. All minerals in their natural state in or upon any land or water are, under Ghanaian law, the property of Ghana and vested in the President on behalf of the people of Ghana. Gold Fields mining leases for the Tarkwa property have not yet been ratified by the Ghanaian Parliament, as required by law. To the extent that failure to ratify these leases adversely affects their validity, there may be a material adverse effect on Gold Fields business, operating results and financial condition. In addition, a new Minerals and Mining Bill, or the Minerals Bill, was laid before the Ghanaian Parliament in fiscal 2005. If the Minerals Bill is passed it will repeal the current Minerals and Mining Law in Ghana. Although the current draft of the Minerals Bill would not appear to have a substantial effect on Gold Fields Ghana operations as currently run, Gold Fields cannot be certain what provisions will be included in the Minerals Bill when approved into law. If, when passed, the Minerals Bill imposes significant new costs or burdens on Gold

Fields abilities to mine in Ghana or to obtain new mining leases for properties on which deposits are identified, it could have a material adverse effect on Gold Fields business operating results and financial condition. See Information on the Company Regulatory and Environmental Matters Ghana Mineral Rights.

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

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

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

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

The Western Australian Mines Safety and Inspection Act 1994 (WA), or the Safety and Inspection Act, imposes a duty on a mine owner to provide and maintain a working environment which is safe for mine workers. The regulations prescribe specific measures to be taken and provide for inspectors to review the work site for hazards and violations of the health and safety laws. The Safety and Inspection Act was amended in April 2005 to provide, among other things, a new regime of penalties, broader powers for inspectors and new duties of care for employers. A violation of the health and safety laws or a failure to comply with the instructions of the relevant health and safety authorities could lead to, among other things, a temporary shutdown of all or a portion of the mine, a loss of the right to mine or the imposition of costly compliance procedures and penalties (including imprisonment). If health and safety authorities require Gold Fields to shut down all or a portion of the mine or to implement costly compliance measures, whether pursuant to existing or new health and safety laws and regulations, such measures could have a material adverse effect on Gold Fields business, operating results and financial condition.

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

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

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

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

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

the court which pronounced the judgment had jurisdiction to entertain the case according to the principles recognized by South African law with reference to the jurisdiction of foreign courts;

the judgment is final and conclusive (that is, it cannot be altered by the court which pronounced it);

the judgment has not lapsed;

the recognition and enforcement of the judgment by South African courts would not be contrary to public policy, including observance of the rules of natural justice which require that the documents initiating the United States proceeding were properly served on the defendant and that the defendant was given the right to be heard and represented by counsel in a free and fair trial before an impartial tribunal;

the judgment was not obtained by fraudulent means;

the judgment does not involve the enforcement of a penal or revenue law; and

the enforcement of the judgment is not otherwise precluded by the provisions of the Protection of Businesses Act 99 of 1978, as amended, of the Republic of South Africa.

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

Because the principal trading market for Gold Fields ordinary shares is the JSE Securities Exchange South Africa, investors face liquidity risk in the market for Gold Fields ordinary shares.

The principal trading market for Gold Fields ordinary shares is the JSE Securities Exchange South Africa, or the JSE. 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 The JSE Securities Exchange South Africa.

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

Gold Fields pays cash dividends only if funds are available for that purpose. Whether funds are available depends on a variety of factors, including the amount of cash available and Gold Fields capital expenditures and other cash requirements existing at the time. Under South African law, Gold Fields will be entitled to pay a dividend or similar payment to its shareholders only if it meets the solvency and liquidity tests set out in the South African Companies Act and Gold Fields Articles of Association. Cash dividends or other similar payments may not be paid in the future.

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

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

Gold Fields ordinary shares are subject to dilution upon the exercise of Gold Fields outstanding options and the Mvela Gold share exchange option.

As of November 30, 2005, Gold Fields had an aggregate of 1,000,000,000 ordinary shares authorized to be issued and as of that date an aggregate of 492,114,739 ordinary shares were issued and outstanding. Gold Fields currently has two securities option plans which are authorized to grant options in an amount of up to an aggregate of 25,071,013 ordinary shares. At their annual general meeting on November 17, 2005, Gold Fields shareholders approved two new securities option plans which will replace the outstanding plans. However, these plans have not yet been implemented. Gold Fields had outstanding as of November 30, 2005, options to purchase a total of 10,002,222 ordinary shares at exercise prices of between Rand 13.55 and Rand 154.65 that expire between June 30, 2006 and November 1, 2012 under the GF Management Incentive Scheme and 335,400 ordinary shares at exercise prices of between Rand 43.70 and 110.03 that expire between October 31, 2006 and February 18, 2010 under the GF Non-Executive Director Share Plan. Shareholders equity interests in Gold Fields will be diluted to the extent of future exercises of these options and any additional options. See Directors, Senior Management and Employees The GF Management Incentive Scheme, and Directors, Senior Management and Employees The GF Non-Executive Director Share Plan.

As part of the Mvelaphanda Transaction, Mvela Gold is obliged to subscribe for 15% of the share capital of GFI Mining South Africa (Proprietary) Ltd, or GFIMSA, a wholly owned subsidiary of Gold Fields, upon repayment of the Mvela Loan. Under the Subscription and Share Exchange Agreement entered into in connection with the Mvelaphanda Transaction, for a period of one year after the subscription of the GFIMSA shares each of Gold Fields and Mvela Gold will be entitled to require the exchange of Mvela Gold s GFIMSA shares for ordinary shares of Gold Fields of an equivalent value, but numbering not less than 45,000,000 and not more than 55,000,000 Gold Fields ordinary shares, adjusted as necessary to reflect changes to Gold Fields capital structure and certain corporate activities of Gold Fields. Shareholders equity interests in Gold Fields will be diluted if Gold Fields or Mvela Gold requires the exchange of GFIMSA shares for Gold Fields shares. See Operating and Financial Review and Prospects Overview General Mvelaphanda Transaction.

Item 4: INFORMATION ON THE COMPANY

Introduction

Gold Fields is a significant producer of gold and major holder of gold reserves in South Africa, Ghana and Australia. Gold Fields is primarily involved in underground and surface gold mining and related activities, including exploration, extraction, processing and smelting, and also has strategic interests in platinum group metals exploration. Gold Fields is currently the second largest gold producer in South Africa and one of the largest gold producers in the world, on the basis of annual production.

The majority of Gold Fields operations, based on gold production, are located in South Africa. It also owns the St. Ives and Agnew gold mining operations in Australia and has a 71.1% interest in each of the Tarkwa gold mine and the Damang gold mine in Ghana. In addition, Gold Fields has gold and other precious metal exploration activities and interests in Africa, Australasia, China, Europe, North America and South America. Gold Fields owns 100% of the Arctic Platinum Project, or APP, in northern Finland, which is evaluating the economic potential of deposits of open pittable and underground platinum group metal mineralization, although it is in the process of finalizing an arrangement with North American Palladium Ltd., or NAP, whereby NAP may acquire up to 60% of APP. Gold Fields is in the process of acquiring 92% of the voting shares (which is effectively 80.7% of the economic interest) of Sociedad Minera La Cima S.A., the owner of the Cerro Corona Project in Peru which is evaluating the economic potential of deposits of open pittable gold and copper mineralization, and has entered into an agreement providing for Gold Fields to acquire all of the outstanding securities not currently held by Gold Fields of Bolivar Gold Corp., which operates the Choco 10 open pit gold mine in the El Callao gold district in the Bolivar State, Venezuela. See Exploration Gold Fields Exploration Projects Cerro Corona Project and Recent Developments Acquisition of Bolivar Gold Corp.

Gold Fields operations include:

Driefontein Operation. This operation consists of seven shaft systems and three gold plants in South Africa s Gauteng Province near Carletonville. Driefontein produced 1.2 million ounces of gold during the year ended June 30, 2005, accounting for approximately 29% of attributable gold production for Gold Fields in fiscal 2005. The operation employed approximately 17,200 people as of June 30, 2005 including a limited number working for outside contractors at the site. The Driefontein operation includes both underground mining and surface rock dump processing.

Kloof Operation. This operation consists of five shaft systems and two gold plants in South Africa s Gauteng Province near Carletonville. Kloof produced 1.0 million ounces of gold during the year ended June 30, 2005, accounting for approximately 24% of attributable gold production for Gold Fields in fiscal 2005. The operation employed approximately 15,400 people as of June 30, 2005 including a limited number working for outside contractors at the site. The Kloof operation includes both underground mining and some surface rock dump processing.

Beatrix Operation. This operation consists of four shaft systems and two gold plants in South Africa s Free State Province near Welkom and Virginia. The Beatrix operation produced 0.6 million ounces of gold during the year ended June 30, 2005, accounting for approximately 15% of attributable gold production for Gold Fields in fiscal 2005. The operation employed approximately 12,300 people as of June 30, 2005 including a limited number working for outside contractors at the site. The Beatrix operation consists of both underground mining and some limited surface rock

dump processing.

Ghana Operation. This operation consists of: (1) the Tarkwa mine, which comprises several open pit operations with two heap leach recovery facilities and a SAG mill and CIL plant and (2) the Damang mine, which consists of a number of open pit operations with a CIL plant. Both mines are located in southwestern Ghana, about 300 and 360 kilometers by road west of Accra, respectively. During the year ended June 30, 2005, the Ghana operation produced 0.9 million ounces of gold (of which 0.6 million ounces of gold were attributable to Gold Fields and the remainder to minority shareholders in the Ghana operation), accounting for approximately 15% of attributable gold production for Gold Fields in fiscal 2005. The operation had approximately 4,200 employees as of June 30, 2005, including those working for the outside contractor at Damang.

Australia Operation. This operation consists of the St. Ives and Agnew mines. Both mines are located in the state of Western Australia, with St. Ives situated near Kambalda, straddling Lake Lefroy, and Agnew situated near Leinster. These two mines together produced 0.7 million ounces of gold during the year ended June 30, 2005, accounting for approximately 17% of attributable gold production for Gold Fields in fiscal 2005. St. Ives and Agnew had approximately 1,400 employees as of June 30, 2005, including those working for outside contractors at the sites. St. Ives and Agnew conduct both underground and surface operations.

Based on the figures reported by Gold Fields mining operations, as of June 30, 2005, Gold Fields reported attributable proven and probable reserves of approximately 62.8 million ounces of gold (including 2.4 million ounces of proven and probable gold reserves for the Cerro Corona Project that will be attributable to Gold Fields upon completion of its acquisition of an 80.7% economic interest in the Cerro Corona Project; see Exploration Gold Fields Exploration Projects Cerro Corona Project). In the year ended June 30, 2005, Gold Fields processed 47.9 million tonnes of ore and produced 4.5 million ounces of gold, of which 4.2 million ounces were attributable to Gold Fields.

History

The company that is today Gold Fields was originally incorporated as East Driefontein Gold Mining Company Limited on May 3, 1968, and subsequently changed its name to Driefontein Consolidated Limited. The Gold Fields group holdings evolved through a series of transactions, principally in 1998 and 1999.

With effect from January 1, 1998, a company formed on November 21, 1997 and, referred to in this discussion as Original Gold Fields, acquired substantially all of the gold mining assets and interests previously held by Gencor Limited, Gold Fields of South Africa Limited and New Wits Limited and certain other shareholders in the companies owning the assets and interests including:

- a 100% interest in Beatrix Mines Limited, or Beatrix, which in turn owned a 100% interest in Beatrix Mining Company Limited, or BMC, BMC owned the Beatrix mine;
- a 37.3% interest in Driefontein Consolidated Limited, which owned the Driefontein operation;
- a 100% interest in Kloof Gold Mining Company Limited, or Kloof, which owned the Kloof operation;
- a 54.2% interest in St. Helena Gold Mines Limited, or St. Helena, which owned the St. Helena and Oryx mines;
- a 100% interest in Gold Fields Guernsey Limited, or Gold Fields Guernsey, which indirectly owned a 70% interest in the Tarkwa mine (which was later increased to 71.1% due to the dilution of the other shareholders);
- a 100% interest in Orogen Holding (BVI) Limited, or Orogen; and
- various exploration and other rights and assets.

The Driefontein, Kloof and Tarkwa interests were acquired from Gold Fields of South Africa Limited, while the Beatrix and St. Helena interests were originally acquired from Gencor Limited. New Wits Limited provided various mineral rights. Original Gold Fields then owned 100% of Driefontein Consolidated Limited.

With legal effect from January 1, 1999, Driefontein Consolidated Limited acquired Original Gold Fields (which was subsequently renamed GFL Mining Services Limited) in a merger. For accounting purposes, Original Gold Fields was fully consolidated with effect from June 1, 1999. Although for legal purposes Driefontein Consolidated Limited acquired Original Gold Fields, for accounting purposes Original Gold Fields was considered the acquiror because Original Gold Fields shareholders obtained the larger interest in the enlarged company. Driefontein Consolidated Limited was renamed Gold Fields Limited on May 10, 1999, following the merger. For accounting purposes, the merger was treated as if it occurred on June 1, 1999.

In order to achieve greater operational and administrative efficiency within the Gold Fields group following the merger, the Gold Fields group structure was reorganized with effect from July 1, 1999 as follows:

- GFL Mining Services Limited transferred its interests in Beatrix, St. Helena, Oryx and Kloof to Gold Fields; and
- Gold Fields transferred the Driefontein mine as a going concern to a shelf company named Driefontein Consolidated (Proprietary) Limited, a wholly-owned subsidiary of Gold Fields.

With effect from July 1, 1999, Gold Fields also acquired the remaining 45.8% interest in St. Helena from St. Helena s minority shareholders. Subsequent to this acquisition, St. Helena acquired the Beatrix mine from BMC.

On November 30, 2001, Gold Fields acquired the St. Ives and Agnew gold mining operations from WMC Limited and WMC Resources Limited (collectively, WMC).

On January 23, 2002, Gold Fields acquired a 71.1% interest in Abosso Goldfields Limited, or Abosso.

On October 30, 2002, Gold Fields sold the St. Helena gold mining operation to Freegold for gross consideration of Rand 120.0 million and a monthly 1% royalty payment to Gold Fields on the net revenues from gold sales from the St. Helena mine for a period of four years after closing. Subsequent to the sale, St. Helena was renamed Beatrix Mining Ventures Limited and the Free State Operation was renamed the Beatrix Operation.

With effect from February 23, 2004, as part of an internal reorganization of the Gold Fields group in connection with the transaction with Mvelaphanda Resources Limited, or Mvela Resources, described below, Gold Fields transferred its South African gold mining assets, including the Beatrix operation, the Driefontein operation and the Kloof operation as going concerns to GFIMSA.

On March 8, 2004, the shareholders of Gold Fields approved a series of transactions, involving the acquisition by Mvela Resources, through a wholly-owned subsidiary, of a 15% beneficial interest in the South African gold mining assets of Gold Fields, for cash consideration of R4,139 million. See Operating and Financial Review and Prospects Overview Mvelaphanda Transaction.

Gold Fields is a public company incorporated in South Africa, with a registered office located at 24 St. Andrews Road, Parktown 2193, South Africa, telephone number 011-27-11-644-2400.

Organizational Structure

Gold Fields is a holding company with its ownership interests organized as set forth below.

Group Structure(1)

Notes:

(1) Unless otherwise stated, all subsidiaries are, directly or indirectly, wholly owned by Gold Fields Limited.

(2) Gold Fields is in the process of acquiring this interest.

(3) In fiscal 2006, Gold Fields Guernsey Limited and Gold Fields Ghana Holdings Limited changed their incorporation to the British Virgin Islands and their names to Gold Fields Holding Company BVI Limited and Gold Fields Ghana BVI Limited, respectively.

South Africa. Gold Fields interests in the Driefontein, Kloof and Beatrix operations are held through GFIMSA.

Ghana. Gold Fields interests in the Tarkwa and Damang mines, which comprise the Ghana operation, are held through its 71.1% owned subsidiaries, Gold Fields Ghana Limited, or Gold Fields Ghana, and Abosso Goldfields Limited, or Abosso, respectively. The remaining interests in Gold Fields Ghana and Abosso are indirectly held by IAMGold Corporation, or IAMGold, which acquired an 18.9% beneficial interest previously held by Repadre Capital Corporation following a merger between the two companies on January 8, 2003, and the Government of Ghana, which holds a 10.0% interest, which the Government acquired as a free carried interest for no cost.

Australia. Gold Fields interests in the St. Ives and Agnew mines are held through two wholly-owned Australian subsidiaries, St. Ives Gold Mining Company Pty Ltd. and Agnew Gold Mining Company Pty Ltd., which, in turn, are wholly owned through intermediaries by Orogen.

Exploration Assets. Gold Fields exploration assets are generally held by project companies in the jurisdiction where the exploration assets are located, which are, in turn, held through either Orogen or Gold Fields Guernsey. Orogen holds APP through intermediaries.

Strategy

General

Gold Fields is a significant producer of gold and major holder of gold reserves in South Africa, Ghana and Australia. Gold Fields also has reported gold and copper reserves at the Cerro Corona Project, a development project in Peru. The gold industry has historically been highly fragmented and a trend has been underway to consolidate the industry through mergers and acquisitions.

Global Context

Gold Fields strategy was developed in the context of a global market characterized by an extended period of low gold prices, reduced global expenditure on gold exploration and increasing industry consolidation. This strategy has evolved over time, but despite the recent increase in the price of gold, Gold Fields has maintained a strategy of general caution with respect to financial commitments while maintaining full exposure to the effects of the gold price.

Generally, Gold Fields strategy consists of the following key elements:

Operational excellence, which is aimed at improving returns through the optimization of existing assets. This is achieved in the first instance through improving productivity. Secondly, it also implies the reduction of costs through cost management initiatives and growing assets through inward investment;

Growing Gold Fields by diversifying geographical, technical and product risk through acquiring and developing additional long-life assets. Starting in fiscal 2004, Gold Fields set a goal of achieving an additional 1.5 million ounces of annual gold production by the end of calendar 2009;

Securing the future of Gold Fields by earning and maintaining what Gold Fields calls its license to operate in those countries and regions in which it operates and upholding strong principles of corporate governance. Gold Fields views its ability to conduct its operations as involving a reciprocal commitment from Gold Fields to the communities where it is located to deal with issues related to sustainable development.

Operational Excellence

Management believes that improved profitability and at existing operations can be achieved by increasing mining rates, increasing mining quality and reducing costs. Management believes that significant opportunity exists to do this, specifically through:

Increasing development rates at the South African operations to provide for ore reserve and mining flexibility

Increasing quality mining through increasing volumes mined above the paylimit and/or cut-offs and ensuring that dilution is minimized. Dilution can be minimized through programs aimed at reducing the quantities of waste mined both underground and in the open pits. Quality can be improved through ongoing grade control and optimizing mine call factors;

Increasing productivity through skills development programs, aligning incentive schemes with desired outcomes, removing bottlenecks, improving ventilation and lowering temperatures at the South African operations, rationalization of infrastructure and plant modernizations;

Investing in cost reduction through replacement of older equipment with modern and more efficient equipment;

Reducing costs through improving controls over the consumption of materials used on the mines, implementing improved procurement practices and exploring opportunities for global and regional supply contracts; and

Improving efficiencies and controls in areas such as people management, planned maintenance, transport and medical facilities.

Acquisitions and Exploration

Gold Fields is one of the largest producers of gold in the world based on annual gold production. Gold Fields corporate development mandate is to grow as a world leader in developing and operating low-cost, long life precious metal mines. Gold Fields is sensitive to the fact that increased competition for acquisitions and higher gold prices are pushing asset prices to levels that threaten returns. The impact on returns has

been exacerbated by higher input costs, particularly as significant increases in base metal prices has led to increased mining of base metals, which uses some of the same inputs as gold mining, and therefore increased overall demand for those products.

For acquisitions of gold assets or companies outside South Africa, Gold Fields is at somewhat of a disadvantage to certain of its competitors, but this also has offsetting strengths. First, South African exchange control regulations limit Gold Fields ability to provide guarantees or borrow outside South Africa without express approval from the South African Reserve Bank, or the SARB. However, in his speech to Parliament towards at the end of October 2004, the Minister of Finance outlined the South African Treasury s medium term budget policy statement and repeated that it was the government s eventual goal to replace all remaining exchange controls with prudential benchmarks. He also announced the abolition of exchange control limits on new outward foreign direct investments by South African corporations and the lifting of their obligation to repatriate foreign dividends. Second, shares of South African companies tend to be viewed as less attractive acquisition currency than shares of non-South African companies, despite the relaxation of exchange controls. On the other hand, Gold Fields has a strong balance sheet and low debt-to-equity ratio that diminishes the equity pricing disadvantage, and also has a skilled and effective corporate evaluation and acquisition team, and a sound track record in project development.

Gold Fields also maintains an active global exploration effort for gold and PGMs through exploration offices worldwide and an exploration philosophy that management believes is well focused and cost efficient.

Hedging

Generally, Gold Fields does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for future gold production. Gold Fields believes that investors in Gold Fields shares seek an unlimited exposure to movements in the U.S. dollar gold price and the resulting effect on Gold Fields earnings.

However, commodity hedges are sometimes undertaken on a project specific basis as follows:

- to protect cash flows at times of significant expenditure;
- for specific debt servicing requirements; and
- to safeguard the viability of higher cost operations.

Gold Fields may from time to time establish currency and/or interest rate financial instruments to protect underlying cash flows or to take advantage of potential favorable currency movements.

Reserves of Gold Fields as of June 30, 2005

Methodology

While there are some differences between the definition of the South African Code for Reporting of Mineral Resources and Mineral Reserves, or SAMREC Code, and that of the SEC s industry guide number 7, only reserves at each of Gold Fields operations and exploration projects as of June 30, 2005 which qualify as reserves for purposes of the SEC s industry guide number 7 are presented in the table below. See Glossary of Mining Terms. In accordance with the requirements imposed by the JSE, Gold Fields reports its reserves using the terms and definitions of the SAMREC Code. Mineral reserves, as defined under the SAMREC Code, are divided into categories of proved and probable reserves and are expressed in terms of tonnes to be processed at mill feed head grades, allowing for estimated mining dilution and mine recovery factors.

Gold Fields reports reserves using cut-off grades (mainly for open pit operations) and pay limits to ensure the reserves realistically reflect both the cost structures and required margins relevant to each mining operation. Cut-off grade is the grade which distinguishes the material within an orebody that is to be extracted and treated, from the remaining material. The pay limit is the grade at which an orebody can be mined without profit or loss calculated using an appropriate gold or copper price and working costs, plus modifying factors. Modifying factors used to calculate the pay limit grades include adjustments to mill delivered amounts, due to dilution incurred in the course of mining. Modifying factors applied in estimating reserves are primarily historical, but commonly incorporate adjustments for planned operational improvements such as those described below under Description of Mining Business Productivity Initiatives. Tonnage and grade includes some mineralization below the selected pay limit and cut-off grade to ensure that the reserve comprises blocks of adequate size and continuity. Reserves also take into account cost levels at each operation and are supported by mine plans.

The estimation of reserves at the South African underground operations is based on surface drilling, underground drilling, surface three-dimensional reflection seismics, orebody facies, structural modeling, underground channel sampling and geostatistical estimation. The reefs are initially explored by drilling from the surface on an approximately 500 meter to 2,000 meter grid. Once underground access is available, drilling is undertaken on an approximate 30 meter by 60 meter grid. Underground channel sampling perpendicular to the reef is undertaken at three meter intervals in development areas and five meter intervals at stope faces. For the Tarkwa open pit operation, estimation of reserves is based on a combination of an initial 100 or 200 meter grid of diamond drilling and in certain areas a 12.5 meter to 25.0 meter grid of reverse circulation drilling. For the Damang open pit operation, estimation of reserves is based on a 20 meter to 80 meter grid of diamond drilling and in certain areas reverse circulation drilling.

At the Australian operations the estimation of reserves for both underground and open-pit operations is based on exploration, sampling and testing information gathered through appropriate techniques, primarily from drill holes and mine development. The locations of sample points are spaced closely enough to deduce or confirm geological and grade continuity. Generally, drilling is undertaken on grids which range between 20 meters by 20 meters to 40 meters by 40 meters, although this may vary depending on the continuity of the orebody. Due to the variety and diversity of resources at St. Ives and Agnew, sample spacing may also vary depending on each particular ore type. For the Cerro Corona Project, estimation is based on diamond drill and reverse circulation holes. The spacing of holes is generally around 50 meters, with some areas approximating a 25 meter grid.

Reserve Statement

As of June 30, 2005, Gold Fields had aggregate attributable proven and probable gold reserves of approximately 60.4 million ounces as set forth in the following table. In addition, the table reflects 2.4 million ounces of proven and probable gold reserves representing that portion of the proven and probable gold reserves of the Cerro Corona Project as of June 30, 2005 that will be attributable to Gold Fields upon completion of Gold Fields acquisition of the 80.7% economic interest in the Cerro Corona Project it is in the process of acquiring. See Exploration Gold Fields Exploration Projects Cerro Corona Project.

Gold Ore Reserve statement as of June 30, 2005(1)

	Proven reserves Head Grade			Probable reserves Head Grade			Total reserves Head Grade			Attributable gold production in the year ended June 30, 2005(2)
	Tonnes (million)	(g/t)	Gold (000 oz)	Tonnes (million)	(g/t)	Gold (000 oz)	Tonnes (million)	(g/t)	Gold (000 oz)	(000 oz)
Underground										
Driefontein (total)	30.1	7.9	7,615	59.3	8.1	15,359	89.4	8.0	22,973	1,018
Above infrastructure (3)	30.1	7.9	7,615	27.4	8.0	7,047	57.5	7.9	14,661	
Below infrastructure (3)				31.9	8.1	8,312	31.9	8.1	8,312	
Kloof (total)	13.6	10.2	4,460	34.0	9.4	10,309	47.6	9.7	14,769	1,012
Above infrastructure (3)	13.6	10.2	4,460	29.0	9.0	8,406	42.6	9.4	12,866	
Below infrastructure (3)				5.0	11.9	1,903	5.0	11.9	1,903	
Beatrix (total)	14.4	5.5	2,531	32.8	5.4	5,676	47.2	5.4	8,206	615
Above infrastructure (3)	14.4	5.5	2,531	32.8	5.4	5,676	47.2	5.4	8,206	
Below infrastructure (3)				0.0		0.0	0.0		0.0	
Australia										
St. Ives	0.2	6.5	42	7.6	5.0	1,213	7.8	5.0	1,255	351
Agnew	0.4	13.1	174	1.2	9.9	372	1.6	10.7	546	176
Total Underground	58.7	7.9	14,821	134.9	7.6	32,928	193.6	7.7	47,749	3,172
Surface (Rock Dumps)										
Driefontein				10.6	1.2	403	10.6	1.2	403	145
Kloof				8.7	0.7	185	8.7	0.7	185	25
Beatrix				0		0	0		0	9

Surface (Production Stockpile)										
Ghana										
Tarkwa	3.7	0.8	95				3.7	0.8	95	
Damang	5.4	1.3	231				5.4	1.3	231	
Australia										
St. Ives	7.0	1.2	268				7.0	1.2	268	
Agnew	0.4	1.6	18				0.4	1.6	18	
Surface (Open Pit)										
Ghana										
Tarkwa	131.2	1.3	5,611	95.5	1.2	3,825	226.7	1.3	9,436	481(4)
Damang (5) (6)	3.2	2.4	246	8.1	1.8	478	11.3	2.0	724	176(4)
Australia										
St. Ives (5)	0.7	2.4	52	14.8	2.0	941	15.5	2.0	993	176(4)
Agnew (5)	0.1	2.4	9	2.8	3.2	289	2.9	3.2	297	36(4)
Peru										
Cerro Corona(7)	19.1	1.1	703	54.0	1.0	1,660	73.1	1.0	2,363	
Total Surface	170.8	1.3	7,233	194.5	1.2	7,781	365.3	1.3	15,013	1,048
Total	229.5	3.0	22,054	329.4	3.8	40,709	558.9	3.5	62,762	4,221(8)

Notes:

(1) Quoted as mill delivered tonnes and run of mine grades, inclusive of all mining dilutions and gold losses except mill recovery. Metallurgical recovery factors have not been applied to the reserve figures. The approximate metallurgical factors are as follows: (1) Driefontein 97%; (2) Kloof 97%; (3) Beatrix 96%; (4) Tarkwa 95% for milling, 67% for heap leach; (5) Damang 89%-93%; (6) St. Ives 85%-95% for milling, 60% for heap leach and (7) Agnew 93%-95%. For Driefontein, Kloof and Beatrix, a gold price of Rand 92,000 per kilogram ($375 per ounce at an exchange rate of Rand 7.63 per $1.00) was applied in calculating ore reserve figures. For the Tarkwa and Damang operations and the Cerro Corona Project, ore reserve figures are based on an optimized pit at a gold price of $375 per ounce. For the Australian operations ore reserve figures are based on a gold price of A$560 per ounce ($375 per ounce at an exchange rate of A$1.49 per $1.00). Open pit ore reserves at the Australian operations are similarly based on optimized pits. The gold price used for reserves is the three year average, calculated on a monthly basis, of the London afternoon fixing price of gold.

(2) Actual gold produced after metallurgical recovery.

(3) Above infrastructure reserves relate to mineralization which is located at a level at which an operation currently has infrastructure sufficient to allow mining operations to occur. Below infrastructure reserves relate to mineralization which is located at a level at which an operation currently does not have infrastructure sufficient to allow mining operations to occur, but where the operation has made plans to install additional infrastructure in the future which will allow mining to occur at that level.

(4) Includes some gold produced from stockpile material which cannot be separately measured.

(5) Excludes inferred material within the pit design.

(6) Includes 33,000 oz for Lima South, for which an application for conversion from a prospecting license to mining license has been lodged. The application for the conversion to a mining lease requires the grant of an environmental permit from the Ghanaian Environmental Protection Agency. Gold Fields is not aware of any significant impediment to the grant of that permit.

(7) The Cerro Corona Project is an exploration project in Peru for which applications for environmental and mining permits have been lodged. Gold Fields is not aware of any significant impediment to the grant of the permits. Gold Fields has an agreement to acquire 80.7% of the economic interest in the Cerro Corona Project and thus the above chart reflects the 80.7% of the reserves that will be attributable to Gold Fields on completion of the acquisition of the interest. See Exploration Gold Fields Exploration Projects Cerro Corona Project.

(8) The total does not reflect the sum of the line items due to rounding.

The following table sets forth the proven and probable copper reserves of the Cerro Corona Project as of June 30, 2005 that will be attributable to Gold Fields upon completion of Gold Fields acquisition of the 80.7% economic interest in the Cerro Corona Project it is in the process of acquiring. See Exploration Gold Fields Exploration Projects Cerro Corona Project.

Copper Ore Reserve statement as of June 30, 2005

	Proved Reserves			Probable Reserves			Total Reserves			Attributable Cu production in the year ended June 30, 2005
	Tonnes (million)	Cu (%)	Cu (million lbs)	Tonnes (million)	Cu (%)	Cu (million lbs)	Tonnes (million)	Cu (%)	Cu (million lbs)	(million lbs)
Surface (Open Pit)										
Peru Cerro Corona(1)	19.1	0.6	268	54.0	0.5	595	73.1	0.5	862	

Note:

(1) The Cerro Corona Project is an exploration project in Peru for which applications for environmental and mining permits have been lodged. Gold Fields is not aware of any significant impediment to the grant of the permits. Gold Fields has an agreement to acquire 80.7% of the economic interest in the Cerro Corona Project and thus the above chart reflects the 80.7% of the reserves that will be attributable to Gold Fields on completion of the acquisition of the interest. See Exploration Gold Fields Exploration Projects Cerro Corona Project.

The amount of gold mineralization which Gold Fields can economically extract, and therefore can classify as reserves, is very sensitive to fluctuations in the price of gold. At gold prices different from the gold price of $375 per ounce used to estimate Gold Fields attributable reserves of 62.8 million ounces of gold as of June 30, 2005 listed above, Gold Fields operations would have had significantly different reserves. Based on the same methodology and assumptions as were used to estimate Gold Fields reserves as of June 30, 2005 listed above, but applying different gold prices that are 10% above and below the $375 per ounce gold price used to estimate Gold Fields attributable reserves, the attributable gold reserves of Gold Fields operations would have been as follows:

	$ 338/oz (000 oz)	$ 375/oz (000 oz)	$ 413/oz (000 oz)
Driefontein(1)	14,316(2)	22,973	23,647
Kloof (1)	10,403	14,769	18,630
Beatrix(1)	5,786	8,206	10,197
Tarkwa	8,204	9,532	11,369
Damang	766	956	1,189
St. Ives	2,306	2,516	2,699
Agnew	840	861	890
Cerro Corona	2,081	2,363	2,363(3)
Total(1) (4)	44,702	62,176	70,984

Notes:

(1) South African operations reserves exclude rock dumps.

(2) Excludes Shaft No. 5 below infrastructure material which would not be economical to mine, and thus would not be a reserve, at this lower gold price.

(3) Under the current tailings dam design at the Cerro Corona Project, reserves would not respond to an upward movement of the gold or copper prices because of current capacity constraints at the tailings storage facility for the Cerro Corona Project.

(4) The sensitivity analyses are calculated as 10% above and below the base price in the local currency of the respective operation at an exchange rate of Rand 7.63 per $1.00 for the South African operations and A$1.49 per $1.00 for the Australian operation.

The London afternoon fixing price for gold on November 30, 2005 was $495.65 per ounce.

Gold Fields attributable gold reserves decreased from 75.6 million ounces at June 30, 2004 to 62.8 million ounces at June 30, 2005 (including 2.4 million ounces of proven and probable gold reserves for the Cerro Corona Project that will be attributable to Gold Fields upon completion of its acquisition of an 80.7% economic interest in the Cerro Corona Project; see Exploration Gold Fields Exploration Projects Cerro Corona Project). This decrease was primarily due to removal of the below infrastructure reserves at the Eastern Boundary Area for Kloof and removal of a portion of the Kloof Extension Area as a result of new geological and resource models based on new information as to the geological ore body at the site and, to a lesser extent, gold mining for fiscal 2005. The new models gave a more precise view of the ore bodies in these areas and indicated that the ore body is more challenging than originally anticipated and indicated. Accordingly, the Eastern Boundary Area and a portion of the Kloof Extension Area need to be re-engineered and costed before amounts for these areas can be included as reserves.

The amount of copper mineralization which Gold Fields can economically extract, and therefore can classify as reserves, is sensitive to fluctuations in the price of copper. At copper prices different from the copper price of $0.90 per pound used to estimate Gold Fields attributable copper reserves of 862 million pounds as of June 30, 2005 listed above, Gold Fields operations would have had significantly different copper reserves. Based on the same methodology and assumptions as were used to estimate Gold Fields copper reserves as of June 30, 2005 listed above, but applying different copper prices that are 10% above and below the copper price of $0.90 per pound used to estimate Gold Fields attributable copper reserves, the attributable copper reserves of Gold Fields operations would have been as follows:

	$ 0.81/lb (million lbs)	**$ 0.90/lb (million lbs)**	**$ 0.99/lb (million lbs)**
Cerro Corona(1)	766	862	862

Note:

(1) Under the current tailings dam design at the Cerro Corona Project, reserves would not respond to an upward movement of the gold or copper prices because of current capacity constraints at the tailings storage facility for the Cerro Corona Project.

Gold Fields methodology for determining its reserves is subject to change and is based upon estimates and assumptions made by management regarding a number of factors as noted above under Methodology. Accordingly, the sensitivity analysis of Gold Fields reserves provided above should not be relied upon as indicative of what the estimate of Gold Fields reserves would actually be or have been at the gold or copper prices indicated, or at any other gold or copper price, nor should it be relied upon as a basis for estimating Gold Fields ore reserves based on the current gold or copper price or what Gold Fields reserves will be at any time in the future. See Key Information Risk Factors Gold Fields reserves are estimates based on a number of assumptions, any changes to which may require Gold Fields to lower its estimated reserves.

Geology

The majority of Gold Fields gold production is derived from deep-level underground gold mines located along the northern and western margins of the Witwatersrand Basin in South Africa. These properties include the Beatrix operation, the Driefontein operation and the Kloof operation. These mines are typical of the many Witwatersrand Basin operations which together have produced over 1.3 billion ounces of gold over a period of more than 100 years.

The Witwatersrand Basin comprises a 6,000 meter vertical thickness of sedimentary rocks, extending laterally for some 300 kilometers northeast to southwest by some 100 kilometers northwest to southeast, generally dipping at shallow angles towards the center of the basin. The basin outcrops at its northern extent near Johannesburg but to the west, south and east it is overlain by up to 4,000 meters of volcanic and sedimentary rocks. The Witwatersrand Basin is Achaean in age, meaning the sedimentary rocks are of the order of 2.7 to 2.8 billion years old.

Gold mineralization occurs within laterally extensive quartz pebble conglomerate horizons called reefs which are developed above unconformable surfaces near the basin margin. As a result of faulting and primary controls on mineralization structure, the gold fields are not continuous and are characterized by the presence or dominance of different reef units. The reefs are generally less than two meters in thickness and are widely considered to represent laterally extensive braided fluvial deposits or unconfined flow deposits which formed along the flanks of alluvial fan systems around the edge of an inland sea. Dykes and sills of diabase or doleritic composition are developed within the Witwatersrand Basin and are associated with several intrusive and extrusive events.

The gold generally occurs in native form, often associated with pyrite and carbon. Pyrite and gold within the reefs display a variety of forms, some obviously indicative of detrital transport within the depositional system and others suggesting crystallization within the reef itself.

The most fundamental controls of gold distribution are the primary sedimentary features such as facies variation and channel directions. Consequently, the modeling of sedimentary features within the reefs and the correlation of payable grades with certain facies is key to in situ reserve estimation as well as effective operational mine planning and grade control.

For a discussion of the geological features present at the Tarkwa, Damang, St. Ives and Agnew mines, see the geology discussion contained in the description of each of those mines found below under Gold Fields Mining Operations Ghana Operation Tarkwa, Gold Fields Mining Operations Ghana Operation Damang, Gold Fields Mining Operations Australia Operation St. Ives, and Gold Fields Mining Operati Australia Operation Agnew.

Description of Mining Business

The discussion below provides a general overview of the mining business as it applies to Gold Fields.

Exploration

Exploration activities are focused on the extension of existing orebodies and identification of new orebodies both at existing sites and at undeveloped sites. Once a potential orebody has been discovered, exploration is extended and intensified in order to enable clearer definition of the orebody and the potential portions to be mined. Geological techniques are constantly refined to improve the economic viability of prospecting and mining activities.

Mining

Gold Fields currently mines only gold, with silver as a by-product. The mining process can be divided into two principal activities: (1) developing access to the orebody; and (2) extracting the orebody once accessed. These two processes apply to both surface and underground mines.

Underground Mining

Developing access to the orebody

For Gold Fields South African underground mines, access to orebodies is provided through vertical, inclined and declined shaft systems. If additional depth is required to fully exploit the reef, and it is economically feasible, then secondary (sub-vertical) or tertiary shafts are sunk from the underground levels. Horizontal development at various intervals of a shaft, known as levels, extends access to the horizon of the reef to be mined. On-reef development then provides specific mining access. South African mine layouts generally follow a linear, crisscross pattern, while Australian mines have more varied layouts and typically use a spiral-shaped decline layout to descend alongside the orebody.

Extracting the orebody

Once an orebody has been accessed, drilling, blasting, supporting and cleaning activities are carried out on a daily basis and broken ore is scraped into and down gullies to ore passes where it is channeled to the crosscut below. The ore is then hauled by rail to shaft ore passes where it is tipped into loading stations for hoisting to surface. Mining methods employed at Gold Fields operations include longwall mining, closely spaced dip pillar mining and conventional scattered mining. In Australia, extraction methods are highly mechanized, with mechanized equipment used within the declines and at the stope for drilling, loading and hauling. South African mining methods tend to be more labor intensive than the Australian operations.

Open Pit Mining

Developing access to the orebody

In open pit mining, access to the ore is achieved by stripping the overburden in benches of fixed height to expose the ore below. This is most typically achieved by drilling and blasting an area, loading the broken rock with excavators into dump trucks and hauling the rock and/or soil to dumps.

Extracting the orebody

Extraction of the orebody in open pit mining involves the same activity as in stripping the overburden. The rock is drilled and blasted, and lines are established demarcating ore from waste material. The ore is loaded into dump trucks and hauled to the crusher or stockpile, while the waste is hauled to waste rock dumps.

Rock Dump and Production Stockpile Mining

Gold Fields mines surface rock dumps and production stockpiles using mechanized earth moving equipment.

Mine Planning and Management

Operational and planning management on the mines receives support from corporate management and centralized support functions. The current philosophy is one of bottom-up management, with the non-financial operational objectives at each mine defined by the personnel at the mine based on parameters, objectives and guidelines provided by Gold Fields head office. This is based on the premise that the people on the ground have the best understanding of what is realistically achievable.

Gold Fields has a two-stage mine planning process. Each operation compiles a life of mine, or LoM, plan during the first half of each fiscal year and a detailed two year operational plan during the second half of each fiscal year, based on financial parameters issued to the operation by Gold Fields Operating Committee. See Directors, Senior Management and Employees Operating Committee. The operational plan is presented to Gold Fields Board before the commencement of each fiscal year. The planning process is sequential and is based upon geological models, evaluation models, depletion schedules and, ultimately, financial analysis. Capital planning is formalized pursuant to Gold Fields capital spending planning process. Projects are categorized in terms of total expenditure, and all projects involving amounts exceeding Rand 50.0 million ($7.7 million) are submitted to the full Board for approval.

The South African operations have implemented an integrated electronic reserve and resource information system, called IRRIS, to enhance LoM planning capabilities. This system provides a common planning platform to facilitate quicker, more flexible and more accurate short- and long-term planning and more timely identification of production shortfalls. Short term planning on the operations is conducted monthly and aligned with the operational plan. Financial and economic parameters for the LoM and operational plan are issued to the operations from the head office and relevant survey and evaluation factors are determined in accordance with Gold Fields guidelines. Significant changes in the LoM plans may occur from year to year as a result of mining experience, new ore discoveries, changes in the ore reserve estimates, changes in mining methods and rates, process changes, investment in new equipment and technology and gold prices.

Processing

Gold Fields currently has 14 gold plants (seven in South Africa, four in Ghana and three in Australia) which treat ore to extract gold. A typical gold processing plant circuit includes two phases: comminution and treatment.

Comminution

Comminution is the process of breaking up the ore to expose and liberate the gold and make it available for treatment. Conventionally, this process occurs in multi-stage crushing and milling circuits, which include the use of jaw and gyratory crushers and rod, tube, ball and semi-autogenous grinding, or SAG, mills. Most of Gold Fields milling circuits utilize SAG milling where the ore itself and steel balls are used as the primary grinding medium. Through the comminution process, ore is ground to a minimum size before proceeding to the treatment phase.

Treatment

In all of Gold Fields metallurgical plants, gold is extracted into a leach solution by leaching with cyanide in agitated tanks. Gold is then extracted onto activated carbon from the solution using either the CIL or CIP process. The activated carbon is then eluted with gold recovered by electrowinning.

Gold Fields has three heap leach operations. In the heap leach process, crushed ore is stacked on impervious leach pads and a cyanide leaching solution is sprayed on the pile. The solution percolates through the heap and dissolves liberated gold. A system of underdrains removes the gold-containing solution, which is then passed through columns containing activated carbon using the AD&R process. The loaded carbon is then eluted and the gold recovered by electrowinning.

As a final recovery step, gold recovered from the carbon using the above processes is smelted to produce rough gold bars. These bars are then transported to the refinery which is responsible for refining the bars to good delivery status.

Productivity Initiatives

Gold Fields is currently undertaking a number of initiatives intended to increase efficiency and reduce production costs at its mines. These initiatives form part of the strategic objective of operational excellence and include:

Project 500: This initiative, which was introduced following a strategic decision to reposition the South African operations for a stronger for longer rand environment in September 2003, comprises two sub-projects, namely

Project 400, which was designed to add a further R400 million of revenue through improving the quality and quantity of Gold Field s output, through increasing volumes mined above the paylimit, and ensuring that dilution is minimized. Dilution can be minimized through programs aimed at reducing the quantities of waste mined both underground and in the open pits. Quality can be improved through ongoing grade control and optimizing mine call factors

Project 100, which is a stores-based consumption project, focused on achieving R100 million in cost savings through improved standards and norms.

These strategies and associated projects are being successfully implemented, with benefits already being accrued.

Project 100+: This initiative is focused on adding ongoing sustainable savings at the South African operations. It involves reducing costs through improving controls over the consumption of materials used on the mines, and investing in cost reduction through replacement of older equipment with modern and more efficient alternatives. Other initiatives include improved efficiencies and controls in areas such as people management, planned maintenance, transport and medical facilities.

Project Beyond: This is a procurement initiative entailing improved supply chain management and was launched in May 2004. The Project has already delivered sayings against historical contract prices, and further benefits are expected as it is rolled out to the International Operations.

Mine Design and Optimization: Improved mine design and configuration focuses on removing constraints, improving ventilation and lowering temperatures. Other areas of optimization include metallurgical plant modernizations, decreasing the frequency of lost blasts and obtaining further benefits from new information technology systems like SAP and IRRIS.

Flexibility: Together with suitable mine design and layouts, an initiative to increase development rates at the South African operations is aimed at providing the cornerstone of greater ore reserve and mining flexibility.

Training: Initiatives to improve the ability of employees to perform their work include both practicable and theoretical aspects:

Practical: Practical training initiatives include trading programs that are focused on improving skills for mining supervisors and rock drill operators and improving night shift cleaning.

Theoretical: Theoretical training initiatives include implementation of e-learning to assist in the theoretical aspects of training.

Each operation has a program in place to motivate employees towards the goal of operational excellence and to create a sense of belonging, which is reinforced by a recognition and reward program, and the Proudly Gold Fields campaign, which encourages support for Gold Fields and its strategies. Leadership and capacity to change initiatives exist at all the operations. Gold Fields has a separate recognition and reward program for employees which aims at motivation and ability that forms an integral part of the retention process.

Refining and Marketing

Gold Fields has appointed Rand Refinery Limited, or Rand Refinery, to refine all of Gold Fields South African produced gold. Rand Refinery is a private company in which Gold Fields holds a 33.1% interest, with the remaining interests held by other South African gold producers.

On June 1, 2004 Gold Fields exercised its right under its agreement with Rand Refinery to sell all of Gold Fields gold production from its South African operations, with effect from October 1, 2004. Prior to that time, Rand Refinery was the exclusive agent to sell Gold Fields South African produced gold, and Gold Fields treasury was appointed by Rand Refinery to act as its agent with respect to the sale of 50% of such gold to international customers. Under the new arrangement, Rand Refinery advises Gold Fields from time to time on the amount of gold available for sale. Gold Fields sells the gold at the London afternoon fixing price for the day if it is so advised. Within two business days after receipt of this advice Gold Fields deposits an amount in U.S. dollars equal to the value of the gold sold into Rand Refinery s nominated U.S. dollar account. On the date of the deposit, Rand Refinery, in turn, deducts any refining and administrative charges payable by Gold Fields relating to such amount of gold, and deposits the balance of the money into the nominated U.S. dollar account of Gold Fields. Gold Fields pays Rand Refinery an amount for administrative services associated with delivery of the refined gold of $0.05 per troy ounce of gold and a refining fee of $32 per troy ounce of gold received by Rand Refinery.

All gold produced by Gold Fields at the Tarkwa and Damang mines is refined by Rand Refinery pursuant to two non-exclusive agreements entered into in October 2004 between Rand Refinery and Gold Fields Ghana, and between Rand Refinery and Abosso. Under these agreements, Rand Refinery collects, refines and sells gold as instructed by Gold Fields Ghana and Abosso. Rand Refinery assumes responsibility for the gold upon collection at either the Tarkwa or Damang mine. The gold is then transported to the Rand Refinery premises in Johannesburg, South Africa, where it is refined. Gold Fields Ghana and Abosso reimburse Rand Refinery for transportation costs. Under these agreements, Rand Refinery sells the refined gold on behalf of Gold Fields Ghana and Abosso at the London afternoon fixing price for gold on the date of delivery. Rand Refinery receives refining fees of $0.33 per ounce of gold received, and a realization fee equal to $0.16 per ounce of gold refined. These agreements continue until either party terminates it upon 90 days written notice.

In Australia, all gold produced by St. Ives and Agnew is refined by AGR Joint Venture, which is trade named Australian Gold Refineries, or AGR Matthey. The AGR Joint Venture is a partnership between Australian Gold Pty Ltd and WA Mint, which is trade named Perth Mint. Under an agreement which became effective on September 1, 2002 and was amended on September 1, 2005 among St. Ives Gold Mining Company Pty Ltd, Agnew Gold Mining Company Pty Ltd and AGR Matthey, AGR Matthey refines the gold produced by St. Ives and Agnew for a refining fee of A$0.36 per ounce of gold plus a transportation fee. The transportation fee is calculated as A$0.096 per ounce plus fixed

fees per shipment. The refining fee is scheduled to increase by two cents per ounce in January 2006. AGR Matthey retains 0.1% of the gold and 1.0% of any silver it refines to cover losses in the refining process. AGR Matthey collects the gold from St. Ives and Agnew, refines it and credits the gold to the relevant metals account held by St. Ives and Agnew with AGR Matthey. St. Ives and Agnew then inform the Gold Fields corporate office in Johannesburg of the amount available for sale in Perth, Australia. After confirming the relevant amount with AGR Matthey, Gold Fields either sells the gold directly to AGR Matthey at the London afternoon fixing price less $0.10 per ounce or it swaps the gold into London at a fee of $0.27 per ounce, which means that AGR Matthey provides gold in London for sale by Gold Fields in an amount equal to the gold from St. Ives and Agnew located in Perth. In the case of a location swap, AGR Matthey is instructed to credit St. Ives or Agnew s metal account held with Deutsche Bank, London. Once the gold is sold to a third party, Deutsche Bank, London is instructed by Gold Fields to deliver the gold to the relevant counterparty bank. This agreement continues indefinitely until terminated by either party upon 90 days written notice.

Gold Fields supports and participates in the gold marketing activities of the World Gold Council, or WGC, and contributes $1.75 per ounce of gold it produces in South Africa and Australia and $1.75 per ounce of its attributable production from Tarkwa to the WGC in support of its activities.

Services

Mining activities require extensive services, located both on the surface and underground at the mines. Services include:

- mining-related services such as engineering, rock mechanics, ventilation and refrigeration, materials handling, operational performance evaluation and capital planning;
- safety and training;
- housing and health-related services, including hostel and hospital operations;
- geological services, including mine planning and design;
- reserves management including sampling and estimation;
- metallurgy;
- equipment maintenance; and
- assay services.

Most of these services are provided directly by Gold Fields, either at the operation level or through the head office, although some are provided by third-party contractors.

Gold Fields Mining Operations

Gold Fields conducts underground mining operations at each site except Tarkwa and Damang and conducts some processing of surface rock dump material at Driefontein, Kloof and Beatrix. Tarkwa and Damang are open pit mines and also process material from production stockpiles. St. Ives and Agnew together include underground and open pit operations and also process material from production stockpiles.

Total Operations

The following chart details the operating and production results for fiscal 2003, 2004 and 2005 for all operations owned by Gold Fields as of June 30, 2005, plus the operating and production results of the St. Helena mine through the first four months of fiscal 2003 prior to the sale of the mine to Freegold.

	Year ended June 30,		
Production	**2003**	**2004**	**2005**
Tonnes (000)	42,988	46,028	47,880
Recovered grade (g/t)	3.3	3.0	2.9
Gold produced (000 oz)(1)	4,577	4,406	4,488
Results of operations ($million)			
Revenues	1,538.2	1,706.2	1,893.1
Total production costs(2)	1,168.3	1,538.3	1,764.0
Total cash costs(3)	974.9	1,332.5	1,483.3
Cash profit(4)	563.3	373.7	409.8
Cost per ounce of gold ($)			
Total production costs	254	349	393
Total cash costs	212	302	331

Notes:

(1) In fiscal 2003, 4.334 million ounces were attributable to Gold Fields, in fiscal 2004, 4.158 million ounces were attributable to Gold Fields and in fiscal 2005, 4.221 million ounces were attributable to Gold Fields with the remainder attributable to minority shareholders in the Ghana operation.

(2) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Financial Review and Prospects Results of Operations.

(3) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financial Review and Prospects Results of Operations.

(4) Cash profit represents revenues less total cash costs.

Underground Operations

The following chart details the operating and production results for fiscal 2003, 2004 and 2005 for all operations owned by Gold Fields as of June 30, 2005, plus the operating and production results of the St. Helena mine through the first four months of fiscal 2003 prior to the sale of the mine to Freegold. The underground operations include all of the mines in the South African operations and the underground portions of the mines in the Australian operation.

	Year ended June 30,		
Production	**2003**	**2004**	**2005**
Tonnes (000)	11,895	13,231	13,807
Recovered grade (g/t)	7.5	7.0	7.1
Gold produced (000 oz)	2,855	2,982	3,172
Results of operations ($million)			
Revenues	958.5	1,153.4	1,336.4
Total production costs(1)	729.9	1,139.6	1,340.3
Total cash costs(2)	636.8	996.6	1,133.8
Cash profit(3)	321.7	156.8	202.6
Cost per ounce of gold ($)			
Total production costs	252	382	423
Total cash costs	221	334	357

Notes:

(1) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Financial Review and Prospects - Results of Operations.

(2) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financial Review and Prospects Results of Operations.

(3) Cash profit represents revenues less total cash costs.

Tonnes milled from the underground operations increased from 13.2 million tonnes in fiscal 2004 to 13.8 million tonnes in fiscal 2005. At the South African operations the decrease at Beatrix, due to the planned reduction of lower grade mining, was almost offset by marginal increases at both Driefontein and Kloof. However, the majority of the increase came from St. Ives due to the commissioning of the new mill in December 2004 and running the new and old mills in parallel until the end of March 2005. The amount of gold produced from underground operations increased from 2.982 million ounces in fiscal 2004 to 3.172 million ounces in fiscal 2005. The primary reason for this increase was the higher underground grades achieved at the South African operations in line with the strategy to reduce lower grade mining, together with increased production at St. Ives due to the commissioning of the new mill.

Surface Operations

The following chart details the operating and production results for the fiscal year for all surface operations owned by Gold Fields as of June 30, 2005. All operations at St. Ives and Agnew were considered surface operations prior to June 30, 2003 for purposes of reporting production data. Starting in fiscal 2004, production data for the Australian operations has been split between underground and surface operations. Surface operations include all of the mines in the Ghana operation, the open pit portions of the mines in the Australian operation and the surface rock dump material at the mines in the South African operation.

	Year ended June 30,		
Production	**2003**	**2004**	**2005**
Tonnes (000)	31,093	32,797	34,073
Recovered grade (g/t)	1.7	1.4	1.2
Gold produced (000 oz) (1)	1,722	1,424	1,316
Results of operations ($million)			
Revenues	579.7	552.8	556.7
Total production costs (2)	438.4	398.7	424.7
Total cash costs (3)	338.1	335.9	349.5
Cash profit (4)	241.6	216.9	207.2
Cost per ounce of gold ($)			
Total production costs	255	280	323
Total cash costs	196	236	256

Notes:

(1) In fiscal 2003, 1.480 million ounces of production were attributable to Gold Fields, in fiscal 2004, 1.176 million ounces of production were attributable to Gold Fields and in fiscal 2005, 1.049 million ounces of production were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operations.

(2) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Financial Review and Prospects Results of Operations.

(3) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financial Review and Prospects Results of Operations.

(4) Cash profit represents revenues less total cash costs.

Tonnes milled from the surface operations increased from 32.8 million tonnes in fiscal 2004 to 34.1 million tonnes in fiscal 2005 primarily because of increased production from the Ghana operations and Agnew.

Driefontein Operation

Introduction

The Driefontein gold mine is located in the Gauteng Province of South Africa in the Far West Rand mining district, some 70 kilometers southwest of Johannesburg. Driefontein operates under a mining authorization with a total area of 8,561 hectares. It is an underground mine with nominal surface reserves represented by rock dumps that have been accumulated through the operating history of the mine. Driefontein has seven operating shaft systems and three metallurgical plants and operates at depths between 800 meters and 3,400 meters. In the year ended June 30, 2005, it produced 1.2 million ounces of gold. Driefontein had approximately 17,200 employees, including a limited number employed by outside contractors as of June 30, 2005.

History

Driefontein was formed from the consolidation in 1981 of the East Driefontein and West Driefontein mines. Gold mining began at Driefontein in 1952.

Geology

Gold mineralization at Driefontein is contained within three reef horizons. The Carbon Leader Reef, or Carbon Leader, and the Ventersdorp Contact Reef, or VCR, occur at depths between 500 meters and 3,400 meters. The Middelvlei Reef is the third reef and is a minor contributor to reserves and production.

The stratigraphically lower Carbon Leader is a generally high-grade reef comprising different facies types and dips to the south at approximately 25 degrees. The Carbon Leader subcrops against the VCR in the eastern part of the mine. The west-dipping Bank Fault defines the eastern limit of both reefs. The VCR is most extensively developed in the east, and subcrops to the west. The average gold grades vary with lithofacies changes in the reef, with sub-economic grades developed on the eastern boundary and a higher grade north-trending zone developed to the west.

Mining

The Driefontein operation is engaged in both underground and surface mining, and is thus subject to all of the underground and surface mining risks discussed in the Risk Factors section. Due to the operating depths and extensive mined out areas, seismicity and the damage caused by seismicity are serious safety and productivity issues at Driefontein. To address this, among other things, Gold Fields seeks to use closely spaced dip pillar mining techniques in its deep level operations, as well as using plant tailings as backfill support to stabilize the working areas. Regarding the safety record at the Driefontein operation during fiscal 2005, the serious injury frequency rate was in line with the South African industry average for the same period, while the fatal injury frequency rate was better for the same period.

The primary challenges facing the Driefontein underground operation include seismicity, flammable gas, water intrusion and rock temperatures. As noted above, Gold Fields is seeking to reduce seismicity problems at Driefontein through using a combination of closely spaced dip pillar mining techniques and backfill methods. Water intrusion is dealt with through drilling and cementation sealing techniques and an extensive water pumping network. Also, because rock temperatures tend to increase with depth, Driefontein requires extensive cooling infrastructure to maintain comfortable conditions for workers. Driefontein experienced underground fires in fiscal 2003, 2004 and 2005. Although the fires were disruptive because areas affected had to be closed while damage was assessed and remedied, they did not have a significant effect on production levels at Driefontein.

During the 2005 fiscal year, Driefontein suffered several seismic events, one of which resulted in 5 workers losing their lives and infrastructure damage at Shaft No. 2. A large seismic event in May 2005 at Shaft No. 4 delayed production for six weeks while infrastructure damage in the affected work areas was assessed and repaired. Although work at one pillar in the shaft ceased as a result of the event, the majority of the shaft remained open without disruption. Additional seismic events during the year caused minor infrastructure damage at Shaft Nos. 1, 4 and 5 which required remedial work in and around the areas affected. There was no damage at Shaft Nos. 1, 4 and 5 to the hoisting infrastructure. Driefontein also experienced several seismic events in fiscal 2004 which resulted in a total of 5 workers losing their lives. To date in fiscal 2006, there have been 8 fatalities at Driefontein due to seismicity, falls of ground and two hauling accidents. Although the areas affected by the seismicity in fiscal 2005 and 2004 and to date in fiscal 2006 were temporarily closed, Driefontein did not experience material work stoppages in connection with the events.

With respect to underground operations, in the western, older portions of Driefontein the focus is on remnant pillar mining. In the eastern, newer portions of the mine the focus is also on mining through scattered mining or longwall methods. Newer shafts in the eastern portion, particularly those at the deepest levels of the mine, employ the closely spaced dip pillar mining method. This method provides additional mining flexibility. The scattered mining method is not practiced at depth.

Gold Fields has accelerated development at Shaft Nos. 1 and 5 to increase mineable ore reserves and associated production build up. In addition to these shafts, Shaft No. 4 continues to be a primary center of production and new development to open up reserves in the shaft pillar area. Gold Fields has a depth expansion project at Shaft No. 5 to access the Carbon Leader at lower depths and has initiated an underground drilling

program to confirm grades and ore body structure. The other shafts at the operation are mature, with production focused on remnant pillar extraction and accessing and mining the secondary reef horizons. Shaft Nos. 2 and 8 are being used to provide hoisting and services support to the active shafts. Although mining at Shaft No. 10 ceased in fiscal 2004, the shaft is still used as a pumping shaft and Gold Fields continues to monitor market conditions to assess the economic viability of recommencing mining at this shaft. Gold Fields has completed a feasibility study for the drop down project at Driefontein to access below infrastructure reserves at that mine. A further underground drilling program has been initiated to confirm localized gold grades and structure and is scheduled for completion during fiscal 2006.

The Driefontein operation continues to focus on identifying previously worked areas which can offer opportunities for further production under current economic conditions.

Driefontein s surface operations are confined exclusively to the processing of rock dump material.

The Driefontein operation has access to the national electricity grid and water, road and rail infrastructure and is located near regional urban centers where it can routinely obtain needed supplies. Driefontein also has a water treatment plant to supply water to the Driefontein operation.

Detailed below are the operating and production results at Driefontein for the past three fiscal years.

	Year ended June 30,		
Production	**2003**	**2004**	**2005**
Tonnes (000)	6,370	6,438	6,694
Recovered grade (g/t)	6.0	5.5	5.4
Gold produced (000 oz)	1,238	1,141	1,163
Results of operations ($million)			
Revenues	420.2	440.4	489.7
Total production costs(1)	293.7	405.6	442.3
Total cash costs(2)	254.7	354.5	383.6
Cash profit(3)	165.5	85.9	106.1
Cost per ounce of gold ($)			
Total production costs	233	355	380
Total cash costs	202	311	330

Notes:

(1) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Financial Review and Prospects Results of Operations.

(2) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financial Review and Prospects Results of Operations.

(3) Cash profit represents revenues less total cash costs.

The increase in tonnage from fiscal 2004 to fiscal 2005 was primarily due to higher surface waste dump rock processing, albeit at a slightly lower grade, together with a marginal increase in underground tonnage. The increase in ounces of gold produced occurred principally as a result of the increase in underground yields in line with the strategy to reduce lower grade mining. Gold Fields experienced an increase in total cash costs per ounce of gold from fiscal 2004 to fiscal 2005 at Driefontein as a result of the average appreciation of the Rand against the U.S. dollar which more than offset a decrease in total cash costs in Rand terms.

The increase in tonnage from fiscal 2003 to fiscal 2004 was primarily due to higher surface waste dump rock and plant clean up processing, offset partially by a decrease in underground tonnage as a result of reduced mining in lower grade areas. The strength of the Rand resulted in a deliberate move to mining higher grade areas and the curtailment of mining in areas deemed not to be economically viable. In addition, Shaft Nos. 4 and 5 did not deliver in line with plan, primarily because of increased geological faulting and production bottlenecks. The fall in ounces of gold produced occurred principally as a result of the lower tonnage processed and a reduction in underground yields. Driefontein experienced an increase in total cash costs per ounce of gold from fiscal 2003 to fiscal 2004, principally as a result of the appreciation of the Rand against the U.S. dollar as well as higher Rand cash costs. Total cash costs in Rand terms increased due primarily to a decrease in gold production from output in Shaft Nos. 4 and 5, above inflation wage increases and increases in other costs generally in line with inflation.

Output quality of the Driefontein orebody improved over the course of fiscal 2005 as a result of the ongoing strategy to switch to mining higher grades. Shaft No. 6 had less than planned output due to the closure of marginal grade areas. Mining at Shaft No. 10 was halted during fiscal 2004 and less than planned output was achieved at Shaft No. 5 due to seismic activity and ventilation constraints. A new refrigeration plant and cooling infrastructure was commissioned at Shaft No. 5 in fiscal 2005 to improve underground temperatures.

The total shaft hoisting capacity of Driefontein is detailed below.

Shaft System	Hoisting capacity (tonnes/month)
No. 8	96,000
No. 6	118,000
No. 7	190,000
No. 1	155,000
No. 2	185,000
No. 4	180,000
No. 5	175,000
No. 10	121,000

Assuming that Gold Fields does not increase or decrease reserve estimates at Driefontein and that there are no changes to the current mine plan at Driefontein, Driefontein s June 30, 2005 proven and probable reserves of 23.4 million ounces of gold will be sufficient to maintain production through approximately fiscal 2033. However, as discussed earlier in the Risk Factors and the Description of Mining Business Mine Planning and Management sections, there are a numerous factors which can affect reserve estimates and the mine plan which thus could materially change the life of mine.

Processing

The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factor during the fiscal year ended June 30, 2005, for each of the plants at Driefontein:

		Processing Techniques					
Plant	**Year Commissioned(1)**	**Comminution Phase**	**Treatment phase**	**Capacity(2) (tonnes/month)**	**Average milled for the year ended June 30, 2005 (tonnes/month)**	**Approximate recovery factor for the year ended June 30, 2005(3)**
No. 1 Plant	1972	SAG milling	CIP treatment and electrowinning	240,000	220,191	97%
No. 2 Plant	1964	SAG/ball milling	CIP treatment (4)	240,000 (5)	218,711	95 %
No. 3 Plant	1998	SAG milling	CIP treatment (4)	115,000	119,574	91 %

Notes:

(1) No. 1 Plant was substantially upgraded in fiscal 2004, and No. 2 Plant was substantially upgraded in fiscal 2003. No. 3 Plant was originally commissioned as a uranium plant and was upgraded to a gold plant in 1998. Therefore, No. 3 Plant lists the year commissioned as a gold plant.

(2) Nameplate capacity. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.

(3) Percentages are rounded to the nearest whole percent.

(4) After CIP treatment, electrowinning occurs at No. 1 Plant.

(5) Capacity was increased from 200,000 tonnes per month to 240,000 tonnes per month during fiscal 2003.

Plant No. 1 was upgraded in fiscal 2004 with the installation of a new comminution circuit and the installation of a CIP treatment facility. Gold Fields is currently working on an optimization program at this plant to improve throughput. Plant No. 2 was converted to a SAG/ball milling circuit in fiscal 2003.

In fiscal 2005, the Driefontein plants collectively extracted approximately 96.5% of the gold contained in ore delivered for processing.

Capital Expenditure

Gold Fields spent approximately Rand 184 million on capital expenditure at the Driefontein operation in fiscal 2005, primarily on commissioning the shaft bottom pump station at Shaft No. 1 tertiary level and the underground cooling plant at Shaft No. 5. Gold Fields has budgeted approximately Rand 280 million of capital expenditure at Driefontein for fiscal 2006, principally for the completion of Shaft No. 1 tertiary level pumping infrastructure, the completion of the refrigeration remote cooling units at the boundary of Shaft No. 5 and the shaft pillar extraction at Shaft No. 4.

Kloof Operation

Introduction

The Kloof operation is located in the Gauteng Province of South Africa, near Westonaria, and comprises the former Kloof, Libanon and Leeudoorn mines. Kloof operates under a mining authorization with a total area of 20,086 hectares. It is principally an underground operation, with a limited amount of processing of surface rock dump material. Kloof has five operating shaft systems currently serviced by two metallurgical plants. A third metallurgical plant at Kloof, No. 3 Plant, was closed in March 2005. Like Driefontein, Kloof is a deep-level mine, with operating depths between 1,000 meters and 3,500 meters. In the fiscal year ended June 30, 2005, it produced 1.0 million ounces of gold. As of June 30, 2005, Kloof had approximately 15,400 employees, including a limited number employed by outside contractors.

History

Kloof s present scope of operations is the result of the consolidation in fiscal 2000 of three adjacent mines: Kloof, Libanon and Leeudoorn. Gold mining began in the area now covered by these operations in 1934.

Geology

The majority of production at Kloof is from the VCR, which occurs at depths between approximately 1,000 meters and 3,500 meters. The VCR has a general northeast strike and dips to the southeast at between 20 degrees and 45 degrees. The Middelvlei Reef contributes to production, while minor production volumes are planned from the Kloof and Libanon Reefs.

Kloof lies between the Bank Fault to the west, and the north trending West Rand Fault to the east, the latter truncating the VCR along the eastern boundary of the mine. Normal faults are developed sub-parallel to the westerly dipping West Rand Fault, with sympathetic north-northeast trending dykes that show little to no apparent offset of the stratigraphy. Structures that offset the VCR increase in frequency towards the southern portion of the mine as the Bank Fault is approached.

Mining

The Kloof operation is engaged in underground mining, and is thus subject to all of the underground risks discussed in the Risk Factors section. Like Driefontein, Kloof experiences seismicity due to the extreme depth of operations and also experiences flammable gas. Newer development is based on the closely spaced dip pillar mining method to reduce the impact of seismicity at Kloof. Early detection and increased ventilation of the shafts are being used to minimize the risk of incidents caused by flammable gas. In fiscal 2005, the serious injury frequency rate and the fatal injury frequency rate at Kloof were better than the South African industry average for the same period.

The primary challenges facing the Kloof operation are seismicity and flammable gas. As noted above, Gold Fields seeks to reduce the impact of seismicity at Kloof by using the closely spaced dip pillar mining method. As noted above, early detection and increased ventilation of the shafts are being used to minimize the risk of incidents caused by flammable gas. Also, as with Driefontein, Kloof requires extensive cooling infrastructure to maintain comfortable conditions for workers due to the extreme depth of its operations. Fifteen workers lost their lives at Kloof in fiscal 2005 due to a variety of causes such as falls of ground and equipment caused by seismicity, mudfalls and a flammable gas explosion. There have been 6 fatalities to date in fiscal 2006, due to falls of ground, one underground fire and one mud rush.

The current preferred mining method at Kloof is closely spaced dip pillar mining, with limited application of longwalling and remnant pillar mining in the mature areas. Shaft Nos. 1, 3, 4 and 7 provide the main centers of current production at Kloof. Mining activity at Shaft No. 4, which began production in early 2000, is still in the build up phase and is expected to reach planned sustainable production levels during fiscal 2007. Production at Shaft No. 4 was below expectations in fiscal 2005 due to haulage and ventilation constraints , although production levels did increase slightly at this shaft by fiscal year end. A development program with an associated exploration program to drill and to endeavor to establish additional proven reserves and improved grades in the Shaft No. 3D area was implemented in fiscal 2002 and development has commenced into certain areas of the VCR. Treatment of surface stockpile material was halted at No. 3 Plant at the end of March 2005 and the plant was closed. Development of marginal areas of Shaft Nos. 1 and 8 was reduced in fiscal 2005 as these areas were not economical to continue development. In addition to its own production, Shaft No. 1 provides additional hoisting capacity for Shaft Nos. 3 and 4. As a response to the strength of the Rand against the U.S. dollar, Gold Fields decided to shift its focus at its South African operations to mining in higher grade areas. As a result, Kloof reduced its production from the Middelvlei Reef and stopped production at Shaft No. 9 in the second quarter of fiscal 2004. Gold Fields expects Shaft Nos. 3, 4 and 7 to be the primary sources of future production at Kloof.

Surface and underground bulk air cooling facilities at Shaft No. 4 were commissioned during the second half of fiscal 2005. The Kloof Extension Area, or the KEA, drilling program was completed in fiscal 2005 and resulted in revised geological and evaluation models which have been used to create a new mine design and schedule, bringing the project to a pre-feasibility level. The feasibility study on this project is planned

to be completed in the third quarter of fiscal 2006. Revisions were made in fiscal 2005 to the Eastern Boundary Area, or EBA, geological and evaluation models after completion of the surface drilling program, surveys and analysis. The shaft access and mine plans will need to be revised and potential costs reassessed to determine the economic feasibility of the EBA and a portion of the KEA. Ounces from the EBA and KEA were removed from the reserve statement for fiscal 2005 pending the outcome of a re-planning and re-engineering exercise.

In line with the Gold Fields productivity initiatives, Kloof continues to focus on optimizing mine design and configuration, while ensuring that the high-productivity drivers of workforce motivation and competence are addressed through training and incentive schemes.

Shaft No. 3 has to be selectively mined due to the higher proportion of low-grade VCR slope facies, compared to higher-grade terrace areas. As a result, the overall mining extraction of this area will be more constrained, with geological investigations ongoing.

The Kloof operation has access to the national electricity grid and water, road and rail infrastructure and is located near regional urban centers where it can routinely obtain needed supplies.

Detailed below are the operating and production results at Kloof for the past three fiscal years.

	Year ended June 30,		
Production	**2003**	**2004**	**2005**
Tonnes (000)	4,838	4,983	4,655
Recovered grade (g/t)	7.3	6.5	6.9
Gold produced (000 oz)	1,140	1,038	1,037
Results of operations ($million)			
Revenues	380.1	400.9	436.4
Total production costs(1)	281.4	403.0	464.6
Total cash costs(2)	245.9	353.8	393.2
Cash profit(3)	134.2	47.2	43.2
Cost per ounce of gold ($)			
Total production costs	246	388	448
Total cash costs	215	341	379

Notes:

(1) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Financial Review and Prospects Results of Operations.

(2) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financial Review and Prospects Results of Operations.

(3) Cash profit represents revenues less total cash costs.

In line with its continuing strategy to reduce lower grade mining in light of the strength of the Rand against the U.S. dollar, Kloof processed 23% less surface rock dump material in fiscal 2005 than in fiscal 2004 but processed a similar amount of additional underground tonnage. Recovered grade improved by 6% as the mine switched to mining higher grades. Gold produced was unchanged between the two fiscal years as the lower production from the surface operation was replaced with an equivalent increase from the underground operations due to an increase in yields. Kloof experienced an increase in cash costs per ounce from fiscal 2004 to fiscal 2005, principally as a result of the appreciation of the Rand against the U.S. dollar. The Rand cash costs increased marginally in fiscal 2005 compared to fiscal 2004 but this increase was below inflation levels.

From fiscal 2003 to fiscal 2004, there was a significant increase in processing of surface rock dump material and a decrease in processing of underground tonnage. The decrease in gold produced was principally a result of the decrease in underground tonnage. Gold Fields experienced an increase in total cash costs per ounce of gold from fiscal 2003 to fiscal 2004 at Kloof, principally as a result of the appreciation of the Rand against the U.S. dollar as well as higher Rand cash costs. Gold production in fiscal 2004 was below that achieved in fiscal 2003, largely because of the closure of the low grade areas at Shaft No. 9 and less than planned output at Shaft No. 4, where areas below the paylimit and mining constraints affected production in the first half of fiscal 2004.

The total shaft hoisting capacity of Kloof is detailed below.

Shaft System	Hoisting capacity (tonnes/month)
No. 1	300,000
No. 3 (1)	150,000
No. 4 (2)	110,000
No. 7	205,000
No. 8	75,000

Notes:

(1) This shaft does not hoist material to the surface. It has a capacity of 150,000 tonnes per month for sub-surface hoisting.

(2) This shaft hoists only waste rock to the surface. It has a capacity of 110,000 tonnes per month for sub-surface hoisting.

Assuming that Gold Fields does not increase or decrease reserve estimates at Kloof and that there are no changes to the current mine plan at Kloof, Kloof s June 30, 2005 proven and probable reserves of 15.0 million ounces of gold will be sufficient to maintain production through approximately fiscal 2020. However, as discussed earlier in the Risk Factors and the Description of Mining Business Mine Planning and Management sections, there are a numerous factors which can affect reserve estimates and the mine plan which could thus materially change the life of mine.

Processing

The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factor during the fiscal year ended June 30, 2005, for each of the plants at Kloof:

		Processing Techniques				
Plant	**Year commissioned**	**Comminution Phase**	**Treatment phase**	**Capacity (tonnes/ month)**	**Average milled for the year ended June 30, 2005 (tonnes/month)**	**Approximate recovery factor for the year ended June 30, 2005(2)**
No. 1 Plant	1968	Traditional crushing and milling	CIP treatment(3)	180,000	177,725	97.6%
No. 2 Plant	1990	SAG milling	CIP treatment and electrowinning	140,000	125,533	97.1%
No. 3 Plant(4)	1948(5)	Traditional crushing and milling	CIP treatment(3)	120,000	84,650	91.3%

Notes:

(1) Nameplate capacity. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.

(2) Percentages are rounded to the nearest whole percent.

(3) After CIP treatment, electrowinning occurs at No. 2 Plant.

(4) No. 3 Plant was closed in March 2005.

(5) No. 3 Plant was substantially upgraded in 1990.

In fiscal 2005, the Kloof plants collectively extracted approximately 97.3% of gold contained in ore delivered for processing. No. 3 Plant, which only processed surface material, was closed in March 2005 as costs of processing waste rock surface material exceeded the revenue brought in from that material. The plant is being cleaned and Gold Fields has contracted with a contractor, Jet Demolition, to demolish the plant, recover any gold remaining in the plant and rehabilitate the area around the plant by the end of fiscal 2006.

Capital Expenditure

Gold Fields spent approximately Rand 230 million on capital expenditures at the Kloof operation in fiscal 2005, primarily on ventilation, refrigeration and general infrastructure at Shaft No. 4. Gold Fields has budgeted approximately Rand 230 million of capital expenditure at Kloof for fiscal 2006, principally for pillar development and shaft infrastructure projects at Shaft No. 1, dropdown development at Shaft No. 3, pumping infrastructure at Shaft No. 10, a pumping shaft which is not used to mine or haul, and a general infrastructure upgrade at the subvertical shaft project at Shaft No. 4. Total capital expenditure for fiscal 2006 may be reduced should Rand gold prices fall.

Beatrix Operation

Introduction

The Beatrix operation is located in the Free State Province of South Africa, near Welkom and Virginia, and comprises the Beatrix mine. The Beatrix operation was formerly known as the Free State operation.

The Beatrix mine is located in the southern Free State of South Africa some 240 kilometers southwest of Johannesburg. Beatrix operates under a mining license with a total area of 16,821 hectares. It is only an underground operation, with the exception of a nominal amount of surface production from processing rock dump material. Beatrix has four shaft systems serviced by two metallurgical plants. It has shallow to intermediate depth operations, at depths between 700 meters and 2,200 meters. In the fiscal year ended June 30, 2005, Beatrix produced 0.6 million ounces of gold. As of June 30, 2005, Beatrix had approximately 12,300 employees, including a limited number employed by outside contractors.

History

Beatrix s present scope of operations is the result of the consolidation with effect from July 1, 1999 of two adjacent mines: Beatrix and Oryx. Gold mining commenced at Beatrix in 1985 and at Oryx in 1991.

Geology

The Beatrix mine exploits the Beatrix Reef, or BXR, at Shaft Nos. 1, 2 and 3, and the Kalkoenkrans Reef, or KKR, at Shaft No. 4 (the former Oryx mine). The reefs dip to the north and northeast at between 4 degrees and 9 degrees and are developed on the Aandenk erosional surface.

In general, the BXR occurs at depths of between 570 meters and 1,380 meters and the KKR occurs at depths of between 1,800 meters and 2,200 meters. Both the BXR and KKR reefs are markedly channelized and consist of multi-cycle, upward fining conglomerate bands with sharp erosive basal contacts. A general east-west paytrend some 800 to 1,000 meters wide has been identified east of Shaft No. 4 and is known as Zone 5. In addition, surface exploratory drilling and underground development has exposed additional reserves to the south of the main channel of Zone 5 which now represent the majority of the reserves at the operation.

Mining

The Beatrix mine is engaged in underground mining, and thus is subject to all of the underground mining risks discussed in the Risk Factors section. The primary safety risks at Beatrix are falls of ground and flammable gas explosions. Beatrix uses a telemetric monitoring system coupled with an extensive ventilation system to help monitor flammable gas. The safety record at the Beatrix operation during fiscal 2005, in terms of serious injury frequency rate and fatal injury frequency rate, was better than the South African industry average for the same period. Although Beatrix achieved three million fatality free shifts in fiscal 2005, there were 4 fatalities at Beatrix during the fiscal year due to accidents during mining. No shaft closures for any length of time occurred in fiscal 2005 or to date in fiscal 2006. In fiscal 2006 to date, there have been 3 fatalities due to falls of ground and an accident during the hauling of ore from the shafts. In fiscal 2004, there were five fatalities at Beatrix due to falls of ground (including rock bursts) and a tramming accident.

Beatrix requires cooling infrastructure to maintain comfortable conditions for workers at depth, although not to the degree necessary at Driefontein and Kloof. A refrigeration project at Shaft No. 3 to provide additional cooling capacity, which was originally scheduled to be completed in fiscal 2004, was postponed until fiscal 2006.

In fiscal 2005, Gold Fields implemented a restructuring project at Beatrix to improve operational efficiencies and reduce costs. As a result, Beatrix is now managed as three operational sections: the North section (comprising Shaft No. 3 and the lower levels of Shaft No. 1), the South section (comprising Shaft No. 2 and the upper levels of Shaft No. 1) and the West section (comprising Shaft No. 4). At the North section in fiscal 2005, production buildup of Shaft No. 3 continued and development and stoping volumes were in line with expectations. Stoping volumes in the South section were below expectations, and there has been a resulting focus on the elimination of lower grade areas at this section to reposition the shafts and increase production. In the West section, stoping and development, coupled with underground exploration drilling programs, continued to define and support the higher grade Zone 5 area. Between August 2004 and June 2005, a detailed logistical upgrade program was completed at the West section to improve logistical structures for future mining in Zone 5, including improvements to haulage track and ventilation conditions. Lower grade and marginal mining activities were curtailed at Beatrix and crews redeployed to higher grade areas as they became available for mining in fiscal 2005.

Mining at Beatrix is based upon the scattered mining method. Activity at Shaft No. 3 is focused upon haulage development and initial stoping in order to build up production at the shaft. The power source being used at Shaft No. 3 for a variety of activities including drilling is primarily hydropower, as opposed to compressed air, with a majority of the mining equipment being run off a high pressure water system. The benefits of the system include improved cooling underground, improved machine efficiency, lower noise levels and less power wastage. The introduction during the year of new schedules of routine activities for mining employees and methodologies that reduce the amount of water needed to cool the area and minimize dust have led to improved mine call factors and increased gold recovery at Shaft Nos. 1, 2, and 3.

Shaft Nos. 1, 2 and 4 are the primary sources of production at present, but over time Gold Fields expects mining concentration to shift to Shaft No. 3 as well as Shaft No. 4. Gold Fields experienced improved performance at Shaft No. 4 in fiscal 2005 due to improved ventilation and logistics, higher grade areas being mined in the Zone 5 area and fewer grade swings at the KKR. The KKR, which was historically characterized as being a highly erratic reef structure, is tending to exhibit greater reef consistency in Zone 5. In fiscal 2005, Gold Fields completed a number of internal projects to improve ventilation and rock removal systems at Shaft No. 4. These projects have reduced underground temperatures and have contributed to improved rock transport and removal. This has also positively contributed to an improved mine call factor at Shaft No. 4. Some delays due to tunnel instability problems due to swelling clays were experienced at Shaft No. 4 during the 2005 fiscal year but significant progress towards redesign of access ways, alternative routes and rehabilitation of these tunnels has been made. Ongoing development and underground drilling and stoping operations are continuing to expose and confirm the opportunities of the Zone 5 area as a reserve base. Work is also being done on the Vlakpan project area which involves an extension of Beatrix on lower levels with access via the infrastructure of Shaft No. 1. Under current plans, mining of this area would commence in fiscal 2009.

A new ventilation shaft at Shaft No. 2 was completed in fiscal 2004 which has improved underground environmental conditions at Shaft No. 2.

The Beatrix mine has access to the national electricity grid and water, road and rail infrastructure and is located near regional urban centers where it can routinely obtain needed supplies.

Detailed below are the operating and production results at Beatrix for the past three fiscal years.

	Year ended June 30,		
Production	**2003**	**2004**	**2005**
Tonnes (000)	4,722	5,448	4,181
Recovered grade (g/t)	4.3	3.6	4.6
Gold produced (000 oz)	659	625	624
Results of operations ($million)			
Revenues	217.6	241.4	264.5
Total production costs(1)	171.5	245.5	282.4
Total cash costs(2)	151.1	222.2	253.4
Cash profit(3)	66.5	19.2	11.1
Cost per ounce of gold ($)			
Total production costs	260	393	452
Total cash costs	229	356	406

Notes:

(1) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Financial Review and Prospects Results of Operations.

(2) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financial Review and Prospects Results of Operations.

(3) Cash profit represents revenues less total cash costs.

Although tonnage processed decreased significantly from fiscal 2004 to fiscal 2005, ounces of gold produced was unchanged due to higher average underground grades. The primary reason for the higher recovered grade was a decrease in low grade surface material which was being processed on site and toll milled at Harmony s Joel mine, adjacent to Beatrix. All surface milling ceased in January 2005 as it was not contributing to overall profitability at current price levels. Underground grades were also marginally higher during 2005 due to an increase in underground mining volumes at the higher grade North and West Sections and the mining of higher grade areas generally. The increase in total cash costs per ounce of gold from fiscal 2004 to fiscal 2005 at Beatrix was as a result of the appreciation of the Rand against the U.S. dollar. Rand cash costs increased marginally in fiscal 2005 compared to fiscal 2004 but this increase was below inflation levels.

Although tonnage increased from fiscal 2003 to fiscal 2004, ounces of gold produced decreased due to lower average grades as the tonnage increase came primarily from an increase in lower grade surface material processed on site. Underground grades were also marginally lower during 2004. The increase in total cash costs per ounce of gold from fiscal 2003 to fiscal 2004 at Beatrix was as a result of the lower production and recovered grade and the appreciation of the Rand against the U.S. dollar.

The total shaft hoisting capacities of Beatrix are detailed below.

Shaft System	Hoisting capacity (tonnes/month)
No. 1	170,000
No. 2	170,000
No. 3	170,000
No. 4	160,000

Assuming that Gold Fields does not increase or decrease reserves estimates at Beatrix and that there are no changes to the current mine plan at Beatrix, Beatrix s June 30, 2005 proven and probable reserves of 8.2 million ounces of gold will be sufficient to maintain production through approximately fiscal 2019. However, as discussed earlier in the Risk Factors and the Description of Mining Business Mine Planning and Management sections, there are a numerous factors which can affect reserve estimates and the mine plan which could thus materially change the life of mine.

Processing

The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factor during the fiscal year ended June 30, 2005, for each of the plants at Beatrix:

		Processing Techniques				
Plant	**Year commissioned**	**Comminution Phase**	**Treatment phase**	**Capacity(1) (tonnes/month)**	**Average milled for the year ended June 30, 2005 (tonnes/month)**	**Approximate recovery factor for the year ended June 30, 2005(2)**
No. 1 Plant	1983	SAG milling	CIP treatment	260,000	267,000	96%
No. 2 Plant	1992	SAG milling	CIP treatment	150,000	112,000	95.8%

Notes:

(1) Nameplate capacity. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.

(2) Percentages are rounded to the nearest whole percent.

In fiscal 2005, the Beatrix plants collectively extracted approximately 96% of gold contained in ore delivered for processing. Capacity at Plant No. 1 increased in fiscal 2005 as a result of plant optimization and minor process adjustments. In August 2004, arrangements for the toll milling of low grade surface material at the Joel mine, which is adjacent to Beatrix, were terminated and, in January 2005, all surface material processing was stopped in an effort to focus more resources on higher grade material. In fiscal 2004, Gold Fields installed a Knelson concentrator at the No. 1 Plant which removes gold earlier in the metallurgical process.

Capital Expenditure

Gold Fields spent approximately Rand 295 million on capital expenditures at the Beatrix operation in fiscal 2005, primarily on development and improvements to the new North section, previously called the Shaft No. 3 Complex. Capital spending was curtailed during the year due to low profitability resulting mainly from the lower Rand gold price received because of the stronger Rand. Gold Fields expects to spend approximately Rand 233 million on capital expenditure at Beatrix in fiscal 2006 primarily on completion of the North section infrastructure, capital development, hydropower equipment and continued work on the refrigeration project at Shaft No. 3. Total capital expenditure for fiscal 2006 may be reduced should Rand gold prices fall.

Ghana Operation

The Ghana operation is comprised of the Tarkwa and Damang mines.

Tarkwa Mine

Introduction

Gold Fields Ghana, which holds the interest in the Tarkwa mine, is owned 71.1% by Gold Fields, 18.9% by IAMGold and 10.0% by the government of Ghana, which acquired the interest as a free carried interest for no cost.

The Tarkwa mine is located in southwestern Ghana, about 300 kilometers by road west of Accra. The Tarkwa mine consists of several open pit operations on the original Tarkwa property and the adjacent northern portion of the property, which was formerly referred to as the Teberebie property and was acquired by Gold Fields in August 2000, together with two heap leach facilities, referred to as the North Plant and the South Plant. A new SAG mill and CIL plant commenced continuous operations at the Tarkwa property in November 2005. The Tarkwa mine operates under mining leases with a total area of approximately 20,700 hectares. It currently conducts only surface operations, although it previously had a small underground mining operation which it operated through July 1999 under Gold Fields agreement with the government of Ghana. In the fiscal year ended June 30, 2005, Tarkwa produced 0.7 million ounces of gold, of which 0.5 million ounces were attributable to Gold Fields, with the remainder attributable to minority shareholders in Gold Fields Ghana. As of June 30, 2005, Tarkwa had approximately 3,300 employees, including a limited number employed by outside contractors.

History

Investment in large scale mining in the Tarkwa area commenced in the last quarter of the nineteenth century. In 1993, Gold Fields of South Africa, or GFSA, took over an area previously operated by the State Gold Mining Corporation, or SGMC. SGMC had in turn acquired the property from private companies owned by European investors. Following initial drilling, feasibility studies and project development (which included the removal of overburden and the resettlement of approximately 22,000 people), mining operations commenced in 1997. Ore processing began at the North Plant in March 1998 and at the South Plant in December 2000.

Geology

Gold mineralization at Tarkwa is hosted by Proterozoic Tarkwaian metasediments, which unconformably overlie a Birimian greenstone belt sequence. Gold mineralization is concentrated in conglomerate reefs and has some similarities to deposits in the Witwatersrand Basin in South Africa. The deposit comprises a succession of stacked, tabular palaeoplacer units consisting of quartz pebble conglomerates. Approximately 10 such separate economic units occur in the concession area within a sedimentary package ranging from 40 meters to 110 meters in thickness. Low grade to barren quartzite units are interlayered between the separate reef units.

Five separate production areas are centered on the Pepe Anticline, a gently north plunging fold structure that outcrops as a whaleback hill. The sedimentary sequence and interlayered waste zones between the areas of mineralization thicken to the west.

Mining

The Tarkwa mine is engaged in both open pit and production stockpile surface mining and is thus subject to all of the surface mining risks discussed in the Risk Factors section. Although surface mining generally is less dangerous than underground mining, serious and even fatal accidents do still occasionally occur. While there is no reliable industry benchmark for safety at Ghanaian surface mining operations, the lost time injury frequency rate at Tarkwa was approximately 0.8 per million man hours worked in fiscal 2005. There was one fatality in each of fiscal 2003, 2004 and 2005. Tarkwa had one fatality in fiscal 2006 due to a conveyer belt accident.

Tarkwa uses the typical open pit mining methods of drilling, blasting, loading and hauling. The progression of blasting in the open pit occurs in steps of six meters (or in some cases three meters) with the ore loaded into 150 tonne dump trucks.

Tarkwa currently presents no unusual challenges beyond those faced at most open pits and heap leaching mining operations, including variations in amenability of ores to leaching. However, harder ores are expected at Tarkwa which could reduce throughput at the North Plant Heap Leach facility and at the South Plant Heap Leach facility. The primary operational challenges include managing effective grade control, lowering operating costs, managing the blend of hard and soft material fed to the SAG mill and managing gold-in-process on heap leach pads (that is, gold in the processing circuit that is expected to be recovered during or after operations).

Gold Fields took over the mining activities previously performed on a contract basis by African Mining Services (Ghana) Pty Ltd, or AMS, in the first quarter of fiscal 2005, having purchased its own mining fleet of equipment during the latter half of fiscal 2004. The transition from contractor mining to owner mining has gone smoothly, with Gold Fields re-engaging the majority of the AMS operators and AMS being totally phased out during August 2004. Maintenance and repair contracts have been entered into with all the suppliers of the major equipment.

The Tarkwa mine has access to the national electricity grid, water and road infrastructure. Most supplies are trucked in from either the nearest seaport, which is approximately 140 kilometers away by road in Takoradi, or from Tema near Accra, which is approximately 300 kilometers away by road.

Detailed below are the operating and production results at Tarkwa for the past three fiscal years.

	Year ended June 30,		
Production	**2003**	**2004**	**2005**
Tonnes (000)	15,210	16,000	19,633
Recovered grade (g/t)	1.1	1.1	1.1
Gold produced (000 oz)(1)	540	550	677
Results of operations ($million)			
Revenues	179.4	213.2	287.5
Total production costs(2)	121.5	141.7	196.1
Total cash costs(3)	105.0	126.4	156.9
Cash profit(4)	74.4	86.8	130.6
Cost per ounce of gold ($)			
Total production costs	225	258	290
Total cash costs	195	230	234

Notes:

(1) In fiscal 2003, 2004 and 2005, 0.384 million ounces of production, 0.391 million ounces of production and 0.481 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operation.

(2) For a reconciliation of Gold Fields total production costs to production costs, see Operating and Financial Review and Prospects Results of Operations.

(3) For a reconciliation of Gold Fields total cash costs to production costs, see Operating and Financial Review and Prospects Results of Operations.

(4) Cash profit represents revenues less total cash costs.

In fiscal 2005, tonnage treated increased compared to the previous year as a result of the commissioning of the new SAG mill and CIL plant and ongoing optimization in the capacity of the heap leach plants. Ounces of gold produced increased by 127,000 ounces in fiscal 2005 as a result of the increased tonnage processed and higher recoveries at the CIL Plant. Cash cost per ounce of gold produced increased in fiscal 2005 primarily due to significantly higher global commodity prices for cyanide, cement and steel, which resulted in increased heap leach processing costs and an increase in the level of waste stripping to produce the increased tonnage for processing. Production costs per ounce produced also increased, which largely reflects the additional depreciation and amortization charge for the new mining fleet acquired in the switch to owner mining and the new CIL Plant.

From fiscal 2003 to fiscal 2004, tonnage treated rose due to continued improvements to both the North and South Plants. Ounces of gold produced increased less, proportionally, than tonnage due to decreasing recovery from the heap leach pads. At the same time, total cash and production costs have increased mainly due to increased waste tonnage.

Assuming that Gold Fields does not increase or decrease reserves estimates at Tarkwa and that there are no changes to the current mine plan at Tarkwa, Tarkwa s June 30, 2005 proven and probable reserves of 13.4 million ounces (9.5 million of which were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operation) will be sufficient to maintain production through approximately fiscal 2025. However, as discussed earlier in the Risk Factors and the Description of Mining Business Mine Planning and Management sections, there are a numerous factors which can affect reserve estimates and the mine plan which could thus materially change the life of mine.

Processing

Tarkwa s ore can be processed either using conventional heap leach techniques with acceptable recoveries or SAG milling with a CIL Plant. The current operation incorporates two separate heap leach circuits, the North Plant and the South Plant, and a new SAG mill plant which was commissioned in 2004. The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factors during the fiscal year ended June 30, 2005, for each of the plants at Tarkwa:

		Processing Techniques				
Plant	**Year commissioned**	**Comminution Phase**	**Treatment phase**	**Capacity(1) (tonnes/month)**	**Average milled for the year ended June 30, 2005 (tonnes/month)**	**Approximate recovery factor for the year ended June 30, 2005(2)**
CIL Plant	2004	SAG milling	CIL treatment	350,000	354,000(3)	97%
North Plant Heap Leach Facility	1997	Multiple stage crushing and screening process and agglomeration	Heap leach(4) with AD&R treatment	810,000	828,000	81%
South Plant Heap Leach Facility	1992	Multiple stage crushing and screening process and agglomeration	Heap leach(4) with AD&R treatment and electrowinning	530,000	542,000	79%

Notes:

(1) Nameplate capacity as stated by the manufacturer. Plant/Mill nameplate capacities are based on a number of operating assumptions, including assumptions regarding the blend of soft and hard ores processed, that can change and which may result in an increased level of throughput over and above the designed nameplate capacity.

(2) Percentages are rounded to the nearest whole percent.

(3) Based on throughput for October 2004 (wet commissioning commenced in September 2004) to June 2005.

(4) Heap leach recoveries are the result of an extended solution application process with full recovery requiring several leach cycles. Full recovery of all recoverable gold for current ores is only achieved over several years. Thus, recoveries must be considered in terms of recovery as time progresses, or a progressive recovery. Over time, Gold Fields expects both plants to achieve progressive recovery factors of around 67% of contained gold, equivalent to full recovery of all recoverable gold during the life of mine.

A new SAG mill and CIL plant was commissioned in early fiscal 2005, two months ahead of schedule, to add to the processing capabilities at Tarkwa. During fiscal 2004, the two crushing plants at Tarkwa remained in use while the heap leach pads were upgraded. The amount of tonnage treated at the heap leach facilities rose slightly in fiscal 2005 as a result of continuing improvements to both the North and South Plants, and the new CIL Plant processed 3.2 million metric tonnes since commissioning in October 2004. In fiscal 2004, Gold Fields took steps to

address the expected impact of harder ores on the South Plant Heap Leach facility and moved crushing equipment from the old Teberebie plant to the South Plant to offset any reduction in throughput due to harder ores and to provide increased screening capacity. Additional solution delivery and handling capabilities were added to the South Plant Heap Leach facility as well in fiscal 2004.

Capital Expenditure

Gold Fields spent approximately $76 million on capital expenditures at the Tarkwa operation in fiscal 2005, primarily on the completion of the SAG mill and CIL plant and the conversion to owner mining. Gold Fields has budgeted approximately $36 million for capital expenditure at Tarkwa for fiscal 2006, principally for heap leach pad extensions.

Damang Mine

Introduction

Abosso, which owns the interest in the Damang mine, is owned 71.1% by Gold Fields, 18.9% by IAMGold and 10% by the Ghanaian government, which acquired the interest as a free carried interest for no cost, mirroring the shareholding structure of Gold Fields Ghana.

The Damang deposits are located in the Wassa West District in southwestern Ghana approximately 360 kilometers by road west of Accra and approximately 30 kilometers by road northeast of the Tarkwa mine. It consists of an open pit operation with a SAG mill and CIL processing plant.

Ore is currently mined from three satellite pits, Kwesie-Lima, Tomento and Amoanda, while Rex, a potential pit, is expected to be mined in the future. Mining at the main Damang pit terminated in the middle of fiscal 2005, but pre-stripping on a cutback to the pit started in July 2005.

Kwesie-Lima, Tomento, Amoanda and Rex are located approximately 4.0 kilometers south, 5.5 kilometers south, 8.0 kilometers south and 15.0 kilometers south of the Main Plant, respectively. In addition, the Lima South project, which is an extension of the existing Kwesie-Lima pit, is located approximately 5.0 kilometers south of the Main Plant at Damang. Abosso has submitted an application to the Ghanaian Minerals Commission to convert its prospecting license for Lima South to a mining lease.

Damang operates under a mining lease with a total area of approximately 5,239 hectares. In the fiscal year ended June 30, 2005, the Damang mine produced 0.2 million ounces of gold, of which 0.176 million ounces were attributable to Gold Fields, with the remainder attributable to minority shareholders in Abosso. As of June 30, 2005, Damang had approximately 900 employees, including those employed by outside contractors.

History

Mining on the Abosso concession began with underground mining in the early twentieth century. In the late 1980s, Ranger commenced a project to study the feasibility of surface mining at Damang, which culminated in an agreement with the government of Ghana to develop and conduct surface mining at the site. Surface mining at Damang commenced in August 1997, and Gold Fields assumed control of the operations on January 23, 2002.

Geology

The geology of the Damang mine deposit occurs at the hinge of a regional anticline as hydrothermal mineralization associated with dominantly east dipping thrusts and sub-horizontal quartz veins. Gold mineralization also occurs in the conglomerates of the Tarkwaian Formation to the south of the hinge formation.

Mining

The Damang mine comprises both open pit and production stockpile surface mining, and is thus subject to all of the surface mining risks discussed in the Risk Factors section. Although surface mining generally is less dangerous than underground mining, serious and even fatal accidents do still occasionally occur. While there is no reliable industry benchmark for safety at Ghanaian surface mining operations, the Damang mine had a total injury frequency rate of approximately 0.22 per million man hours worked, down from 0.58 per million man hours worked in fiscal 2004. The Damang mine has not had a fatal injury since its acquisition by Gold Fields in 2002.

Damang uses the typical open pit mining methods of drilling, blasting, loading and hauling. The progression of blasting in the open pit occurs in six meter flitches, which are then combined to form steps of three meters with the ore and waste loaded into 100 tonne dump trucks. Other than the unusual hardness of the rock at the site, Damang presents no unusual challenges beyond those faced at most open pits and ore processing

operations, including variation in ore grades.

Following the acquisition of this mine in January 2002, an exploration program was started to seek alternative sources of ore to replace the Damang pit, by testing both hydrothermal and conglomerate styles of mineralization across the Damang lease area. Following completion of the bulk of drilling by the middle of fiscal 2003, a full time evaluation project, the Damang Extension Project (DEP), was launched to turn this exploration to account. The DEP resulted in the establishment of the Amoanda and Tomento pits, and the extension of an old pit at Kwesie-Lima. Production from these new pits will be treated along with stockpiles of low grade, low oxide harder ores, or fresh ores at the Main Plant. Ore production commenced from Amoanda in the fourth quarter of fiscal 2005. Mining at the Tomento pit commenced during July 2005. The Rex pit is scheduled to commence mining during fiscal 2007. Resource drilling is currently underway to assess the potential expansion of the current pit design of the Rex pit. The development of the Amoanda and Tomento pits required the resettlement of 284 Ghanaian households in the areas. The establishment of the Rex pit is expected to require additional resettlements.

There was an acceleration of the depletion of the higher grade areas of the main Damang pit in the first half of fiscal 2005 which resulted in a decline in both grade and thus gold production in that period compared to previous levels. Extensive drilling along the western and eastern perimeter of the main Damang pit indicated a viable cutback to the existing pit and mining of the cutback (focusing mainly on removing the waste overburden) has commenced. Drilling to the north and south of the Damang pit has indicated additional potential ore which is currently being evaluated. In addition, a scoping study to evaluate the underground mining potential at Abosso Deeps, an area at the southern end of the Damang lease area near the old Abosso underground mine has been completed and is currently under review.

A substantial proportion of the operations at Damang is performed by a mining contractor, AMS. Pursuant to a contract with Abosso, AMS provides employees, supplies and equipment for mining at Damang, including drilling, blasting and waste stripping, as well as the haulage of the material produced from the mining activities, including both ore and waste. AMS receives fees under the contract which depend on the type of service being performed and the equipment being used. Under the terms of the contract, AMS is liable for any damage or loss it causes, including that caused by any subcontractor it hires. AMS is not liable for damage that is the result of work performed, in accordance with the terms of the contract, which is unavoidable or which is caused by any negligent act or omission of employees of Abosso or third parties over

whom AMS has no control. AMS is required to take out insurance to cover potential damage and liability. Abosso can terminate its contract at any time without paying any significant penalties or having to purchase any of AMS s equipment. Abosso is currently in the process of re-negotiating the contractual terms with AMS to reflect the increased current and potential work from mining the Damang cut-back and satellite pits.

The Damang mine has access to the national electricity grid, water and road infrastructure. Most supplies are trucked in from either the nearest seaport, which is approximately 200 kilometers away by road in Takoradi, or from Accra, which is approximately 360 kilometers away by road.

Detailed below are the operating and production results at Damang for the fiscal years ended June 30, 2003, 2004 and 2005.

	Year ended June 30,		
Production	**2003**	**2004**	**2005**
Tonnes (000)	4,877	5,236	5,215
Recovered grade (g/t)	1.9	1.8	1.5
Gold produced (000 oz)(1)	299	308	248
Results of operations ($million)			
Revenues	99.5		