GOLD FIELDS LTD
Form 6-K
October 08, 2008

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of September 2008
Commission File Number 1-31318
Gold Fields Limited
(Translation of registrant's name into English)
24 St. Andrews Rd.
Parktown, 2193
South Africa
(Address of principal executive offices)
Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F..x... Form 40-F.....

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ________

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ________

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes ..... No ..x...

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- ________

GOLD FIELDS LIMITED **ANNUAL REPORT 2008**

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report please visit
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GOLD FIELDS VISION

To be a leading, globally diversified, precious metals producer through the responsible, sustainable and innovative development of quality assets.

GOLD FIELDS MISSION

Gold Fields is intent on achieving outstanding returns for investors with motivated employees committed to optimising existing operations and aggressively pursuing and developing additional world-class deposits, promoting mutually beneficial relationships and applying best practice technology.

GOLD FIELDS PROFILE

Gold Fields Limited is one of the world's largest unhedged producers of gold with attributable production of 3.64 million ounces per annum from eight operating mines in South Africa, Ghana and Australia. A ninth mine, Cerro Corona Gold/Copper mine in Peru, commenced production in August 2008 at an initial rate of approximately 375,000 gold equivalent ounces per annum. The company has total attributable ore reserves of 83 million ounces and mineral resources of 251 million ounces. Gold Fields is listed on JSE Limited (primary listing), the New York Stock Exchange (NYSE), the Dubai International Financial Exchange (DIFX), the Euronext in Brussels (NYX) and Swiss Exchange (SWX).

Scope of this report

This report provides an overview of Gold Fields' four South African and five international operations for the year ended 30 June 2008, on a Group and mine by mine basis. It details the company's financial statements, Mineral Reserves and Resources and looks ahead to the Group's prospects for F2009 as it expands its global footprint. The Sustainable Development (SD) section of the report covers the activities of our subsidiaries as well as parts of our exploration work for the year ending 30 June 2008.

Section 1:
Overview

Section 2:
Sustainable
Development

The year under review has been one of consolidation and challenges for Gold Fields, both in South Africa and internationally. Our greatest disappointment was the South Deep Mine accident in which nine of our colleagues – staff and contractors – tragically lost their lives. Coming at a time of heightened South African and international concern over mine safety, the incident contributed to what was already an unacceptable rise in fatal mine accidents across the Group.
In view of these very significant setbacks, it is nevertheless important to reiterate the encouraging overall trends in safety performance for both Gold Fields and the South African mining industry. Both have steadily reduced the total number of mine related fatalities to a third of the level two decades ago. We accept that, despite these efforts, Gold Fields continues to fall short of its goal of zero fatalities. We are nevertheless pleased that during the year, three operations – Driefontein, Beatrix and Kloof – achieved a million fatality free shifts. Equally Damang, St Ives and Agnew again operated without a fatality in F2008. Such achievements demonstrate that safe mining is a realistic target.
In F2008 the Group delivered an increase of 26 per cent in net operating profit to R6,015.2 million (US$827.3 million). This remarkable achievement in difficult circumstances is testament to the strength of our management and asset quality. It goes without saying that the higher gold price, which averaged US$816 per ounce during F2008, contributed significantly to the result. These results again reaffirm our strategy of remaining an unhedged producer.
International developments continue to support our bullish outlook on the gold price. Despite a recent surge in exploration expenditure globally, the delays in bringing new projects online remain. Thus production growth in South Africa, as elsewhere, is limited by a lack of new mining opportunities coming on stream in the near to medium future. This legacy of many years of continued under-investment in greenfields exploration continues, in the face of stable demand, to support a robust gold price. Demand for gold, fuelled in part by the continuous growth of the Chinese, Middle Eastern and Indian middle classes, will not be affected by rising global energy and food prices. Continued tension in the Middle East and instability in resource-rich African regions will, together with the maturing of the gold Equity Trading Funds (ETF) business, reinforce the role of gold as an eternal store of value.
This confirms the foresight of acquiring the South Deep project. Although skills shortages, the South African power crisis and labour issues have delayed the project, we remain confident that, once completed, South Deep will deliver stable and substantial production volumes over the long-term as our other South African operations mature over the next two decades.
By and large profitable growth in South African production can be sustained only through a focus on below-inflation cost containment and improved labour productivity in existing operations. It is in this

context that our ability to develop South Deep in a way that realises synergies with our other West Rand assets, will remain core and sustain our South African business for years to come.

The Gold Fields share price saw significant volatility during the period under review, declining approximately 20 per cent from US$15.91 per share at the start of the year to US$12.65 at the end, and achieving a high of US$19.19 per share on 8 November 2007. This is particularly unsatisfactory performance when viewed against the background of gold prices which traded at over US$900/oz. There were several contributing factors to this performance, most notably investor dissatisfaction with the electricity and safety related disruptions to production in South

International developments
continue to support our bullish
outlook on the gold price.

Alan J Wright
Chairman

Africa, and the delay in the commissioning and capital over-run at the Cerro Corona project in Peru. Suffice it to say that the Board has made the required interventions which we trust will remedy the underperformance during F2008 of your company's share price, and we will continue to take such steps as we deem appropriate to release the value which we believe is inherent in the share.

We have seen pleasing progress with the projects designed to expand our long-term international production, such as the Tarkwa expansion. We continue to make good progress with the Cerro Corona project, which remains on track to deliver its first concentrate during the first quarter of F2009. Cerro Corona will not only contribute materially to the Group's future cash flow but, together with our JV with Buenaventura, secures a foothold for Gold Fields in a highly prospective gold province. This is in line with the Group's strategy of refocusing its exploration work to brownfields opportunities within established gold provinces where the likelihood of identifying payable deposits is already established.

As a result of the new direction that the Venezuelan Government has embarked on in nationalising certain resource assets, the Board decided to sell our holding in Choco 10 in October 2007, but to remain exposed to the potential of the Venezuelan goldfields through our equity stake in Rusoro, the new owner of Choco 10. Also in October 2007 we disposed of our stake in the Essakane project in Burkina Faso which, upon final analysis, was too small to meet our investment criteria.

Going forward there are two key challenges which the Group confronts in its South African base: power and people. January 2008 revealed the seriousness of the South African power crisis when key players in the mining sector, among them Gold Fields, were forced to shut down operations for up to five days. Since then we have continued to receive between 90 and 95 per cent of our pre-2008 power consumption. This continues to hold back our production. In addition, as a safety precaution, we have committed to the purchase of generating plants to ensure that, should power be lost for more than 24 hours, we will be able to bring all of our work force back to the surface.

Apart from the very direct negative impact on the country's economic growth, the Eskom power cuts are also a crisis of lost opportunities for the nation. A country such as South Africa with its enormous solar power potential has, for reasons unclear to most observers, so far failed to capitalise upon the opportunity for diversifying its energy sources to include a greater share of renewables. Since then, steps to curb domestic electricity demand, such as a shift to daylight savings time, better Eskom incentives for the mass installation of solar water heaters and other power-saving technologies/systems, have not been pursued with the rigour that the crisis demands. We have been working with Eskom through its demand side management (DSM) programme to put in place projects which have so far shifted more than 60MW of load out of peak demand periods, delivering savings of approximately R2 million a quarter. In addition, projects such as the conversion from diesel to battery power for underground locomotives will deliver long-term cost savings of R24 million per annum once completed. Additional projects are in the process of development or implementation. However, more remains to be done both within Gold Fields and at a national level so that the region's power supply can deliver what is needed for southern Africa's economy to achieve its potential.

The resilience of the South African economy and indeed the global resources sector continues to be challenged by the shortage of specialised skills. I am pleased to report that the Gold Fields Business Leadership Academy goes from strength to strength. At the same time the Group is exploring various innovative remuneration and benefit models appropriate to the regions in which it operates. These are designed to attract and retain skilled and experienced staff.

Gold Fields is in the process of changing its board composition with the departure of Patrick Ryan and Michael McMahon, who have served on the Gold Fields Board since May 1999. During their years of service they generously contributed their unrivalled knowledge and experience of the mining sector to the Board's deliberations and their wise counsel will be missed. We wish them both well in their future endeavours.

I am pleased to welcome Gayle Wilson and David Murray to the Gold Fields Board. They bring a wealth of international mining experience and we look forward to their contributions.

In March 2008, Ian Cockerill announced his intention to leave the Group to pursue an opportunity in the coal sector. Ian joined the Group in October 1999 as chief operating officer and managing director until June 2002, when he became chief executive officer. Under Ian's guidance, Gold Fields weathered the extended hostile but ultimately futile takeover bid by Harmony. He also oversaw the acquisition of Cerro Corona and South Deep and the expansion of the international operations. He leaves behind a larger, stronger and more global company. Ian's departure created the opportunity for restructuring the executive and as Nick Holland assumed the role of chief executive officer on 1 May 2008, Terence Goodlace, formerly head South African operations assumed his duties as chief operating officer for Gold Fields. In turn Vishnu Pillay was appointed executive vice president and head of South African operations while Glenn Baldwin has continued his role as executive vice president and head of international operations. Terence has since announced his intention to leave Gold Fields, for whom he has worked in various positions since 1998, as of 15 October 2008. We wish Ian and Terence well in their new endeavours and welcome the new members of the executive.

On behalf of the Board, I wish to express our thanks to the management and employees for their continued support and dedication which have sustained the Group through the challenges of the year.

To my colleagues on the Board I also extend my gratitude for the valued support and counsel during the past year. Together we can

look forward with confidence to the year ahead.
Alan J Wright
Chairman
Overview

Gill Marcus (59)*
BComm
Prof Marcus was appointed a director of Gold Fields on 14 February 2007. She served as a member of the ANC National
Executive Committee from 1991 to 1999 and Member of Parliament from 1994 to 1999. Prof Marcus served as deputy minister of Finance from 1996 to 1999. She served as deputy governor of the South African Reserve Bank from 1999 to
2004. Since 2004, she has been Professor of Policy, Leadership and Gender Studies at the Gordon Institute of Business
Science. From November 2005 to March 2007, Prof Marcus was executive chairperson of gold mining company Western
Areas. In 2007 she was appointed non-executive chairperson of the ABSA Group. Prof Marcus also serves in a non-executive
capacity on the board of the International Marketing Council, the Advisory Board of the Auditor-General and the Independent
Regulatory Board for Auditors. She is patron of the Pretoria Sungardens Hospice and the Working on Fire Programme, a
supporter of the Johannesburg Children's Home and a member of the Millennium Labour Council.
Alan J Wright (67)°
Chairman
CA(SA)
Mr Wright was appointed non-executive chairman of the Board on 17 November 2005. Prior to that, Mr Wright had been
deputy chairman of Gold Fields since November 1997. Prior to September 1998, Mr Wright was the chief executive officer
of Gold Fields of South Africa Limited. Mr Wright holds no other directorships.
Nicholas J Holland (49)*
Chief Executive Officer
BComm, BAcc, Witwatersrand; CA(SA)
Mr Holland has been an executive director of Gold Fields since 14 April 1998 and became chief executive officer on 1 May
2008. He served as executive director of finance from April 1998. On 15 April 2002, his title changed to chief financial officer
until 30 April 2008. He has 28 years' experience in financial management. Prior to joining Gold Fields, he was financial director
and senior manager of corporate finance of Gencor Limited. He is also a director of Rand Refinery Limited.
Kofi Ansah (64)°
BSc (Mech Eng) UST Ghana; MSc (Metallurgy) Georgia Institute of Technology, USA
Mr Ansah was appointed a director on 2 April 2004. He is a director of Ecobank (Ghana) Limited and Aluwoks Limited.
John G Hopwood (60)°
BComm, CA(SA)
Mr Hopwood was appointed a director on 15 February 2006. Previous experience includes being a director and head of the
Mergers and Acquisitions division at Ernst & Young Corporate Finance, and he was an executive director of Gold Fields of
South Africa Limited from January 1992 to September 1998. Mr Hopwood is a member of the Board of Trustees of the New
Africa Mining Fund and chairman of the Fund's Investment Committee, and a non-executive director of Pan African

Resources Plc.

Executive Directors

Non-executive Directors

Terence P Goodlace (49)*

Chief Operating Officer

National Higher Diploma Metalliferous Mining; BComm, Unisa; MBA, Wales

Mr Goodlace joined the Board on 1 May 2008 when he was appointed chief operating officer. Prior to this appointment, he was executive vice president and head of South African operations, senior vice president – strategic planning, senior manager for corporate finance for Gold Fields and manager at various Gencor Limited mines. He has more than 26 years' experience in the mining industry. Mr Goodlace resigned as a director and COO of the company with effect 15 October 2008.

Rupert L Pennant-Rea (60)°

BA, Trinity College Dublin; MA, University of Manchester

Mr Pennant-Rea has been a director of Gold Fields since 1 July 2002. He is chairman of Henderson Group plc and is a director of First Quantum Minerals, Go-Ahead Group, Times Newspapers Limited and a number of other companies. Previously he was editor of *The Economist* and deputy governor of the Bank of England.

David N Murray OBE (63)°

BA Hons Econ; MBA (UCT)

Mr Murray joined the Board on 1 January 2008. He has more than 35 years' experience in the mining industry and has been chief executive officer of Rio Tinto Portugal, Rio Tinto Brazil, TVX Gold INC, Avgold Limited and Avmin Limited.

He is also a non-executive director of Ivernia Inc.

Gayle M Wilson (63)°

BCom, BCompt (Hons); CA(SA)

Mrs Wilson was appointed a director on 1 August 2008. She was previously an audit partner at Ernst & Young for 16 years where her main focus was on mining clients. In 1998 she was involved in AngloGold's listing on the NYSE and in 2001 she took over as the lead partner on the global audit. Other mining clients during her career include Northam, Aquarius, Avmin (later ARM) and certain Anglo Platinum operations. She is a non-executive director of Witwatersrand Consolidated Gold Resources Limited.

Donald MJ Ncube (61)°

BA Economics and Political Science, Fort Hare University; Post Graduate Diploma in Labour Relations, Strathclyde University, Scotland; Graduate MSc Manpower Studies, University of Manchester; Diploma in Financial Management

Mr Ncube was appointed a director of Gold Fields on 15 February 2006. Previously, he was an alternate director of Anglo American Industrial Corporation Limited and Anglo American Corporation of South Africa Limited, a director of AngloGold Ashanti Limited as well as non-executive chairman of South African Airways. He is currently chairman of Rare Holdings Limited, chairman of Badimo Gas, executive director of Cincinnati Mining S.A., a director of Manhattan Operations Douglas, and he serves on the boards of various other companies.

Chris I von Christierson (60)°

BComm, Rhodes; MA, Cambridge

Mr von Christierson has been a director of Gold Fields since 10 May 1999. As a result of the takeover by Lundin Mining he stepped down as the chairman of Rio Narcea Gold Mines Limited on 18 July 2007. He is currently a director of Southern Prospecting (UK) Limited and Transdek (UK) Limited.

* Non-independent director

° Independent director

Overview

Nicholas J Holland (49)
Chief Executive Officer
BComm, BAcc, Witwatersrand; CA(SA)
Mr Holland has been an executive director of Gold Fields since 14 April 1998 and became chief executive officer on 1 May 2008. He served as executive director of finance from April 1998. On 15 April 2002, his title changed to chief financial officer until 30 April 2008. He has 28 years' experience in financial management. Prior to joining Gold Fields, he was financial director and senior manager of corporate finance of Gencor Limited. He is also a director of Rand Refinery Limited.

Glenn R Baldwin (36)
Executive Vice President: Head of West Africa and Australia
BEng (Hons) Mining
Mr Baldwin was appointed executive vice president: head of international operations on 1 April 2007. Prior to his appointment at Gold Fields, Mr Baldwin was the chief operating officer at Ivanhoe Nickel & Platinum Limited. After finishing his degree, Mr Baldwin spent seven years in Australia developing his mining skills. Coming to South Africa, he further developed his technical and operational skills in various roles within the Anglo American Group and thereafter as the vice president operations for Southern Platinum Limited.

Italia Boninelli (52)
Senior Vice President: Head of Human Resources
MA, Witwatersrand; PDLR, Unisa SBL
Mrs Boninelli was appointed to the position of senior vice president, human resources of Gold Fields on 8 January 2007. She is also the chairperson of the Gold Fields Leadership Business Academy. Prior to that, she was group human resources director of Netcare, the largest private healthcare organisation in South Africa. She previously held senior human resources, marketing and communications positions in Standard Bank and Sappi.

Jimmy WD Dowsley (50)
Senior Vice President: Corporate Development
BSc (Mining Engineering), Witwatersrand
Mr Dowsley was appointed as senior vice president, corporate development on 15 April 2002. Prior to this appointment, Mr Dowsley was general manager of corporate development. He also served as general manager of new business and as manager of the Mineral Economics Division of Gold Fields of South Africa Limited.

Cain Farrel (58)
Corporate Secretary
FCIS, MBA, Southern Cross University, Australia
Mr Farrel was appointed corporate secretary on 1 May 2003. Mr Farrel is past-president and a director of the Southern African Institute of Chartered Secretaries and Administrators. Previously, Mr Farrel served as senior divisional secretary of Anglo American Corporation of South Africa.

Michael D Fleischer (47)
General Counsel

Bachelor Procurationis, University of the Witwatersrand. Admitted as attorney of the High Court of South Africa in 1991

Advanced Taxation Certificate, University of South Africa

Mr Fleischer was appointed General Counsel in the Executive division with effect from 1 November 2006. Prior to his appointment, Mr Fleischer was a partner in the corporate services department at Webber Wentzel, a major law firm in South Africa, and has extensive experience in advising on mergers and acquisitions transactions in South Africa and worldwide (where transactions involve a South African element). Mr Fleischer has a wide range of experience in mergers and acquisitions, commercial transactions, mining law and Stock Exchange requirements. While in practice he was ranked as one of South Africa's leading commercial lawyers by Chambers Global (the world's leading lawyers for business).

J Willie Jacobsz (47)
Senior Vice President: Head of Investor Relations and Corporate Affairs
BA, Rand Afrikaans University
Mr Jacobsz joined the Gold Fields executive committee in June 2002 as head of investor relations, corporate affairs and
sustainable development, the latter of which he relinquished in December 2007. He joined the Gold Fields Group in 1989 as
head of the Gold Fields Foundation and has subsequently held various positions in the fields of transformation, corporate
affairs, investor relations and sustainable development.
Vishnu Pillay (51)
Executive Vice President: South African Operations
BSc, MSc at Maharaja Sayajirao University of Baroda, Gujurat, India
Mr Pillay was appointed executive vice president: head of South African Operations from 1 May 2008. He was formerly senior
consultant, Mine Planning and Resources Management and apart from a brief period with the CSIR where he held the
positions of executive director: CSIR Mining Technology and group executive: Institutional Planning and Operations, he has
had 22 years of service with Gold Fields.
Paul A Schmidt (41)
Acting Chief Financial Officer
BComm, Witwatersrand; BCompt (Hons), Unisa; CA(SA)
Mr Schmidt was appointed acting chief financial officer on 1 May 2008. Prior to this appointment, Mr Schmidt was financial
controller for the Group. He has more than twelve years' experience in the mining industry.
Terence P Goodlace (49)
Chief Operating Officer
National Higher Diploma Metalliferous Mining; BComm, Unisa; MBA, Wales
Mr Goodlace joined the Board on 1 May 2008 when he was appointed chief operating officer. Prior to this appointment, he
was executive vice president and head of South African operations, senior vice president – strategic planning, senior manager
for corporate finance for Gold Fields and manager at various Gencor Limited mines. He has more than 26 years' experience
in the mining industry. Mr Goodlace has resigned as a director and chief operating officer of the company with effect
15 October 2008.
Tommy D McKeith (44)
Executive Vice President: Exploration and Business Development
BSc Hons (Geology), GDE (Mining), MBA , University of Witwatersrand in South Africa
Mr McKeith was appointed to the position of executive vice president: exploration and business development on 1 October
2007. Prior to this appointment Mr. McKeith was the chief executive officer of Troy Resources NL, an Australian junior gold
producer. Before joining Troy, he worked for over 15 years with Gold Fields and its predecessors in various mine geology,
exploration and business development positions. These included regional manager Australasia and vice president business
development, based in Denver. Tommy is currently based in Perth.

We will not mine if we cannot
mine safely.

INTRODUCTION

I took over as chief executive officer of Gold Fields on 1 May 2008, near the end of what can justifiably be viewed as one of the more challenging financial years since the inception of the company in 1998. On the one hand F2008 was a year of consolidation as we advanced our growth projects towards completion, in an environment of extreme cost pressures and construction delays. On the other hand we had to deal with a number of particularly challenging operational issues at our existing mines, which contributed to an 8 per cent decline in attributable gold production to 3.64 million ounces during F2008.

However, despite the many challenges, F2008 also presented a number of key milestones which set Gold Fields on a course for improved performance during F2009 and the years beyond.

Foremost amongst these was the watershed that Gold Fields reached late in F2008 in its approach to safety. On my first day as chief executive officer, nine employees died tragically at the South Deep gold mine when the vent hole raise conveyance in which they were travelling became dislodged and fell more than 60 metres. This incident, together with several others through the year, brought the total number of deaths on our mines for the year to 47. As I assumed office, it was clear to me that we had reached a watershed in our approach to safety and that my prime and immediate responsibility to employees, their families and shareholders, was to demand a fundamental step change in our approach to safety. As a consequence, and with the full support of the Gold Fields Board, I announced on 7 May 2008 that we will not mine if we cannot mine safely. While the short-term impact of this policy will come at a high cost, I am confident that the long-term gains will substantially benefit our employees and shareholders alike. I expand further on the resulting safety interventions in the Health and Safety section below.

A second key milestone during F2008 was the significant progress made towards the completion of our growth projects. In particular,

Nicholas Holland
Chief Executive Officer

the Cerro Corona Project in Peru was largely completed by the end of F2008. This mine is now in production and should reach full capacity by the end of December 2008, adding approximately 300,000 attributable gold-equivalent ounces per annum to the Gold Fields portfolio, and providing Gold Fields with a beachhead for further growth in South America. This new mine should prove to be highly cash generative for the Group, despite the significant cost over-runs and delays experienced during the construction phase. In Australia, the two new underground mines at the St Ives gold mine, Belleisle and Cave Rocks, were completed by the end of F2008 and should also build up to full production by the end of December 2008, helping to increase production in Australia to approximately

640,000 ounces per annum. In Ghana the expansion of the Carbon in Leach (CIL) plant at the Tarkwa gold mine is progressing to plan and should be in full production before Christmas this year, increasing attributable production in Ghana from 625,000 ounces of gold per annum to approximately 675,000 ounces of gold per annum.

On the operational front, in South Africa we were confronted by several interruptions in production resulting from safety stoppages at all of our mines throughout the year. This was compounded late in January when electricity supply to our mines was severely curtailed, resulting in the closure of all of our mines for a full week and reduced production for the remainder of F2008 as electricity supply was gradually restored and production again started to ramp up. As a result of the above factors, production from the South African mines decreased from 2.65 million ounces in F2007 to 2.42 million ounces in F2008. However, on the positive side, by the end of F2008, the electricity supply situation had stabilised, with both Driefontein and Kloof gold mines receiving an uninterrupted supply of approximately 95 per cent of their average historic electricity consumption, and Beatrix and South Deep gold mines approximately 90 per cent.

In Ghana, the Tarkwa and Damang gold mines were plagued in the first half of the year by significant electricity shortages as a result of a severe drought which limited the bulk power generation capacity of the Volta River Hydro Electrical System in that country. This was followed in short order by an exceptionally wet rainfall season (including a one in fifty year event) which caused extensive flooding throughout the region, including at our mine sites. Both of these events had a negative effect on production.

During the year Gold Fields sold its 60 per cent stake in the Essakane project in Burkina Faso to its joint venture partner in the project, Orezone Resources Inc., for US$150 million cash and shares amounting to 12.2 per cent of Orezone's issued shares. Similarly, in December 2007, Gold Fields sold all its Venezuelan assets, including the Choco 10 mine, to Rusoro Mining Limited for a consideration of US$180 million in cash and shares amounting to approximately 37 per cent of Rusoro's outstanding shares. These two deals realised value of US$615 million for Gold Fields, the cash proceeds of which was used to partially fund our growth projects in Peru and Ghana.

Despite an 8 per cent reduction in the Group's attributable gold production to 3.64 million ounces during F2008, and relentless inflationary pressures around the globe, the Group margin was virtually unchanged at 39 per cent when compared to the 40 per cent achieved in F2007. Net operating profit increased by 26 per cent to R6,015 million (US$827 million) and earnings excluding gains and losses on foreign exchange, financial instruments, exceptional items and discontinued operations increased by 28 per cent to R2,930 million (US$403 million).

Notwithstanding the relatively strong financial performance during F2008, Gold Fields (and its South African peer group of companies) has significantly underperformed its international peer group. The Gold Fields share price saw significant volatility, declining by approximately 20 per cent from US$15.91 per share at the start of the year to US$12.65 by year end and since the financial year end has declined further, in line with a global sell-off in gold equities. This is a particularly disappointing performance when viewed against a background of a gold price which gained approximately 40 per cent over the same period, from approximately US$650 per ounce to just over US$900 per ounce of gold.

To address this underperformance, and to release the value inherent in the company's share price, a short-term target and accompanying plan has been put in place to return Gold Fields to a four million ounce producer with strong cash flows during the third quarter of F2009.

In addition a medium-term target has been put in place through which Gold Fields would, over a three to four year period, be diversified into a truly global gold producer, restructured into four highly autonomous operating regions around the world. The executives in these regions will not only be responsible for the ongoing operations at each of the mines in these regions, but will also be directly involved in growth in each of the regions. This restructuring will also result in a smaller corporate office as key services and skills are redeployed to the various operating regions. In this new configuration, Gold Fields aims, within three to four years, to produce a million ounces each from the South American, West African and Australasian Regions, and approximately 2.3 million ounces from the South African Region per year. These targets are further expanded on in the strategy section of this report.

In summary, the core message in this report is that Gold Fields is committed to two fundamental deliverables during F2009: safety and shareholder value.

HEALTH AND SAFETY

As I indicated above, the most significant challenge and greatest disappointment during F2008 has been the death of 47 colleagues – staff members and contractors – who lost their lives in 30 separate accidents on Gold Fields' mines during the year. The Board and management of Gold Fields extend their condolences to the families, friends and colleagues of the deceased and we will honour their memory by committing ourselves to making mining at Gold Fields safe.

To reaffirm Gold Fields' commitment to safety, I repeat the unqualified commitment which I made at the memorial service for the victims of the South Deep accident: "We will not mine if we cannot mine safely". Following this statement on 7 May 2008, I have initiated a number of projects which, together, will set Gold Fields on a new "high road to safety".

In the first instance, the revised Health and Safety plans which all of the South African operations prepared and implemented in the second quarter of F2008 were reviewed for potential improvements, and re-energised during the fourth quarter of F2008. The full implementation of these revised plans will further enhance the Group's health and safety performance. I have increased the frequency of Full Compliance audits on all mines to at least one full audit per year. Initially, however, these audits will be done quarterly or half-yearly until we achieve the required level of compliance.

As part of the re-energising of the Health and Safety plans, and immediately following my appointment as chief executive officer, I went on a road show to all operations in South Africa during which I addressed our work force, which comprises approximately 50,000 employees in total, at mass rallies, promoting the new health and safety culture and seeking buy-in from employees at all levels in the organisation.

In February 2008 the Group's operational bonus system was changed to provide for an equal weighting between production and safety performance. After my appointment this principle was extended to all executive incentive remuneration as well, with approximately 30 per cent of executive bonus payments now linked to health and safety performance, including that of the chief executive officer.

A comprehensive review of all pillar and remnant mining across all operations was undertaken. Extensive work was done to reassess design criteria used to assess pillars and remnant areas before a decision is made to mine these areas. As a result of this review, pillar mining at Driefontein and Kloof has been reduced by 25 and 50 per cent respectively. The full extent of these reductions has been reflected in the guidance provided for F2009 elsewhere in this report, and having completed the review, no further reductions are expected.

DuPont International was commissioned to conduct a comprehensive, wall to wall safety audit across all operations in the Group. This project commenced at the South African operations at the end of May 2008, and is scheduled for completion by the end of October 2008, after which it will be extended to the international operations. The audit covers all aspects of our health and safety management systems, strategies and plans, and also includes a perception study with a sample size of 30 per cent of all of our employees across all levels of the organisation.

Following the tragic accident at South Deep, and with the increased focus on safety, a comprehensive review of the status of all infrastructure across all operations in the Group was initiated. This review identified a number of infrastructure installations at the South African operations that required remediation to improve safety. While most of these repairs were of such a nature that they could be completed in the normal schedule of planned maintenance, three instances required a suspension or curtailment of normal production while repairs and remediation were carried out. An external consultant was appointed to audit the Infrastructure Review and we expect to finish this audit by the end of calendar 2008.

Overview

• At South Deep the 95 2 West and 3 West access ramps were in urgent need of additional support. This project is scheduled for completion by the end of the first quarter of F2009. Production is expected to return to more normal levels of approximately 50,000 ounces per quarter from the start of the second quarter of F2009.
• At Driefontein it became apparent that the chronic backlog in secondary support at the high grade one tertiary, four and five shafts, which has plagued this mine for several years, represented an unacceptable risk. While the backlog at four and five shafts could be made up without an interruption in production, the one tertiary shaft backlog could not be eliminated in the normal course of business. As a consequence all production has been stopped in this area while the remediation work is undertaken. This project will be completed by the end of the first quarter of F2009.
• At Kloof it was determined that the steelwork in the Main shaft was in urgent need of rehabilitation due to extensive corrosion. As a consequence it was decided to limit hoisting from the shaft to one day per week for the remainder of the year, so that the shaft can be repaired. Main shaft normally handles approximately 60 per cent of all production at Kloof. During the next five months Kloof will lose approximately 30 per cent of its gold production. This rehabilitation is expected to be completed by the end of December 2008, after which production should be restored to closer to historical levels.

While these interventions will result in short-term production sacrifices, I am comfortable that we made the right decisions to withdraw from these areas while we make the required repairs. The long-term benefits to employees and shareholders alike will significantly offset the short-term losses, particularly as Gold Fields intends to operate the Driefontein and Kloof shafts for at least the next 15 to 20 years and the South Deep access ramps for significantly longer than that.

RESULTS

The Group’s attributable gold production for the financial year ended June 2008 decreased by 8 per cent to 3.64 million ounces, from 3.97 million ounces for the prior year.

At the South African operations gold production decreased from 2.65 million ounces in F2007 to 2.42 million ounces in F2008. This was largely due to a number of safety related interruptions to production across all of our mines throughout the year, as well as the power disruptions late in January 2008, which brought the South African mines to a standstill for one week. As a consequence of these safety interruptions and the impact of the power disruptions, gold output from the South African mines was reduced by approximately 0.2 million ounces for the period under review. Driefontein and Kloof decreased by 9 per cent to 0.93 million ounces and 11 per cent to 0.82 million ounces respectively, mainly due to lower volumes mined. Gold production at Beatrix decreased by 19 per cent to 0.44 million ounces due to lower volumes mined combined with a low mine call factor (MCF). Part of this shortfall was offset by South Deep, control of which was acquired on 1 December 2006, which produced 0.23 million ounces in F2008 compared with 0.17 million ounces for the seven months ended June 2007.

At the international operations total managed gold production decreased from 1.58 million ounces in F2007 to 1.46 million ounces in F2008. In Ghana, Damang's gold production increased 3 per cent to 0.19 million ounces due to an increase of available high grade fresh ore tonnages mined and processed from the Damang pit cutback. Tarkwa was 7 per cent lower at 0.65 million ounces mainly due to exceptionally high seasonal rainfall during the year and lower grades. In Australia, St Ives decreased by about 14 per cent year on year to 0.42 million ounces. The decrease at St Ives was due to a reduction of high grade underground ore from Conqueror, closed at the end of F2007, and scheduled replacement ore from Cave Rocks and Belleisle not coming into production during the year as planned. At Agnew, the decrease of 4 per cent to 0.20 million ounces was due to lower grades at Waroonga's, Kim South and Main Lode.

Revenue increased by 18 per cent in rand terms (17 per cent in US dollar terms) from R19,434 million (US$2,699 million) to R23,010 million (US$3,165 million). The higher average gold price of R190,623 per kilogram (US$816 per ounce), compared with R147,595 per kilogram (US$638 per ounce) achieved in financial 2007, more than offset the lower production. Exchange rates had little effect on the gold price in rand terms as the rand/dollar exchange rate remained flat.

During F2008 the sustained demand for natural resources, in particular from growing economies such as India and China, and the resulting boom in mining activity for all commodities, continued to feed inflationary pressures across all mining jurisdictions globally, with little relief in sight. This general inflationary environment is unprecedented, with raw material price increases reaching an all time high. In South Africa certain steel products saw almost a doubling in cost while major cost increases were also seen in areas such as timber support, cyanide, fuel, copper cables and mill liner spares. At our international operations the greatest inflationary pressures were felt in areas such as fuels, grinding balls, explosives, cyanide, lime and repair and maintenance contracts. In addition, a common theme worldwide has been above inflation increases in labour costs as competition for scarce skills intensified, as well as increased demand for power which has led to power shortages and increased generation costs in virtually all jurisdictions, but especially in Ghana and South Africa.

Against this background, operating costs, including gold-in-process movements, increased from R11,694 million (US$1,624 million) in F2007 to R13,969 million (US$1,922 million) in F2008, an increase of R2,275 million (US$298 million) or 19 per cent. This increase was partly due to the acquisition of South Deep which was owned for the full year compared with only seven months during F2007, adding an additional R530 million (US$74 million) to costs. The year on year increase in costs, excluding South Deep, amounted to 15 per cent, with the majority of this due to the inflationary pressures described above. Costs were also impacted by the increase in volumes mined required to partially offset the decline in values mined, as recovered yields on average decreased from a combined average of 2.6 grams per ton to 2.4 grams per ton year on year for the Group.

CONTINUED

Total cash costs for the Group increased from R86,623 per kilogram (US$374 per ounce) in F2007 to R111,315 per kilogram (US$476 per ounce) in F2008.

However, Gold Fields is not only focusing on total cash costs but also on Notional Cash Expenditure (NCE) per ounce. NCE is defined as operating costs plus capital expenditure and is reported on a per kilogram and per ounce basis. The objective is to provide the all-in costs for the Group and for each operation before greenfields exploration expenditure. The NCE per ounce is an important measure as it determines how much free cash flow is generated before taxation and greenfields exploration, which in turn addresses the demand of the investing community to generate real returns, rather than merely increasing resources, reserves and production that does not necessarily create value.

One of Gold Fields' key objectives is to reduce its NCE per ounce and increase its free cash flow. The NCE for the Group for F2008 amounted to R186,088 per kilogram (US$796 per ounce) compared with R135,379 per kilogram (US$585 per ounce) for F2007. These figures include all capital expenditure for growth projects and were high because of peak investment in growth projects. During F2007, US$76 per ounce of the NCE of US$585 per ounce was spent on new growth projects. During F2008 new growth projects accounted for US$165 of the NCE of US$796 per ounce.

Net operating profit increased from R4,777 million (US$663 million) in F2007 to R6,015 million (US$827 million) in F2008, with the Group benefiting from the higher gold price in all currencies.

After accounting for taxation, sundry costs, exceptional items which included the sale of Essakane and Choco 10, and restructuring costs at South Deep, net earnings were R4,458 million (US$613 million) for F2008, compared with R2,363 million (US$328 million) in the prior year. Earnings excluding gains and losses on foreign exchange, financial instruments, exceptional items and discontinued operations amounted to R2,930 million (US$403 million) in F2008 compared with R2,298 million (US$319 million) in F2007.

STRATEGY

Over the past six years Gold Fields has developed a simple yet effective strategy premised on the three basic pillars of:

- Operational excellence;
- Growing Gold Fields; and
- Securing the future.

Shortly after I assumed the role of chief executive officer, the Group executive committee and the Board engaged in a process to determine if this strategy remained valid. The conclusion was that, while the broad strategy remained robust and appropriate, a number of strategic adjustments had to be made.

- The first and most fundamental of these adjustments was the step change in our approach to safety, described in the Health and Safety section above.
- The second adjustment relates to our approach to cost

management and the introduction of NCE as a new metric to drive free cash flow in the Group, as described above. The completion of our growth projects would increase our production profile, improve our cash costs on a Group basis and, together with the consequent lower capital expenditure, reduce our NCE per ounce.

- The third adjustment relates to the Gold Fields franchise of "a few, large, high quality, long life assets", and our criteria for the selection of growth projects to maintain this franchise. Previously our growth strategy was driven by the "Rule of Fives" – five million ounce deposits with potential for annual production of 500,000 ounces. During the strategic review it was concluded that the shortage of new five million ounce deposits, would make sustained growth virtually unattainable, as very few such deposits are discovered despite combined annual exploration expenditure of more than US$4 billion by the industry. As a consequence it was decided that, while we would continue to aspire to the "Rule of Fives", we would lower the hurdle for new projects to the "Rule of Two's" as described in the Exploration and Business Development section on page 13 and 14. Allied to this we would be prepared to consider projects with a higher risk profile, in return for superior returns, which in turn could translate into a larger portfolio of mines, as well as multi-commodity targets such as additional copper-gold porphyries and gold-silver type deposits, capable of relatively low cost operations.
- Gold Fields will, however, remain predominantly a gold company but would be prepared to consider other metals, provided they are mined in conjunction with gold. Only under exceptional circumstances would Gold Fields consider mining other metals with no contained gold.

In support of these adjustments, and in order to facilitate the release of value implied by the underperformance of Gold Fields' share price during the past year, referred to in the Introduction on page 9, we have put in place a short- and medium-term target for the Group.

Short-term target

Gold Fields aims, during the third quarter of F2009, to again be a four million ounce producer on an annualised basis, at a NCE of approximately US$725 per ounce of gold produced, provided, of course, that our current assumptions on inflation hold true. This is expected to be achieved, within this timeframe, through the completion and ramp-up to full production of the Cerro Corona gold mine in Peru, the CIL plant expansion at Tarkwa, the commissioning of the new Belleisle and Cave Rocks underground mines at St Ives in Australia, as well as the completion of the rehabilitation projects at Driefontein, Kloof and South Deep, and the subsequent ramp-up of production in South Africa back to an annualised rate of approximately 2.3 million ounces.

Although Cerro Corona experienced a series of delays during its four year construction, the first rock was milled in July 2008 and concentrate shipments are scheduled to commence in September 2008. Steady state managed production at an annualised rate of 375,000 ounces, at a NCE of approximately US$587 per ounce, is expected to be achieved during the third quarter of F2009. Over the life of the mine, NCE per ounce is expected to be below US$400 per ounce in today's money. The Tarkwa CIL plant expansion will increase mill throughput capacity from 450,000 tons per month to one million tons per month, and divert material that would previously have gone to the heap leach pads, to the plant. This will raise recoveries from approximately 70 to 95 per cent and increase managed production at Tarkwa by approximately 80,000 ounces per annum to approximately 750,000 ounces per annum. It needs to be borne in mind that over the past year, Cerro Corona and Tarkwa consumed capital expenditure of US$438 million. At St Ives the new Cave Rocks and Belleisle underground mines are scheduled to reach full production by the end of 2008, adding approximately 60,000 ounces to Group production on an annual basis.

Medium-term target

The medium-term target is, within a three to four year period, to reorganise, diversify and grow Gold Fields into a truly global gold producer, with approximately one million ounces of gold equivalent production, either in or close to production, from each of the South American, West African and Australasian Regions, and approximately 2.3 million ounces from the South African Region.

Overview

This new medium-term target replaces our 2003 objective of adding an additional 1.5 million ounces of international gold production per annum by 2009. Although approximately half of that target has been achieved, the deeper issue remains that certain investors continue to view Gold Fields predominantly as a South Africa-centric company, with a few international mines added on rather than as a truly global company. In order to be recognised as a globally diversified company, and to attract the superior ratings generally afforded such companies, Gold Fields has begun the process of restructuring the Group into four largely autonomous regions – South Africa, West Africa, South America and Australasia. Each of these regions will be led by a strong, entrepreneurial, and appropriately resourced and incentivised management team, tasked with running the mines safely and efficiently, as well as driving and being significantly involved in the growth of the business within each of the regions. The current corporate office will reduce in scope and size to serve as a 'brains trust', focused on Group strategy, the allocation of capital, and strategic guidance to the regions. The corporate office will be reduced by redeploying resources to the regions rather than through large-scale retrenchments.

In addition, with Cerro Corona we have entered the copper business. While our focus will always remain predominantly gold, we will also seek multi-commodity targets such as copper-gold porphyries and gold-silver type deposits, capable of low cost operations.

We will also seek to realise value from other minerals within our portfolio, such as the nickel resources at the St Ives gold mine in Australia and the uranium resources at our mines in South Africa, all of which can be brought to account for the benefit of shareholders.

It is estimated that we have in excess of 50 million pounds of uranium and approximately four million ounces of gold contained in historical tailings dams across Driefontein, Kloof and South Deep mines on the West Rand in South Africa. In addition, at Driefontein alone, we have in excess of 14 million pounds of uranium contained in tailings from current and future mining horizons. Work to determine how best to unlock the value inherent in this resource is at an advanced stage, and we will be in a position to make a decision on how best to unlock this value for the benefit of our shareholders during the second half of F2009.

COST MANAGEMENT

As mentioned in the results section on page 10, during F2008 the sustained demand for natural resources, in particular from growing economies such as India and China, and the resulting boom in mining activity for all commodities continued to feed inflationary pressures across all mining jurisdictions globally. There is little relief in sight. While the re-emergence of inflation worldwide is likely to have some impact on general consumption, consumer demand from the major developing economies of the world is likely to sustain this upward pressure on commodity prices and, consequently, on mining input costs. The Industry will continue to be affected by inflationary cost impacts on mining services and skills, while consumables such as cyanide, cement, timber and steel will continue to be in tight supply. To mitigate these cost pressures, Gold Fields has, since 2003, implemented a number of cost savings projects such as Project 100 and Project 100+, which consist of a large number of discrete projects focused on the elimination of inefficiencies and inward investments in cost reduction, as well as the Project Beyond Integrated Strategic Sourcing and Procurement Project. Combined total cost savings and cost avoidance delivery from these interventions during F2008 amounted to R152 million. Going forward, Group savings initiatives will focus particularly on improved product quality, product substitution, and consumption optimisation through a global procurement strategy, while maintaining the momentum of the Project 100+ interventions across all operations.

SOUTH AFRICAN ROYALTY BILL

The Mineral and Petroleum Resources Royalty Bill was introduced into Parliament by the Minister of Finance on 26 June 2008. National Treasury released an exploratory memorandum relating to the Bill on 20 August 2008 for final comment. The Bill takes into account numerous comments and workshops held between the industry and National Treasury, resulting in significant changes. The previous formula has been amended to take into account the capital intensive nature of certain mining operations, especially in the gold, oil and gas sectors. This resulted in the formula being changed from a previous EBITDA to EBIT (with 100 per cent capital expenditure taken into account in the calculation of EBIT). A cap of 5 per cent has also been introduced for refined minerals (gold and platinum) with a surcharge add-on in the formula of 0.5 per cent. The royalty percentage determined is applied to gross revenue for the gold sector. Based on the proposed formula the rate for Gold Fields, if applied to the results for F2008, would have been in the region of 2 per cent of revenue. The Bill comes into effect on 1 May 2009.

SUSTAINABLE DEVELOPMENT

During the year under review we significantly enhanced our efforts aimed at maintaining our social licence to operate by consolidating all of our sustainable development activities into one over-arching sustainable development framework for the Group. This framework reflects our commitment to the broad concept of sustainable development as it applies to a modern, global mining company, and incorporates all of the principles for sustainable development as espoused by the International Council on Mining and Metals and the Global Compact, of both of which Gold Fields is a member.

Some of the Group’s achievements for the year include the maintenance of our certifications in respect of our environmental and health and safety management systems; certification to the International Cyanide Management Code at our Tarkwa and Damang operations in Ghana; and receiving awards for our contributions to environmental education in South Africa. In addition we increased our contributions to socio-economic development in Ghana, and made substantial contributions to local economies through our procurement practices, including an increase in procurement spend with HDSA companies in South Africa, from approximately

R1.4 billion in F2007 to R1.8 billion in F2008. In Peru, the significant and sustained investment in and engagement with local stakeholders allowed us to bring the Cerro Corona project through the initial approval and ultimately, the construction phase, with the involvement and support of our stakeholders. They assisted us in integrating sustainable development considerations into the decision making process throughout.

CONTINUED

During the coming year we intend to further improve our performance in this important facet of our business. For more information on our sustainable development performance, please refer to the sustainable development section of this report, which has been tailored to support our commitment to the sustainable development principles of the International Council on Mining and Metals and the Global Compact.

CORPORATE DEVELOPMENT AND PROJECTS

Following the completion of the bankable feasibility study and a review of the geological model for the Essakane project in Burkina Faso, West Africa, Gold Fields determined that the project did not meet its investment criteria. Consequently Gold Fields sold its 60 per cent stake in the project to its joint venture partner in the project, Orezone Resources Inc., for US$150 million in cash and shares amounting to 12.2 per cent of Orezone's issued share capital.

Similarly, in December 2007, Gold Fields sold all its Venezuelan assets, including the Choco 10 mine, to Rusoro Mining Limited for a consideration of US$180 million in cash and shares amounting to approximately 37 per cent of Rusoro's outstanding share capital.

EXPLORATION AND BUSINESS DEVELOPMENT

During F2008, the Group spent US$51 million on near mine or brownfields exploration and US$45 million on greenfields exploration – a total exploration spend of US$96 million.

During the year, the sale of Essakane and the Venezuelan assets, as well as the progress of Cerro Corona to an operational phase, has temporarily cleared our pipeline of advanced stage projects. As a result, and in support of the refined growth strategy discussed in the strategy section above, the exploration effort was refocused to achieve a quicker turnover of projects along the project pipeline. We will achieve this through a redeployment of exploration capacity and increased drilling expenditure focused on fewer, more prospective locations with established potential in a limited number of gold and mineral provinces. Specifically in support of the regionalisation strategy discussed in the Strategy section above, there will be an expanded focus on near mine exploration around our existing operations where significant potential remains.

In addition the project hurdle was reduced to the "Rule of Two's", meaning projects with two million ounces of gold-equivalent reserves in sight, and capable of delivering 200,000 ounces of gold-equivalent production per annum, as well as multi-commodity targets such as copper-gold porphyries capable of low cost operations. Although this might mean the addition of smaller projects by size, the focus will always be on quality so that new projects improve the quality of the portfolio by providing higher margins and improved returns.

There is a shortage of new discoveries and quality projects worldwide – particularly in the mature gold districts. Therefore the Group will pursue a strategy which will see it entering areas of potentially higher political risk, but with significantly higher potential for discovery and returns. The Group will seek to contain its exposure to these areas by entering into joint ventures with, or through equity holdings in, junior partners, as well as balancing the portfolio with projects in more established locations.

Greenfields exploration

At the 80 per cent owned Kisenge project in the south of the Democratic Republic of the Congo (DRC), Gold Fields has completed drilling programmes at the Kajimba, Mpokoto, Lugenda, Weji and Katombe targets. At Kajimba and Mpokoto drilling has outlined a large 10 kilometre by 10 kilometre target area of broad low grade gold mineralisation where follow-up drilling will be undertaken to delineate the extent of possible economic mineralisation. Aeromag, reconnaissance stream sediment and soil sampling surveys were completed over the entire exploration licence area, highlighting numerous additional targets for follow-up and drilling during F2009. The Kisenge Mining Convention, like others in the DRC, is subject to the country-wide review by the Ministry of Mines. Our joint venture partners have responded to all questions raised in a Notification Letter received in February 2008 and are awaiting feedback from the authorities.

In Kyrgyzstan, 5,840 metres of drilling was completed at the Talas project. Drilling has outlined a large, low grade gold-rich porphyry system. Over 90 kilometres of induced polarisation geophysics was completed on various targets during the year, which demonstrates the possible extension of the mineralised system under shallow cover. Gold Fields completed a further C$5 million placement in Lero Gold, now Orsu Metals Corporation (TSX: “OSU” and AIM: “OSU”), bringing its stake in Orsu to approximately 2.5 per cent, and can exercise its option to earn up to a 70 per cent interest in the project by providing funding of up to C$20 million.

In Northeast Queensland in Australia, Gold Fields entered into the Mt Carlton regional joint venture agreement with Conquest Mining Limited (ASX: “CQT”) which gives Gold Fields the opportunity to earn into a 51 per cent stake in eight exploration tenements surrounding Conquest’s Silver Hill discovery. Geophysical and geochemical surveys were completed across most of the tenements, highlighting numerous targets for drill follow-up during F2009. Initial results for the Powerline Target have been encouraging and a follow-up drilling programme is underway. During the year Gold Fields increased its holding to 19.1 per cent equity interest in Conquest Mining.

During F2008 Gold Fields completed a placement in Sino Gold Limited (ASX: “SGX”) which increased Gold Fields’ ownership to 19.9 per cent. Gold Fields and Sino Gold also agreed to reduce the project entry hurdle in its China-wide exploration alliance to three million ounce targets, down from five million ounces, substantially broadening the scope of the alliance. The alliance has begun negotiating various prospects of which the Bengge joint venture, focused on a copper-gold porphyry in the Yunan province, is the most advanced.

At the Sankarani joint venture project in Mali, operated by partner Glencar Mining plc (AIM: “GEX”), litho-geochemical sampling and airborne surveys have been completed over the three exploration licences with encouraging results. With the completion of this programme, Gold Fields has earned a 51 per cent interest in the joint venture.

In addition, Gold Fields continues its work on eight other greenfields projects, including the Delamarian project in South Australia, the Dominican Republic joint venture with GoldQuest Mining Corp (TSX-V: “GQC”) and various joint ventures in New South Wales with Clancy Exploration Limited (ASX:”CLY”), where aircore and diamond drilling continues to deliver promising results.

Brownfields and near mine exploration

In Australia, drilling at St Ives continues to delineate the very significant resource potential of the site. A number of exciting new discoveries, including Athena-Hamlet, were made this year and will hopefully be brought into resources over the coming years. However, conversion to reserves remains a challenge due to an onerous royalty burden and high costs in the Australian mining environment.

At Agnew, a highly prospective two million ounce underground resource position is emerging at the Waroonga Complex and the Group is planning a phased increase in drilling at the site. There is significant potential to increase resources and reserves at this site due to its high grade character.

Overview

In South America, at the Consolidada de Hualgayoc joint venture with Compania de Minas Buenaventura SA (NYSE: “BVN”), a number of targets have been drilled with encouraging results. Helped by our growing understanding of the Cerro Corona deposit, the collating of regional data sets under this project for the first time allows a more holistic assessment of the potential of this historical mining district.
In Ghana, in the Tarkwa-Damang vicinity, work continues on expanding and delineating the resource potential of the area. An increased focus on near mine exploration will be maintained during F2009 with the Abosso Deeps feasibility study expected to be completed by mid 2009.

MANAGEMENT CHANGES

F2008 saw the end of an era when Ian Cockerill left Gold Fields after nine years with the Group, the last six of which he served with distinction as chief executive officer. During his tenure Ian very firmly established Gold Fields as an independent, global gold producer, growing our operational footprint in South Africa, West Africa and South America. He left many friends behind and is remembered, amongst others, for his decisive and inspirational leadership. I took over from Ian as chief executive officer on 1 May 2008.
F2008 also saw a number of other senior executive changes. John Munro, who was head of corporate development, left at the end of April to pursue a private business opportunity. Terence Goodlace, who was appointed as chief operating officer simultaneous with my appointment as chief executive officer, regrettably had to resign for very personal reasons at the end of July, after having been in his new position for only three months. He will leave Gold Fields at the end of September 2008. Both John and Terence were career men at Gold Fields, each having served more than 20 years in the Group. Both joined Gold Fields Limited at its inception in 1998 from its predecessor companies, and have since then served in a variety of senior management and executive positions. John and Terence both made an indelible impression on Gold Fields and have helped to shape it into the company that it is today.
While the departure of three highly valued senior executives within a relatively short space of time is a setback, it does offer the organisation a valuable opportunity for renewal and growth. Under Ian’s leadership Gold Fields prided itself on its bench-strength and he carefully nurtured the depth of leadership within the organisation. As a consequence we were able to fill all of the executive vacancies with strong internal candidates.
Jimmy Dowsley, who was previously responsible for new business, took on the additional role of corporate development from John, while I assumed direct responsibility for corporate strategy.
In addition, and in line with our new regionalisation strategy described on page 11, we have decided not to retain the position of chief operating officer, but to let the respective heads of the South African and international operations report directly to the chief executive officer. As a result, Vishnu Pillay, who headed up the South African operations, and Glenn Baldwin, who headed up the Ghanaian and

Australian operations, both previously reporting to Terence, are now responsible for the South African and international operations respectively, reporting directly to me. A near-term critical success factor for this new regionalisation strategy is to staff both the South African and the international operating groups with the appropriate senior executive skills to support Vishnu and Glenn in their new roles.

THE GOLD MARKET

At Gold Fields we are firmly of the opinion that the fundamentals that have underpinned the gold market for the past number of years, remain firmly in place. In particular, global new mine supply continues to decline year on year despite the raft of "new projects" continuously presented by producers to the market, while demand for jewellery fabrication continues to absorb all mine supply. Global gold reserves, which continue to decline by approximately 70 million ounces per year, are depleted at a rate that outstrips new discoveries by an order of magnitude, contributing to the growing scarcity of the metal. Added to this are the well-known woes of the declining US dollar, widespread socio-political instability across the globe, continued de-hedging by producers, global inflationary pressures, and a seemingly insatiable demand for gold from countries such as Vietnam, China and India. However, one of the most significant underpins to the price of gold, we believe, is the real all in cost of producing an ounce of gold, or NCE per ounce of gold, which we estimate to be in the order of approximately US$800 per ounce. We are of the opinion that this provides a natural long-term floor for the price of gold. While one can be almost certain that gold would from time to time test this level on the downside, it would almost inevitably move higher over the longer term.

DIVIDEND

During the year under review Gold Fields continued its long tradition of paying dividends, maintaining its position as one of the highest dividend payers in the industry. Due to the uncertainty regarding electricity supply for the South African operations, the Board decided, notwithstanding the company's dividend policy, to delay the declaration of an interim dividend. Once the power situation had stabilised, an interim dividend of 65 cents per share was declared payable on 2 June 2008. A final dividend of R1.20 per share for the full year was declared payable on 25 August 2008.

CONCLUSION

At the end of a particularly challenging year I would like to thank all of the employees of Gold Fields and their families for their support and, in particular, for their dedication to Gold Fields despite very challenging and trying times experienced during the past year. I am equally grateful to the many and diverse stakeholders of Gold Fields who have welcomed me into my new position and have offered their support and understanding.

I thank the chairman and the Board of Directors for having afforded me the opportunity to lead Gold Fields through arguably the most challenging yet exciting times in its history.

I am confident that, with the support of all the people with an interest in Gold Fields, F2009 will be the beginning of a new era for us all.

Nicholas Holland
Chief executive officer

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bjectives
Achieved
Comment
To mine safely
Not achieved on all mines. During the year, the Group suffered 47 fatalities. Gold Fields' South African operations continued to improve its overall safety performance with a reduction of the lost day injury frequency rate (LTIFR) to 7.8 for F2008 (10.7 F2007). Agnew achieved an LTI-free year while Kloof, Driefontein and Beatrix all achieved 1 million fatality free shifts, demonstrating that safe working can be achieved in deep level gold mines.
Each operation was required to submit new health and safety plans to serve as the foundation for a more holistic approach to workplace safety that includes employee well-being, and long-term improvements in the conformance levels to the Full Compliance Programme, and the review of the risk rating of each work area.
Over 28,000 staff received additional training in various safety programmes. Mining of certain shaft pillars has been discontinued until it can be done safely. The incentive bonus system was restructured to create a balance between production and safety performance in the bonus calculation.
To advance Tarkwa, St Ives and Cerro Corona capital projects to allow ramp up to planned full production in the F2009
While the Tarkwa mill expansion project remains on track, weather and scarcity of competent rock material for construction purposes delayed the Cerro Corona project. Water intersections and difficult working conditions delayed the commissioning of Belleisle at St Ives.
Tarkwa is on track for annualised production of 750,000 ounces per annum by calendar year end 2008. The first concentrate from Cerro Corona is scheduled to be shipped during the first quarter of F2009. St Ives' two new underground operations – Cave Rocks and Belleisle – scheduled to reach full production during Q2 F2009.
To increase the development rates of the South African operations

Development rates at the South African operations continued to improve during the year, adding to mining flexibility.

For F2009 R1,349 million is forecast to be spent on increasing ore reserve development at all South African operations.

To develop and implement further strategies to attract and retain skilled labour

Retention of critical specialist skills is being addressed through focused career information to existing employees, increased mentoring and active individual development plans for targeted categories, increased development opportunities for all skilled employees, and remuneration standardisation for job categories rather than job grades. This has led to the Group paying in the upper 75th percentile of marketplace rates for scarcer skills. In addition, the Group is revisiting the employee value proposition through investment in housing and employee sports facilities.

Group education and training infrastructure is centralised within Gold Fields Business Leadership Academy (GFBLA) which has not only worked successfully to address many of the Group's training needs but is, on a commercial base, contributing significantly to the national skills base in a way that should reduce poaching pressures on the Group in key technical line functions. This approach has also allowed us to realise better economies of scale in the various training initiatives of GFBLA. At the same time GFBLA staff continue to engage with all stakeholders and regulators to ensure that the training curriculum becomes ever more relevant while its outreach programmes into schools also seek to increase awareness of the mining career opportunities among communities previously not exposed to mining. Such outreach programmes to universities and business schools, as well as partnering with agencies and headhunters, assist in securing a pipeline of skills.

To contain costs in line with inflation

Notional cash expenditure (NCE) for the Group increased from US$585 per ounce for F2007 to US$796 for F2008 as a result of reduced production, increased capital expenditure on growth projects and above-inflation price increases for key inputs such as skilled labour,

steel, cyanide and fuel.
The sustained demand for natural resources and energy of all kinds has created real scarcity, driving double-digit inflation for key inputs such as fuel, steel, timber and cyanide. Group strategic sourcing and integrated supply chain initiatives continue to limit the inflationary impact in areas such as cost steel sections and crusher feed. Projects such as the Tarkwa tyre-retread JV continue to be explored to generate commercial opportunities that complement cost containment.
Overview

SAFETY, HEALTH, ENVIRONMENT AND COMMUNITIES

The year under review saw Gold Fields' operations continue to improve their overall safety performance with reductions in many of the key metrics, but fatalities remain a key concern for us. The F2008 lost time injury frequency rate (LTIFR), the days lost injury frequency rate (DLFR) and the serious injury frequency rates (SIFR) were at all time lows of 7.57 per million hours worked (F2007: 10.47), 260 per million hours worked (F2007: 322) and 4.0 per million hours worked (F2007: 5.5) respectively. However, during the year under review, Gold Fields lost 47 colleagues in 30 fatal accidents. It is a matter of concern that in six fatal accidents 22 people lost their lives and this cannot and will not continue. The worst of these incidents was the South Deep tragedy on 1 May 2008 where nine colleagues lost their lives when the conveyance in which they were travelling plunged 60 metres to the bottom of a raise hole. It is also disappointing to report three fatalities in two accidents at Tarkwa and one fatality at Cerro Corona during the year. During F2008 the Group's overall Fatal Injury Frequency Rate (FIFR) increased to 0.29 per million hours worked (F2007: 0.19).

On behalf of everyone at Gold Fields I wish to add my sincere condolences to the families and friends of those who have died. We will and must honour their memory by committing ourselves to mining safely, or not at all.

On the positive side, the Australian operations continue to deliver exceptional safety performances with, specifically, Agnew not having had a single lost time injury during the year. The Damang mine in Ghana has also improved its safety performance and did not have a single lost time injury during the second half of F2008. At the South African operations it was also pleasing to see safety programmes realise their goals, with a million fatality free shifts at each of Kloof 7 shaft, the Beatrix West section, the Driefontein complex and the Kloof complex. This demonstrates that safe working can be achieved in deep level gold mines and we recognise that there are some exceptional people in the Group who are totally committed to high levels of safety performance.

During F2008 each mine in South Africa was required to completely revisit health and safety plans and lay the groundwork for a more holistic approach to workplace health and safety. This includes employee well-being, long-term improvements in conformance with the Full Compliance Programme and greater clarity among staff about behaviour and conditions that will under no circumstances be tolerated. Part of this exercise included the re-training of over 28,000 South African staff in various safety programmes and a review of the risk ratings in work areas. The latter, for example, has led to the decision, primarily at Driefontein and Kloof, to discontinue the mining of "higher risk" pillars until such time as this can be done safely. One key change made in F2008 was the equalising of production and safety performance in incentive calculations and the introduction of leading safety indicators for supervisors and managers. Going forward, bonus calculations for all operational staff will be based in equal measure on production and safety performance.

As a result of peer national safety performance during the first quarter of F2008, the South African Government announced an industry-wide mine safety audit – also called the Presidential Audit initiative – which commenced in late 2007. Gold Fields operations had been audited by the end of F2008, and the Group awaits the publication of the results for itself and all audited peer operations. Any lessons learnt or opportunities to improve will be considered and implemented.

Gold Fields continues to work towards the targets of the Mine Health and Safety Council (MHSC) set by the industry in conjunction with the Department of Minerals and Energy in South Africa. These targets are aimed at reducing, over time, workplace exposure to noise and dust and the compensation claims that could result from such exposure.

All operations, other than South Deep and Cerro Corona, continue to improve environmental performance and they have maintained their ISO 14001 certifications. South Deep and Cerro Corona are making progress towards implementing environmental systems that can be certified in F2009. Considerable progress has also been made

Safe production is the only way forward.

Terence Goodlace

Chief Operating Officer

towards achieving International Cyanide Code certification.
The Ghanaian operations were certified during the year and all other operations will be audited for certification during F2009.
During April 2008 some 2,000 illegal miners invaded the Rex project area on the Damang lease area. After numerous meetings and consultations it is pleasing to report that the situation has largely been resolved and we can continue mining at Rex. In South Africa there is a continued focus on meeting the requirements of the Social and Labour plans.

OPERATIONAL PERFORMANCE

F2008 proved a challenging time to bed down our recent acquisitions to ensure that the faith displayed by our shareholders in the company's long-term goals continues to be justified. Partly due to disruptions at the South African operations caused by the Eskom power crisis, the Group's overall gold production declined eight per cent to 120,707 kilograms (3.88 million ounces). Operating margins decreased to 39 per cent from 40 per cent and operating profits rose to R9,041 million with earnings robust at R4,458 million.
The South African operations' overall gold production decreased by nine per cent from 82,302 kilograms (2.65 million ounces) for F2007 to 75,243 kilograms (2.42 million ounces). Revenues increased from R12,154 million to R14,264 million on the back of the increased gold price of R189,572 per kilogram. Total cash costs rose from R86,908 per kilogram (US$375 per ounce) to R109,117 per kilogram (US$467 per ounce), mainly due to the disruptions created by the power crisis, rising input prices and remuneration costs. The Notional Cash Expenditure (NCE) per ounce for the period amounted to R157,972 per kilogram (US$676 per ounce) with comparative figures for F2007 being R120,837 per kilogram (US$522 per ounce). The operating margin for the South African operations improved marginally to 39 per cent. Operating profit increased to R5,563 million (US$778 million) from R4,663 million (US$648 million).
Despite the higher gold price, the South African operations experienced a difficult production year due to the power disruptions and safety related stoppages.
Gold production at Driefontein declined to 28,865 kilograms (928,000 ounces) on the back of work stoppages associated with safety incidents and the inability of the mine to utilise full infrastructure capacity due to the power crisis. Although the stopping of the lower grade 6 and 7 shafts due to power constraints resulted in an improved underground yield, which was matched by an improved surface yield, greater reliance on surface tonnage was insufficient to offset underground production losses. Development levels were also constrained by power disruptions and seismicity. Importantly, a decision was made to mothball the 9 shaft complex until such time as there is certainty around future power supplies and mining methods below 3,500 metres.
Kloof gold production declined to 25,533 kilograms (821,000 ounces) as the mine was constrained by a lack of flexibility, power

disruptions, the depletion of certain high-grade areas and the review of pillar mining which resulted in reduced pillar mining activity and hence underground volumes. A key issue highlighted at the year end results for F2008 was the need to replace shaft steelwork at the Main shaft. This work will be undertaken during the first half of F2009 and will reduce gold production by some 30 per cent during this time.

Beatrix gold production decreased to 13,625 kilograms (438,000 ounces) mainly on the back of reduced volumes from the relatively higher grade 4 shaft and a decline in the mine call factor to 83 per cent. Despite disruptions due to power issues In January 2008 and labour issues at 4 shaft in late 2007, on reef development levels improved during F2008, positioning the mine favourably to build up its access to high grade areas at 3 and 4 shafts.

At South Deep the depletion of the VCR resource was completed which necessitated work force restructuring of some 1,800 employees. The mine produced 7,220 kilograms (232,000 ounces) for the year. In addition, a decision was made to re-support the primary ramp feeding the 95-2 West and 3 West mining areas during the fourth quarter of the fiscal year and this affected gold production. This mine’s unique geology, with wider ore zones presented by the Elsberg reef packages creates the opportunity to create a fully modern and mechanised operation to exploit the considerable 80 million ounce resource base. During the year the “Uncle Harry’s” ground to the east of the current mining area was secured. Gold Fields acquired 74 per cent of the 16.2 million ounces inferred resource for R400 million. This ground can be accessed via the twin shaft system. Going forward, F2009 will continue to see a focus on the development below 95 level, specifically the completion of primary and ancillary infrastructure, ore reserve development, an extended ventilation shaft and improved ventilation and refrigeration. In addition an extensive surface and underground drilling programme was initiated to improve geological information.

The international operations contributed R45,464 million kilograms (1.46 million ounces) of gold to total production, down 8 per cent from F2007. This was mainly due to high rainfall and lower mining fleet productivities in Ghana and lower production from the St Ives mine where the build-up from new open pits and underground mines was lower than planned. The higher average received gold price of US$823 per ounce (F2007: US$638 per ounce) resulted in revenues of US$1,203 million (F2007 US$1,011 million). On an attributable basis the international operations produced 1,219 million ounces at an average total cash cost of US$492 per ounce (F2007: US$377 per ounce). The NCE per ounce for the period amounted to US$757 per ounce with comparative figures for F2007 being US$542 per ounce. Operating profit increased to US$466 million (US$427 million) on the back of a higher gold price.

Despite high rainfall, the Tarkwa mill expansion, for an ultimate 12 million tons per annum, and the North heap leach pad expansion progressed satisfactorily during the year under review and both projects are planned for completion by December 2008. Mining and processing operations were curtailed early in the year by high rainfall and mining fleet productivities were affected by radial tyre shortages. The tyre retreading facility was commissioned during the year and this should go some way to extending the lives of radial heavy duty tyres and have a positive impact on fleet productivities. Once the mill and heap leach pad expansion have been completed increased volumes and recoveries will lead to gold production of some 750,000 ounces per annum.

At Damang the Damang Pit Cutback (DPCB) is nearing completion and this will place the mine in a better position to increase the supply of high-grade fresh ore to the plant, where recoveries are improving due to the installation of a 7th leach tank and an additional gravity circuit during F2008. A slip on the eastern haul ramp in the DPCB did disrupt mining during the third quarter of the year but this has since been rectified. The key to Damang's future lies in near-mine exploration for which additional resources are being made available.

St Ives sustained production through a series of open pit sources along with the Argo underground mine. Progress was made in developing two new underground operations (Cave Rocks and Belleisle) and the Leviathan open pit. All three of these operations were in production by financial year end. Previous investment in an agglomeration drum for the heap leach continues to show positive results. Exploration activity is and will continue to be advanced at some A$20 million in this highly prospective gold belt.

At Agnew the depletion of the Songvang open pit and its stockpile material will shift the focus to optimising existing resources, especially in the 2 million ounce resource Waroonga complex which contains the Kim, Kim South, Main, Rajah and 450 South Lodes. Encouraging production increases were recorded from underground

Overview

and the Kim Lode continued to over deliver in terms of volumes and grades.

At the new Cerro Corona copper-gold open pit mine in northern Peru, rain and complications in the generation and placement of construction materials for the tailings management facility embankment affected the project timeline. By year end ore stockpiling and plant commissioning had commenced and the first concentrate is scheduled to be shipped during the first quarter of F2009. Total project spend at the mine came in at around US$550 million, which was more than planned and was the direct result of time delays, capital cost inflation and underestimation of material and costs used in the construction of the tailings management facility. As Cerro Corona transitions from permitting and construction activities to the operational phase, a plan to manage expectations around the contraction of the construction work force is being implemented. This will ensure that local suppliers are, through training and technical support, empowered to continue their business relationships with Cerro Corona into the operational phase. A second tailings management facility, called the Las Aguilas dam, has been approved for construction during F2009 and allows for progression of this low cost, low strip ratio copper-gold mine as a strategic foothold in a proven gold province.

OPERATIONAL EXCELLENCE AND COSTS

Despite a sustainable high gold price, the performance of our assets remains constrained by varying grades, increasing input costs, sub-optimal productivities, staff attrition and the scarcity of skills. The Group has a resource base of 250.6 million ounces and a reserve base of 82.8 million ounces and this will continue to be leveraged. Our response to these challenges is to manage the aspects under our control by addressing productivity issues in all mining environments. All operations are implementing elements of mechanisation to improve productivity and reduce health and safety risks. This initiative, dubbed ‘Jurassic to Joystick’ involves detailed workflow studies for all primary productive roles aimed at optimising all workflow processes as well as a variety of logistics initiatives. We have also entered technology JVs with suppliers to ensure that the transition to mechanisation is effective. The establishment of training facilities for mechanised mining is also being advanced. The international operations are focused on optimising mining contracts, where applicable. The owner mining fleet at Tarkwa will aim to increase volumes mined at planned values with minimised gold losses and dilution.

The continued escalation of input costs is changing the industry. We must accept that the continued consumption of resources by developing economies such as India and China has led to genuine scarcities in a range of materials and commodities. While real inflation is likely to slow economic growth in some of these economies, demand for commodities utilised in consumables in these economies will remain at high levels and continue to sustain elevated commodity prices. The resulting sustained cost pressures are likely to make it more difficult to bring new projects, including gold projects, online, leading to gradual erosion of supply over the medium-term.

To mitigate cost pressures Gold Fields has, since 2003, implemented a number of cost savings initiatives such as Project 100 and Project 100+ which consist of a number of focused, ongoing cost reduction programmes which eliminate inefficiencies and maximise inward investments, and Project Beyond which is a strategic supply chain management and procurement project which has contributed to significant cost savings over a number of years.

Examples of project 100 and Project 100+ interventions include the following:

The Eskom demand side management (DSM) project, which consists of 39 sub-projects, is progressing well with savings realised during F2008 reaching R10 million, and projected to grow to R20 million in F2009. We can achieve savings through air and water conservation programmes, identifying and eliminating compressed air leaks, installing efficient lighting systems, thermal and performance monitoring of refrigeration and cooling plants, amongst other power conservation programmes. Thus, while power availability has receded as a risk, Gold Fields remains vulnerable to above-inflation costs of both electrical power and fuel costs at its operations.

An energy savings project has been initiated to reduce energy consumption at all Group operations by 5 per cent a year during F2009 and F2010 respectively. The pump efficiency monitoring project is ongoing and will deliver R10 million per annum savings from reduced electricity consumption. At the international operations various initiatives are currently being investigated in order to achieve this objective.

The conversion from diesel to battery power for underground locomotives is progressing as planned. The project will deliver long-term cost savings of R24 million per annum once the project is fully completed from the higher efficiency of battery locomotives, and has the added benefit of improving underground environmental conditions.

In addition to the above, cost savings for F2008 were achieved on Health Services (R30 million), Shared Services (R38 million) and accommodation and feeding (R9 million).

In South Africa the Project Beyond Integrated Strategic Sourcing and Procurement Initiative set out in F2005 to achieve cumulative contracted benefits of around R200 to R300 million after three years at the end of F2007. This initiative had delivered R288 million in contracted benefits, excluding cost avoidance. After four years, continued cumulative benefits delivery to date has delivered contracted total cost benefits of around R319 million, adding R31 million during F2008. Additional cost avoidance benefits of around R34 million were also delivered during F2008, which brings the cumulative four year annualised benefits delivery (including cost avoidance) to around R445 million. Although extreme inflation over the past four-years did increase much more than the benefits delivered, we have still achieved significant net cost inflation and escalation buffering results. The focus for F2009 will be to continue the partial offsetting of compounded inflationary pressures through integrated total cost, quality and usage initiatives. Specific focus will be on increased salvage, improved quality control, product substitution and consumption optimisation.

With regards to the international operations' Integrated Strategic Sourcing and Supply Chain Initiatives, it was reported in F2007 that these operations collectively delivered cumulative contracted

benefits of around US$28 million over a three year period. During F2008 an additional estimated US$8 million in contracted benefits was realised, which brings the four-year contracted delivery benefit value to around US$36 million. The focus for F2009 will be to continue in Australia with contractor mining alliance optimisation initiatives, review major longer-term maintenance and repair contracts in Ghana, and establish the baseline for Peru inbound and outbound supply and logistics contracts and operational capabilities.
Labour in the South African context constitutes approximately 50 per cent of our operating costs, and approximately 10 per cent at our international operations which are less labour-intensive. While constructive engagement with organised labour at operations has resulted in inflation-linked increases, there remain other wage pressures that originate in the growing global scarcity for mining related skills at almost all skills levels. Gold Fields' response is guided by an acceptance of the reality of the poaching created by this scarcity and an acknowledgement that an employee's overall well being impacts directly upon his or her productivity.
Gold Fields, in 2006, formed the Gold Fields Business Leadership Academy (GFBLA) to create a central, separate entity to commercially respond to the large training shortfalls created by the troubled public sector training and education initiatives. GFBLA has not only worked successfully to address many of the Group's training needs but is, on a commercial basis, contributing significantly to the national skills base in a way that should reduce poaching pressures on the Group in key technical line functions. This approach has also allowed us to realise better economies of scale in the various training initiatives of GFBLA. At the same time GFBLA staff continue to engage with all stakeholders and regulators to ensure that the training curriculum becomes ever more relevant. Its outreach programmes into schools also seek to increase awareness of mining career opportunities among communities previously not exposed to mining. In addition, a Mining School of Excellence has been set up to focus on skills development for narrow reef and massive mining.
The critical issue of retention of specialist skills is being addressed through focussed career information to existing employees, conducting organisational surveys, deployment of capacity to increase mentoring and active individual development plans for targeted categories. In addition we are exploring increased development opportunities for all skilled employees, and have implemented remuneration standardisation for job categories rather than job grades, which has led to the Group paying in the upper 75th percentile of marketplace rates for scarcer skills. To improve the return on investment our existing employee wellness programmes are being enhanced. HIV/Aids awareness campaigns have been reinforced in Africa and we are initiating a range of measures to enhance employees' lifestyles in a manner that has a positive impact on their productivity. The Group is also revisiting the employee value proposition at all levels by investing in housing and employee sports

facilities, marketing existing benefits better to existing employees, universities and business schools, and partnering with agencies and headhunters to secure a pipeline of skills on an international basis.

POWER

Electrical power assumed new importance wherever we operate during F2008, both as an increasingly scarce input and as a cost factor affecting the performance of our operations.

Despite the significant disruptions caused by the power crisis for our South African operations in late January and the negative sentiment that has attached itself to the South African industry as a result, Gold Fields has emerged stronger from the crisis. During January 2008 all our South African operations suspended production for a week when the national utility, Eskom, reduced power supply to "survival levels". Power supply was gradually restored to our mines and on 14 March 2008 Eskom announced that Kloof and Driefontein could effectively operate at 95 per cent of historical levels while Beatrix and South Deep could operate at 90 per cent of their historical levels.

During June 2008, Eskom announced a 20 per cent price increase over and above its initial 14 per cent annual increase, making for a total of 27 per cent. Electricity accounts for 10-12 per cent of our total operating costs in South Africa and is of similar importance in the cost structure of many of our suppliers. This further reinforces the need for more creative research into more energy-efficient mining techniques and technologies and new plans in this regard will be completed during F2009. The South African operations are to install 50 MW in emergency power generating capacity to provide for the safe evacuation of all personnel in the case of a total national power blackout.

Similarly the price increases announced by the Power Authority of Ghana are, and have been a matter of concern. Gold Fields, as part of the gold mining sector, is engaging the Government of Ghana on its singling out the industry for these above inflation increases. The diesel fired Mine Reserve Plant (MRP) assembled in Ghana by a consortium of the four major gold companies has been commissioned and this 80MW facility will mitigate grid power shortages. Our share of the MRP is 20 MW and this would provide our mines in Ghana with 25 per cent of their requirements should there be power rationing in the country again.

During the 3rd quarter of the financial year there was a shortage of natural gas in Western Australia as a result of an explosion at the Apache gas facility. There was no downtime at our Australian operations and the impact was mitigated through the existing long-term relationship and power purchasing arrangement for the supply of power with BHP Billiton.

Power supply in Peru is also stressed as a result of national growth rates in the country. During the year Cerro Corona commissioned its 220Kv power facilities, and has planned for on site generation. We have signed an agreement with third parties to access additional power sources to mitigate any national power grid shortages.

OUTLOOK

Going forward, F2009 will be a year of two halves, with the first two quarters being characterised by continued high levels of capital expenditure as the build up to increased production proceeds at Tarkwa and St Ives, and Cerro Corona ramps up to full production at an annualised rate of 375,000 equivalent ounces per annum. Capital expenditure on growth projects is expected to decline by over two-thirds from R4.7 billion (US$640 million) for F2008 to R1.4 billion (US$180 million) for the coming year. With the free cash flow generated by these completed projects we will be ready to drive ore reserve development and waste stripping, explore opportunities presented by uranium resources and the targets generated by near-mine exploration at our operations across the world.

Safe production is the mantra for all mining sites in the Group and we will continue to improve and advance our health and safety programmes to achieve this goal. Finally, as I have decided to leave the company, I would like to take this opportunity to thank Gold Fields and, prior to that, Gencor for the opportunities presented to me over a period of 27 years. It has been an honour and a privilege and I would sincerely like to thank all of the Gold Fields team for their support and comradeship over the years.

Terence Goodlace

Chief Operating Officer

Overview

PERU
Cerro Corona
Red Star JVs
KEY
South African operations
International operations
Producing mines
Developing mine
Exploration projects
GoldQuest JVs
Hualgayoc JV
SBX JVs
EQUITY HOLDINGS
No.
Company
Holding
Share code
1.
Sino Gold Mining Limited
19.9%
(SGX:AX)
Alliance in China (Bengge JV)
2.
Conquest Mining Limited
19.1%
(CQT:AX)
Mt Carlton JV
3.
Orsu Metals Corp.
7.6%
(OSU:CA)
Talas JV
4.
GoldQuest Mining Corp.
8.7%
(GQC:CA)
GoldQuest JV
5.
Orezone Resources Inc.
11.7%
(OZN:CA)
Essakane Project in Burkina Faso
6.
Rusoro Mining Limited
36.2%
(RML:CA)
Choco 10 Mine in Venezuela
2
2
0

SOUTH AFRICA
Driefontein
Kloof
South Deep
Beatrix
GHANA
Tarkwa
Damang
Sankarani JV
Kisenge JV
Talas JV
Bengge JV
Nabire Bakti JV
Mt Carlton JV
Delamarian
Clancy JVs
APP
AUSTRALIA
St Ives
Agnew

SOUTH AFRICAN OPERATIONS
Production
(Moz)
F2007
F2008
0.0
0.2
0.4
0.6
0.8
1.0
1.2
Production
(Moz)
F2007
F2008
0.0
0.2
0.4
0.6
0.8
1.0
Production
(Moz)
F2007
F2008
0.0
0.1
0.2
0.3
0.4
0.5
0.6
Production
(Moz)
F2007
F2008
0.00
0.05
0.10
0.15
0.20
0.25
33%
Contribution to Group*
25%
Contribution to Group*
10%

Contribution to Group*
(-3%)
Contribution to Group*
• Production impacted by power disruptions and safety-related work stoppages
• Pillar mining reduced
• Production recovering
• Health and safety plans reviewed and implemented

DRIEFONTEIN GOLD MINE

•
Sinking operation at 9 shaft suspended due to power disruptions
•
Improved operating profit margins through quality mining
•
Lower grade 7 shaft stopped due to power disruptions

Production: 28,865 kg (928,000 ozs)
Total cash costs: R96,293/kg (US$412/oz)
NCE: R136,806/kg (US$585/oz)

SOUTH DEEP GOLD MINE

•
Production impacted by accidents and power disruptions
•
Work force restructured for transition to mechanised mining
•
Development below 95 level delayed due to vent raise hole accident

Production: 7,220 kg (232,100 ozs)
Total cash costs: R169,889/kg (US$727/oz)
NCE: R283,712/kg (US$1,214/oz)

KLOOF GOLD MINE

•
KEA project placed on hold pending additional geological
information
•
Production impacted by power disruptions and safety related
work stoppages
•
Main shaft steel work rehabilitation commenced

Production: 25,533 kg (820,900 ozs)
Total cash costs: R100,419/kg (US$430/oz)
NCE: R140,512/kg (US$601/oz)

BEATRIX GOLD MINE

•
Quality mining issues resolved
•
Production affected by power disruptions

Production: 13,625 kg (438,100 ozs)
Total cash costs: R120,382/kg (US$515/oz)
NCE: R168,903/kg (US$723/oz)

*
**Contribution based on net operating profit and managed gold production*

WEST AFRICAN OPERATIONS
AUSTRALIAN OPERATIONS
Production
(Moz)
F2007
F2008
0.0
0.1
0.2
0.3
0.4
0.5
0.6
0.7
0.8
Production
(Moz)
F2007
F2008
0.00
0.05
0.10
0.15
0.20
Production
(Moz)
F2007
F2008
0.0
0.1
0.2
0.3
0.4
0.5
Production
(Moz)
F2007
F2008
0.00
0.05
0.10
0.15
0.20
0.25
4%
Contribution to Group*
2%
Contribution to Group*
5%

Contribution to Group*
24%
Contribution to Group*
AGNEW GOLD MINE
•
Improved performance from Waroonga underground
•
Songvang open pit completed
•
High labour turnover among staff and contractor workforces
Production: 6,336 kg (203,700 ozs)
Total cash costs: R104,040/kg (US$445/oz)
NCE: R132,734/kg (US$568/oz)
DAMANG GOLD MINE
•
Mine certified under International Cyanide Management Code
•
Improved production through improved plant efficiencies and processing higher grade material
•
Mine fatality free since acquisition
Production: 6,041 kg (194,200 ozs)
Total cash costs: R128,770/kg (US$551/oz)
NCE: R175,927/kg (US$753/oz)
ST IVES GOLD MINE
•
Cave Rocks and Belleisle underground operations commissioned
•
Increased on-lease early stage exploration drilling
•
Labour, fuel and unfavourable exchange rate movement affecting cash costs
Production: 12,992 kg (417,700 ozs)
Total cash costs: R136,122/kg (US$582/oz)
NCE: R195,466/kg (US$836/oz)
TARKWA GOLD MINE
•
Phase 5 (North) heap leach and CIL plant expansion projects on track for completion F2009
•
Production affected by heavy rainfall and unplanned vehicle fleet maintenance
•
Mine certified under International Cyanide Management Code
Production: 20,095 kg (646,100 oz)
Total cash costs: R100,552/kg (US$430/oz)
NCE: R179,134/kg (US$766/oz)
• Increased power, fuel and reagent costs
• Tarkwa expansion projects on track
•
Mines fatality free since acquisition

- New underground mines commissioned at St Ives
- Talent management challenges

** Contribution based on net operating profit and managed gold production*

Overview

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DRIEFONTEIN GOLD MINE
DRIEFONTEIN
2008
2007 2006
Main development
km
27.5
28.0
27.4
Main on-reef (development)
km
5.8
5.3
4.2
(value)
cm g/t
1,242
1,307
1,454
Area mined
’000m
579
653
680
Productivity
m
2
/TEC
1
2.8
3.2
3.4
Tons milled
Underground
’000
3,273
3,812
3,867
Surface
’000
2,708
2,840
3,000
Total
’000
5,981
6,652
6,867
Yield

Underground
g/t
8.1
7.6
8.1
Surface
g/t
0.8
1.0
1.4
Combined
g/t
4.8
4.8
5.2
Gold produced
Underground
kg
26,591
28,815
31,441
Surface
kg
2,274
2,803
4,314
Total
kg
28,865
31,618
35,755
Total
’000oz
928
1,017
1,150
Operating costs
Underground
R/ton
830
653
579
Surface
R/ton
79
65
60
Total
R/ton
490
402

352
Gold sold
kg
28,865
31,618
35,755
Total cash costs
US$/oz
412
348
315
R/kg
96,293
80,457
64,870
Notional cash expenditure
US$/oz
585
476
403
R/kg
136,806
110,269
82,872
Net earnings
Rm
1,233.3
1,004.3
644.9
US$m
169.5
139.5
100.8
Capital expenditure
Rm
1,016.4
815.0
543.3
US$m
139.8
113.2
84.9
1
TEC = total employees costed
PRODUCTION: 28,865 kg (928,000 ozs) TOTAL CASH COSTS: R96,293/kg (US$412/oz)
OVERVIEW
Location: Driefontein is situated some 70 km west of Johannesburg at latitude 26°24'S and longitude 27°30'E near Carletonville in the
Gauteng Province of South Africa. The site is accessed via the N12 highway between Johannesburg and Potchefstroom. Geologically

it is located in the West Wits Line Goldfield of the Witwatersrand Basin. Infrastructure: It comprises seven producing shaft systems
that mine different contributions from pillars and open ground, and three gold plants of which No. 1 Plant processes mainly underground
ore, No. 2 Plant processes both underground ore and surface material and No. 3 Plant processes surface material only. Geology:
Three primary reefs are exploited, the Ventersdorp Contact Reef (VCR) located at the top of the Central Rand Group, the Carbon Leader
Reef (CL) near the base and the Middelvlei Reef (MR), which stratigraphically occurs some 50 metres to 75 metres above the CL.
Mine type and depth: It is a large, well-established deep to ultra deep level gold mine to 50 level (the lowest working level) some
3,300 metres below surface. Employees in service: 15,501 permanent employees, 2,244 contractors

SAFETY, HEALTH AND ENVIRONMENT

During the year under review, 12 of our colleagues lost their lives in nine mining related accidents. Of the 12 people who lost their lives, eight were fatally injured in seismic events and three in tramming related accidents.

The fatal injury frequency rate regressed from 0.13 in F2007 to 0.26 in F2008. The lost time injury frequency rate improved from 12.0 for F2007 to 7.0 in F2008 with about a third of accidents caused by falls of ground, which remains the major source of accidents on the mine.

During the second half of F2008, Driefontein received and complied with various instructions to stop operations (Section 54s) from the Principal Inspector of the Gauteng area of the Department of Minerals and Energy. Following additional inspections on the part of the Department of Minerals and Energy, including the Health and Safety Audit which checked legal compliance of the mine, the Department has expressed its satisfaction with the mine's remedial measures. On 3 March 2008, Driefontein achieved one million fatality free shifts.

The Gold Fields group audit was done on the Health and Safety System and showed an improvement in conformance levels compared to the previous audit done in 2006. However, the implementation of the system was not satisfactory and additional resources were dedicated to achieve the required compliance.

Driefontein maintained its OHSAS 18001 certification through external audits conducted in F2008.

Gold Fields has contracted DuPont to conduct a comprehensive audit to assist Driefontein to improve health and safety to best practice levels.

OPERATIONAL REVIEW

Gold production declined 9 per cent to 28,865 kilograms (0.928 million ounces) during F2008 compared with F2007 production of 31,618 kilograms (1.017 million ounces). The decline was mainly due to the disruption in the power supply to the mine in January 2008. The initial 10 per cent reduction in power supply resulted in the early closure of 7 shaft, cessation of operations at 6 shaft and the suspension of sinking operations at 9 shaft. Sinking operations at 9 shaft will remain suspended until 2012, at which time there should be enough power supply to continue with the project. Although 6 shaft was initially stopped, production resumed on a limited scale after a three month hiatus when the power supply was increased to 95 per cent of previous consumption. By year end the process of recruitment of labour for 6 shaft was still ongoing.

While the closure of the lower grade shafts resulted in an improved underground yield, greater reliance on surface tonnage was insufficient to offset the underground production losses forced by the disruption to the power supply. The restricted power supply resulted in approximately 1,600 contractor jobs being terminated across the mine as a result of replacing contractors with own labour in an effort to minimise employee job losses.

On 29 April, a seismic event at 10 shaft resulted in four people losing their lives. This led to the suspension of mining operations at the shaft, as well as a comprehensive pillar mining review across the mine which resulted in the stoppage of the higher risk pillars. Rock engineering strategies implemented at 5 shaft over the past three years indicate a decline in seismic damage to stoping areas. The same measures are currently being implemented at 1 and 4 shafts. The backfill infrastructure at 1 shaft is also being expanded to take full advantage of the benefits of backfill in containing seismic damage on the Carbon Leader Reef horizon.

A strategy is in place to increase the support density in off-reef development; this includes redeployment of development crews to do secondary support and the recruitment of a further 700 persons to establish additional secondary support crews. This will limit the deterioration of footwall infrastructure due to seismicity.

Operating costs increased 10 per cent mainly due to increased human resources and training costs, above inflation increases in input costs and increased development.

Total cash costs increased 20 per cent to R96,293 per kilogram (US$412 per ounce) for the year (F2007: R80,457 per kilogram/ US$348 per ounce) mainly due to safety related mine stoppages and lower production arising from the power supply problems. However, this was partially offset by the higher gold price received, as operating margins increased from 43 per cent to 47 per cent.

Operating profit (before amortisation) increased from R1,995 million, to R2,569 million for F2008.

Capital expenditure for the year amounted to R1,016 million (US$140 million) compared with R815 million (US$113 million) for F2007, with the greatest expenditure relating to ore reserve development and the now suspended Driefontein 9 sub-vertical shaft project.

OUTLOOK FOR F2009

The primary focus for F2009 will be on:

- Eliminating the backlog on production critical secondary support.
- Consistent focus on volumes, value, quality and pillar mining.
- A reduction in electricity consumption.
- Advancing the commitments as set out in the Driefontein Social and Labour Plan.
- A consistent focus on the Masiphephe (Let us be Safe) programme.
- Capital expenditure with the major spend on:
  - R454 million on ore reserve development.
  - R101 million on the 4 shaft pillar extraction.
  - R71 million on the upgrade and building of new accommodation units.
  - R65 million on the implementation of new technology.
  - R35 million on the battery locomotive project.

Overview

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KLOOF GOLD MINE
KLOOF
2008
2007 2006
Main development
km
33.6
35.0
30.4
Main on-reef (development)
km
5.0
6.1
7.3
(value)
cm g/t
1,717
1,410
1,788
Area mined
’000m
519
620
607
Productivity
m
2
/TEC
1
2.6
2.9
3.4
Tons milled
Underground
’000
2,941
3,447
3,206
Surface
‘000
1,012
382
460
Total
‘000
3,953
3,829
3,666
Yield

Underground
g/t
8.4
8.2
8.7
Surface
g/t
0.9
1.2
1.1
Combined
g/t
6.5
7.5
7.8
Gold produced
Underground
kg
24,587
28,260
27,915
Surface
kg
946
445
514
Total
kg
25,533
28,705
28,429
Total
‘000oz
821
923
914
Operating costs
Underground
R/ton
893
727
703
Surface
R/ton
62
82
61
Total
R/ton
680
662

622
Gold sold
kg
25,533
28,705
28,429
Total cash costs
US$/oz
430
366
374
R/kg
100,419
84,672
76,918
Notional cash expenditure
US$/oz
601
498
472
R/kg
140,512
115,377
97,200
Net earnings
Rm
947.9
790.3
209.9
US$m
130.4
109.8
32.8
Capital expenditure
Rm
897.7
775.8
482.7
US$m
123.5
107.8
75.4
1
TEC = total employees costed
OVERVIEW
Location: Kloof is situated some 48 km west of Johannesburg at latitude 26°24'S and longitude 27°36'E, near Westonaria in the
Gauteng Province of South Africa. The mine is accessed via the N12 highway between Johannesburg and Potchefstroom. Geologically
it is located in the West Wits Line Goldfield of the Witwatersrand Basin. Infrastructure: Kloof consists of five shaft systems and two

gold plants. Geology: Kloof exploits auriferous palaeoplacers (reefs) namely the Ventersdorp Contact Reef (VCR) that constitutes
88 per cent of the Kloof Underground Mineral Reserve ounces, the Middelvlei Reef (MVR) 11 per cent and 1 per cent from the Kloof
Reef (KR). Mine type and depth: It is a large, well-established intermediate to ultra deep level gold mine to 45 level (the lowest working
level) some 3,347 metres below surface. Employees in service: 14,268 permanent employees, 1,419 contractors
PRODUCTION: 25,533 kg (820,900 ozs) TOTAL CASH COSTS: R100,419/kg (US$430/oz)

SAFETY, HEALTH AND ENVIRONMENT

During the year, the mine's safety performance deteriorated, with 15 workers losing their lives in eleven separate incidents. Six incidents were caused by falls of ground, and two by tramming incidents. This led to a deterioration in the fatal injury frequency rate from 0.23 to 0.33. However, the lost time injury frequency rate improved 27 per cent from 15.4 for F2007 to 11.2 for F2008. Fall of ground (gravity and seismic related) remained the major cause of injuries, followed by material handling. Despite the poor fatal injury frequency rate achieved, Kloof achieved 1 million fatality free shifts on 25 June 2008.

The mine remains committed to the zero harm philosophy to its employees and has introduced further improvements to its behaviour based training and safety programmes, namely the Eyethu team building programme, the Sawubona Kusasa initiative and the Cabanga Inyoka reporting system.

Kloof was issued with instructions to stop operations through the Department of Minerals and Energy Section 54 mechanism with respect to fatal accidents that related to pillar mining, remnant areas as well as tramming. Following these stoppages, standards were revised and, in addition, physical audits were done on workplaces and practices.

A Presidential Audit took place on Kloof 4 shaft at the end of February 2008, and no Section 54s were issued. Minor non-conformances were identified and rectified. The official results of the audit have not been submitted to the mine. Kloof retained OHSAS 18001 accreditation during the audit in March 2008.

OPERATIONAL REVIEW

Gold production declined 11 per cent to 25,533 kilograms (821,000 ounces) during F2008 compared with 28,705 kilograms (923,000 ounces) for F2007. The primary cause for this decline was the disruption in the power supply during the second half of fiscal 2008. However, work stoppages associated with safety reviews and an underground fire at 2 sub-vertical shaft also impacted on production.

While the cessation of mining lower grade underground areas resulted in a higher mine call factor, surface tonnage partially replaced the lost underground tonnage. However, reduced yields from surface material meant that overall the lost production could not be offset.

The disruptions to the power supply also meant that despite a promising start to the year, the mine was not able to use all the available face length due to work in lower grade areas being temporarily discontinued in order for the mine to stay within the 90 per cent power allocation.

During F2008 rockbursts from seismicity resulted in damage to mining panels and continue to pose a hazard to mining personnel. Safety campaigns, with particular emphasis on hazard identification remain a key strategy in the war on falls of ground. Further efforts to reduce rock related accidents from seismic activity include the use of bracket pillars on major geological structures, centralised blasting technology and preconditioning techniques to de-stress mining faces.

Operating costs increased 6 per cent mainly due to increased human resources and training costs and increased development. The safety and power related mine stoppages also drove the 19 per cent increase in total cash costs to R100,419 per kilogram (US$430 per ounce) for the year (F2007: R84,672 per kilogram/US$366 per ounce). There were also increased contractor costs associated with the screening and transport of the South Deep ore being toll milled.

The 28 per cent increase in the rand gold price offset the increased operating costs and the reduced gold production, raising operating margins from 40 per cent to 44 per cent. Operating profit (before amortisation) improved from R1,691 million the year before, to R2,115 million for F2008.

The resource definition drilling for the Kloof extension area (KEA) was completed in fiscal 2008. The KEA project will be modified due to the change in geological facies and will be planned for the 2008 life of mine plan.

Capital expenditure for the year amounted to R898 million (US$124 million) compared with R776 million (US$108 million) for F2007 with ore reserve development, the Main shaft pillar extraction project, 4 shaft complex and Social Labour plan projects comprising the main expenditure.

OUTLOOK FOR F2009

- Subsequent to the year end, following the heightened safety awareness across the Group, an infrastructure review of the 40 year old Main shaft identified an urgent need for rehabilitation of the main steel structures to comply with safety standards. The shaft has been stopped for rehabilitation work which should be completed by January 2009.
- Eliminating the backlog in secondary support through the redeployment of labour from Main shaft.
- Continuous improvements in safety performance through an integrated safety programme that focuses on risk management and safe behaviour by all employees.
- Increasing mining flexibility.
- Completing the redesign of the Kloof extension area (KEA) in light of project options for the eastern section of Kloof together with South Deep.
- Advancing the commitments as set out in the Kloof Social and Labour Plan.
- Progressing the mechanisation programme as set out in the technology roadmap.

Overview

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BEATRIX GOLD MINE
BEATRIX
2008
2007 2006
Main development
km
40.8
43.8
35.9
Main on-reef (development)
km
8.3
6.4
6.9
(value)
cm g/t
974
967
1,135
Area mined
’000m
625
703
686
Productivity
m
2
/TEC
1
4.9
5.6
5.5
Tons milled
Underground
’000
3,215
3,590
3,551
Surface
’000
–
–
–
Total
’000
3,215
3,590
3,551
Yield

Underground
g/t
4.2
4.7
5.2
Surface
g/t
–
–
–
Combined
g/t
4.2
4.7
5.2
Gold produced
Underground
kg
13,625
16,903
18,541
Surface
kg
–
–
–
Total
kg
13,625
16,903
18,541
Total
’000oz
438
543
596
Operating costs
Underground
R/ton
536
432
396
Surface
R/ton
–
–
–
Total
R/ton
536
432

396
Gold sold
kg
13,625
16,903
18,541
Total cash costs
US$/oz
515
377
354
R/kg
120,382
87,251
72,768
Notional cash expenditure
US$/oz
723
584
485
R/kg
168,903
126,812
99,892
Net earnings
Rm
332.4
370.8
185.4
US$m
45.7
51.5
29.0
Capital expenditure
Rm
576.6
592.8
447.3
US$m
79.3
82.3
69.9
1
TEC = total employees costed
OVERVIEW
Location: Beatrix is situated at latitude 28°15’S and longitude 26°47’E near the towns of Welkom and Virginia some 240 km
southwest of Johannesburg, in the Free State Province of South Africa. The site is accessed via the N1 highway between
Johannesburg and Kroonstad, and then via the R34. Geologically it is located in the Free State Goldfield and is the southernmost mine

in the Witwatersrand Basin. Infrastructure: It consists of four operating shafts and two gold plants. Geology: Exploiting auriferous
palaeoplacers (reefs) of the Central Rand Group, i.e. the Beatrix Reef (BXR) and local facies variations thereof, constitutes 72 per cent
of the Beatrix Ore Reserve with the Kalkoenkrans Reef (KKR) contributing 28 per cent. Mine type and depth: It is a large medium to
deep level gold mine operating at depths between 600 and 2,000 metres below surface Employees in service: 10,646 permanent
employees, 1,349 contractors

PRODUCTION: 13,625 kg (438,100 ozs) TOTAL CASH COSTS: R120,382/kg (US$515/oz)

SAFETY, HEALTH AND ENVIRONMENT

Beatrix's safety performance remained stable with the lost time injury frequency rate (LTIFR) improving 28 per cent year on year to 3.9 while the fatal injury frequency rate for F2008 remained steady at 0.13 per million man hours worked. Regrettably, four employees lost their lives during the year in four separate incidents, two of which were caused by falls of ground, one by tramming and one heat related incident.

The revised Health and Safety plan was implemented during the year and the mine participated in the Presidential safety audit. The Khuseulela (be protected), campaign commenced during the fourth quarter, during which all employees and contractors received theoretical and practical safety awareness training, with the focus on the predominant hazards of the major risk profiles. Behavioural based safety principles were built into the initiative and are coordinated and monitored by the Cebisa (to assist) teams.

The mine also retained its OHSAS 18001 certification.

Beatrix's ISO 14001:2004 environmental management was successfully re-certificated during the past year. No level 3 incidents were reported while 23 level 2 incidents were reported and rectified. Ageing pipes were associated with the majority of the incidents and resources were committed to replace the pipelines.

At the Glen Ross alternative livelihood project, a sustainable development initiative, very good progress has been made with the experimental bulb cultivation.

The Clean Development Mechanism (CDM) Executive Board in the European Union approved the Project Design Document for the underground methane capture project for Beatrix gold mine. The underground methane will be utilised for the generation of electricity as well as the potential production of chilled water. The project will reduce the mine's methane gas emissions making it eligible for carbon credits.

OPERATIONAL REVIEW

Gold production during F2008 declined by 19 per cent to 13,625 kilograms (438,000 ounces) (F2007 16,903 kilograms/ 543,000 ounces) primarily as a result of lower production at the 4 shaft (West Section) due to fluctuating yields from underground ore, as well as an overall decline of ore mined during the second half of the year as a result of power disruptions. The mine implemented a series of energy efficiency and power saving programmes focusing on reduced ventilation and control of water usage and pumping. Production was also affected by industrial relations issues at 4 shaft, which was also adversely impacted by local logistics bottlenecks and management staff turnover.

Total mine development for F2008 decreased by 11 per cent year on year to a total of 43,107 metres, which included exploratory secondary development at the South Section to define higher grade areas for future stoping activities.

Total cash costs rose 38 per cent to R120,382 per kilogram (US$515 per ounce) (F2007: R87,251 per kilogram: US$377 per ounce). Despite a higher gold price received, operating margins decreased from 38 per cent to 34 per cent and operating profit (before amortisation) decreased 5 per cent to R891 million.

An external review of mining quality, conducted early in the year, identified fragmentation as an issue that required management through the change in explosive type and drilling and blasting practices. Implementation of these recommendations remains ongoing. The programme initiated to address the audit recommendations also incorporated a mine clean-up process which impacted positively on Mine Call Factor (MCF) trends.

No surface tonnage was processed during the year as values contained within the remaining dumps remain uneconomical even at prevailing gold prices. The mine will continue to examine and review these low grade dumps under the dynamics of variable gold prices.

Capital expenditure amounted to R577 million (US$79 million), much of it devoted to the accelerated development work at all sections. Development at 3-shaft 24 level is nearing completion, whilst the development on 25 and 26 level is progressing well.

OUTLOOK FOR F2009:

- Renewed effort to improve safety performance and employee wellness through Khuseulela campaign and Cebisa teams.
- Restore production and development levels to pre-energy crisis levels.
- Continued focus on investing in developing the ore body with main emphasis on the continued introduction and delivery of development mechanisation initiatives.
- Full implementation and sustained application of consistent drilling, blasting and explosive usage to maintain a high MCF and contribute towards improved gold recovery.
- Ongoing implementation and delivery of the mine social and labour plan.
- Capital spend of approximately R650 million for F2009.

Overview

SOUTH DEEP GOLD MINE

SOUTH DEEP

2008
2007
1
Main development
km
5.9
2.9
Main on-reef (development)
km
3.1
1.7
(value)
g/t
6.0
6.2
Area mined
’000m
42.0
48.0
Tons milled
Underground
’000
1,066
776
Surface
’000
301
328
Total
’000
1,367
1,104
Yield
Underground
g/t
6.5
6.2
Surface
g/t
0.8
0.9
Combined
g/t
5.3
4.6
Gold produced
Underground

kg
6,967
4,783
Surface
kg
253
293
Total
kg
7,220
5,076
Total
’000oz
232
163
Operating costs
Underground
R/ton
1,170
896
Surface
R/ton
54
75
Total
R/ton
924
652
Gold sold
kg
7,220
5,166
Total cash costs
US$/oz
727
595
R/kg
169,889
137,689
Notional cash expenditure
US$/oz
1,214
854
R/kg
283,712
197,636
Net loss
Rm
(143.1)
(46.8)
US$m

(19.7)
(6.5)
Capital expenditure
Rm
784.7
283.4
US$m
107.9
39.4
1
South Deep for the 7 months from 1 December 2006

OVERVIEW

Location: South Deep is situated in the Magisterial Districts of Westonaria and Vanderbijlpark (Gauteng Province), some 45 km southwest of Johannesburg at latitude 26º 25' S and longitude 27º 40' E. It is accessed via the N12 provincial road between Westonaria and Vereeniging. A well developed network of tarred roads surrounds the area and it is located in the major gold mining region of South Africa, being the Witwatersrand Basin. Infrastructure: South Deep Gold Mine operates one gold plant and is accessed from surface through two shaft systems, the Twin shaft Complex of which the main shaft comprises a single-drop to a depth of 2,995 metres, and the South shaft Complex. The mine has been subdivided into two main areas, namely "above current infrastructure" to 110 level (2,888 metres below surface), and below current infrastructure to 135 level (3,250 metres below surface). Geology:
Exploiting auriferous palaeoplacers (reefs), i.e. the Ventersdorp Contact Reef (VCR) of the Venterspost Formation and conglomerates that comprise the Upper Elsburg Reefs of the Mondeor Formation. Mine type and depth: A large developing deep level gold mine (>2,000 metres below surface). Employees in service: 4,192 permanent employees, 1,839 contractors

PRODUCTION: 7,220 kg (232,100 ozs) TOTAL CASH COSTS: R169,889/kg (US$727/oz)

SAFETY, HEALTH AND ENVIRONMENT

Following a positive safety performance for the first three quarters a severe setback was suffered on 1 May 2008. An accident occurred in the Ventilation Raise Borehole between 100 and 110A levels when the conveyance dislodged and fell 60 metres to the bottom of the hole, resulting in the death of all nine colleagues travelling in the conveyance. The DME has commenced an investigation into the accident and an enquiry in terms of the Mines Health and Safety Act is expected to commence shortly. Gold Fields is conducting its own investigation into the accident.

Gold Fields has commissioned an external full safety review at all its operations as a result of the tragedy, which led to a deterioration in the South Deep fatal injury frequency rate for the year from 0.13 to 0.75 due to the total of 12 fatalities for the year. The serious injury frequency rate deteriorated from 4.6 to 5.2 year on year as did the overall lost time injury frequency rate, from 8.93 to 16.81. Three Section 54s were issued in the June quarter associated with three fatal incidents.

Despite this, the number of injury free days continued to increase quarter on quarter with the cessation of conventional mining and the implementation of further mechanised mining.

The roll-out of the Behavioural Based Safety (BBS) programme was partially implemented before it was placed on hold pending the restructuring of the mine. The safety department was strengthened to support the roll-out of the team mobilisation process and the completion of the baseline risk assessment process. The Presidential audit took place early in April 2008.

South Deep plans to complete the implementation of OHSAS 18001 with certification by June 2009.

OPERATIONAL REVIEW

South Deep is a capital project and remains a developing mine where currently most of the permanent infrastructure to support the full production remains substantially incomplete. Gold production amounted to 7,220 kilograms (231,000 ounces) during F2008 compared with production of 5,076 kilograms (163,200 ounces) in F2007.

The planned production build up could not be delivered due to the following factors which required the re-planning of the mine in February 2008: The Ventersdorp Contact Reef (VCR) encountered the Waterpan Fault above 95 level earlier than previously anticipated leading to the earlier depletion of conventional mining above 95 level. Conventional mining stopped mine-wide by February 2008. In addition, the strategy of down-dip mining below 95 level from the trackless mining projects was reviewed, and due to a lack of structural and geological information this mining method was put on hold. Subsequently the mechanised tonnage build up was stabilised at the current volumes until the below 95 level development is completed to allow mine planning to confidently position the trackless mining in the correct reef band of the Elsburg massive reef package. Since future production volumes of the Elsburg reef package remain dependent upon de-stress mining rates, the shift from conventional to mechanised de-stress mining was reviewed in order to bring forward the implementation of mechanised mining as much as possible. Lastly, the mine was re-planned with the intent to complete the Twin shaft capital infrastructure and develop the ore body below 95 level and the current mining areas.

The above changes led to the restructuring of the mine and the down-sizing of the work force by 1,884 employees. The restructuring is expected to be completed by the end of August 2008.

Operating costs increased by 1 per cent driven mainly by across the board increases in input commodities as well as increased human resources costs associated with the annual wage increase and the cost of restructuring the work force.

Total cash costs were negatively affected by the safety and power related mine stoppages, increasing 23 per cent to R169,889 per kilogram for the year. The ability to mine at 90 per cent of power for the remainder of F2008 was facilitated by the change to mechanised mining methods which have significant power saving advantages over deep level conventional mining methods. Due to the gold price increase, the operating margin was similar to F2007 at 6 per cent. Operating profit (before amortisation) was R78 million (US$11 million). Capital expenditure for the year amounted to R785 million (US$108 million) compared with R283 million (US$39 million) for F2007, with the below 95 level development project comprising the main expenditure at R296 million. This project will continue to build the basis for long life mining on the Far West Rand.

OUTLOOK FOR F2009

The revised planning focuses on developing and equipping the infrastructure over a five year period with the pre-requisite significant capital investment, currently forecasted at approximately R1 billion per annum over the next six years.

For F2009 the primary focus will be on;

- Living our vision “everyone going home safe and healthy every day”.
- Completing the restructuring process.
- Completing the re-support of the main access ramps in the trackless projects.
- Completing all remedial actions for the below 95 level development to ramp up to the planned 12,000 metres development and reef metres and 5,542 kilograms of gold for the year.
- The submission of the Mine Works Programme with the Social and Labour Plan for the conversion to the New Order Mineral Rights by December 2008.
- The mechanisation of the de-stress mining areas by June 2009.
- Construction of the new South Deep Tailings Storage Facility to commence by year end.
- Capital expenditure to focus primarily on:
  - o The Twin shaft infrastructure development, shaft bottom,

water handling and ore hoisting capacity.

- o Phase 1;100,105 and 110 level development
- o Above 95 level O-line Development
- o Commissioning of 94 vent shaft and surface fans
- o 94 level refrigeration plant

Overview

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TARKWA GOLD MINE
TARKWA GOLD MINE
2008
2007 2006
Open pit mining
Waste mined
’000t
93,440
85,508
75,899
Ore mined
’000t
19,901
22,074
21,037
Head grade
g/t
1.2
1.2
1.2
Strip ratio
W:O
4.7
4.0
3.6
Processing
Tons processed
Milled
’000t
5,571
5,620
4,687
Heap leach
’000t
16,464
17,019
16,800
Total
’000t
22,035
22,639
21,487
Yield
Milled
g/t
1.5
1.5
1.6
Heap leach

g/t
0.7
0.8
0.9
Combined
g/t
0.9
1.0
1.0
Gold produced
Milled
kg
8,310
8,457
14,638
Heap leach
kg
11,785
13,227
7,422
Total
kg
20,095
21,684
22,060
Total
’000oz
646
697
709
Total cash costs
US$/oz
430
333
292
R/kg
100,552
76,988
60,091
Notional cash expenditure
US$/oz
766
512
364
R/kg
179,134
118,414
74,995
Net attributable
Rm
764.0

598.6
445.2
earnings
US$m
105.1
83.1
69.6
Capital expenditure
Rm
1,541.0
775.6
299.7
US$m
212.0
107.7
46.8
OVERVIEW
Location: The Tarkwa gold mine is located in southwestern Ghana, about 300 km by road west of Accra, the capital, at latitude
5°15’ N and longitude 2°00’ W. It is situated some 4 km west of the town of Tarkwa with good access roads and an established
infrastructure and is served by a main road connecting to the port of Takoradi some 60 km to the southeast on the Atlantic coast.
Infrastructure: Multiple open pits (currently six), two heap leach facilities and a CIL plant. Geology: The ore body at Tarkwa consists of
a series of sedimentary banket quartz reef units (conglomerates) of the Tarkwaian System that are very similar to those mined in the
Witwatersrand Basin of South Africa. The operation is currently mining multiple reef horizons from open-pits and there is potential for
underground mining in the future. Employees in service: 1,805 permanent employees, 44 temporary employees and 2,846 contractors
PRODUCTION: 20,095 kg (646,100 ozs) TOTAL CASH COSTS: R100,552/kg (US$430/oz)

SAFETY, HEALTH AND ENVIRONMENT

The general safety performance of Tarkwa regressed year on year with the LTIFR increasing from 0.23 to 0.26. Unfortunately the mine experienced three fatalities from two incidents, one as a result of an electrocution and two due to a conveyor incident. Following the full accident investigation special safety campaigns reinforcing safety disciplines and the need for risk assessments prior to the commencement of work were conducted. The CIL plant expansion project achieved 1.5 million LTI free man hours.

The mine was recertified to OHSAS 18001:2007 in June 2008, Tarkwa being the first mine in Ghana to achieve this. No serious environmental incidents occurred during the financial year and the mine remains certified to ISO 14001. Tarkwa achieved certification under the ICMC (International Cyanide Management Code) during May 2008.

OPERATIONAL PERFORMANCE

During the year construction of the phase 5 (North) heap leach expansion project continued on track and within budget for completion during the first quarter of F2009. The CIL expansion project will be completed during the second quarter of F2009 within the forecasted costs.

Total gold production was 646,100 ounces (20,095 kilograms), 7 per cent lower than the 697,100 ounces (21,684 kilograms) recovered in F2007, largely as a result of lower tons mined.

Mining and processing operations were significantly affected by record rainfall (including a one-in-fifty year event) during the first two quarters and unplanned fleet standing time due to a shortage of quality tyres, fluctuations in power supply from the national grid and additional maintenance requirements during the year.

The overall grade recovered from the CIL plant was 1.47 grams per ton in F2008 (F2007: 1.51 grams per ton). This reduction is attributable to lower tons mined from higher grade pits due to the tyre problems and the high rainfall. Tonnage crushed to the heap leach process for the year was 16.464 million tons compared with 17.019 million tons in F2007. The decline was caused primarily by the wet material processed.

Total cash costs increased to US$430 per ounce (F2007: US$333 per ounce) due to continued price pressure on all major inputs, but in particular on power and fuel tariffs.

The tyre retread facility which was built during the financial year has started to produce good quality tyres and will have a positive impact going forward on costs and quality mining.

At the Tarkwa gold mine substantial power shortages and unplanned interruptions to power supply due to countrywide power rationing as a result of the low water levels in the Akosombo Dam impacted on production. Once the drought had broken heavy rainfall replenished the dam back to pre-1984 levels but since the quantity of rain was greater than a 50 year average, there was unprecedented flooding of the pits and this significantly impeded our ability to mine the high grade ore sources from Teberebie. Subsequent to the wet season ending, the mine has been plagued by unplanned power interruptions which have reduced the availability of the CIL plant and heap leach crushing circuit.

The Mine Reserve Power (MRP) project was completed in the second quarter of the financial year 2008 as a joint venture between the four major mining operators in Ghana to generate supplemented power to the national grid in mitigation of national load shedding that occurred in times of drought. The MRP mitigates approximately 25 per cent of the Gold Fields generator needs.

The diesel hedge put in place for F2008 ended with a net realised gain of $0.77 million. The diesel hedge has been renewed for F2009.

Revenue generated during the year was US$532 million with an operational cost of US$283 million, as well as a credit to Gold in Process of US$5 million, realising an operating profit (before amortisation) of US$253 million for F2008. Net attributable earnings totalled US$105 million at an average gold price of US$823 per ounce.

Capital expenditure for F2008 totalled US$212 million spent, mainly on the ongoing CIL and heap leach expansion as well as ongoing pre-stripping at the Teberebie cutback (TCBP). Currency fluctuations, escalation and minor changes in project scope led to a revision of capital costs for the CIL expansion project and associated infrastructure from US$126 million to US$166 million.

OUTLOOK FOR 2009

- The CIL expansion project will increase throughput from 400,000 to 1 million tons of ore per month. It is planned to be at full production by the end of Q2 F2009.
- The South heap leach will be closed in the third quarter and the North heap leach will continue at approximately 10 million tons per annum.
- The stripping ratio will increase to enable ore mined to match processing volume capacity. It is expected that gold production will reach a steady state of approximately 750,000 ounces per annum. Total gold production is forecast at 700,000 ounces for F2009.
- During the first half of F2009 production is likely to be affected by construction works on the new mill, specifically tie-in activities between the existing complex and the expansion steel and piping.
- Gold production for Q1 F2009 is forecast at 159,000 ounces and capex at US$68 million. Unit costs are expected to increase as commodity prices impact negatively during this financial year.

Overview

DAMANG GOLD MINE

DAMANG GOLD MINE

		2008	2007	2006
Open pit mining				
Waste mined	’000t	**27,330**	28,109	21,563
Ore mined	’000t	**4,092**	3,141	3,172
Head grade	g/t	**1.43**	1.20	1.47
Strip ratio	W:O	**6.7**	9.0	6.8
Processing				
Tons milled	’000t	**4,516**	5,269	5,328
Yield	g/t	**1.3**	1.1	1.4
Gold produced	kg	**6,041**	5,843	7,312
	’000oz	**194**	188	235
Total cash costs	US$/oz	**551**	473	

341
R/kg
128,770
109,379
70,077
Notional cash expenditure
US$/oz
753
637
439
R/kg
175,927
147,390
90,290
Net attributable earnings
Rm
133.2
81.8
123.9
US$
18.4
11.4
19.4
Capital expenditure
Rm
204.2
227.9
163.8
US$
28.1
31.7
25.6
OVERVIEW
Location: Damang is located in southwestern Ghana, approximately 300 km by road, west of Accra, the capital, at a latitude 5°11'N
and longitude 1°57'W. It is situated some 30 km north of the town of Tarkwa with good access roads and an established
infrastructure. The mine is served by a main road connecting to the port of Takoradi, some 60 km to the southeast. Infrastructure:
Multiple open pits, surface stockpile sources and a CIL plant. Geology: The Damang Gold Mine exploits oxide and fresh hydrothermal
mineralisation in addition to Witwatersrand style, palaeoplacer mineralisation similar to that of the Tarkwa Gold Mine. Employees in
service: 320 permanent employees, 1,276 contractors
PRODUCTION: 6,041 kg (194,200 ozs) TOTAL CASH COSTS: R128,770/kg (US$551/oz)

SAFETY, HEALTH AND ENVIRONMENT
Damang Gold Mine experienced another fatality free year and has remained fatality free since acquisition. The mine has also remained LTI free since December 2007 with the LTIFR improving from 1.28 to 0.68.
The development of new pits at the Tomento North and East project areas resulted in the relocation of 26 landlords to Damang and Huni-Valley communities.
About 2,000 illegal miners (galamsey) invaded the Rex and Cinnamon Bippo Project areas. Consultations were held with the District and Regional Security Committees for assistance to evict the illegal miners. Agreement was reached with the illegal miners to clear the Rex Project area which was done amicably and without incident.
The mine remains certified to ISO 14001. Damang also achieved over 365 days without any major environmental incident and received an award for corporate social responsibility in the western region of Ghana from the Regional Chamber of Commerce and Industry. The mine achieved certification under the ICMC (International Cyanide Management Code) during this period.
OPERATIONAL PERFORMANCE
Damang increased gold production year on year due to higher grade ore from the Damang Pit Cutback (DPCB) and improved efficiencies due to construction and early commissioning of a seventh leach tank.
Total gold production was 194,200 ounces (6,041 kilograms), slightly up on the 187,900 ounces (5,843 kilograms) recovered in F2007.
The increase was due to the improved mill recovery from 92.2 per cent to 93.8 per cent following the installation of a seventh CIL tank and a second gravity unit. The mining from DPCB, particularly with a reduced strip ratio during the second half of the year, also contributed to the increase in gold production compared with the previous year. The mill head grade was 1.43g/t in F2008 (F2007 1.20g/t). The increased volume from the primary crusher allowed for the expansion of the crushed ore stockpile which improved operational and blend flexibility in plant feed during the second half of the year.
The eastern haul ramp of the DPCB slipped at the end of January 2008, making it inaccessible. The pit was redesigned with the ramp through the west wall. Mining resumed in February 2008 via the new ramp. DPCB achieved full production during late F2008.
Cash costs for F2008 rose to US$551 per ounce (F2007: US$473 per ounce) due to continued fuel price pressure coupled with an increase in mining contractor costs due to longer haulage distances. Plant maintenance inputs, increased brownfields exploration drilling and raised power tariffs also contributed to increase in cash costs. In addition, Damang itself generated power intermittently during the year and was affected during the first half of F2008 by fluctuations in power supply from the national grid.
Revenue generated during the year was US$160 million with an operational cost of US$118 million as well as a credit to Gold in

Process of US$11 million, realising a net operating profit (before amortisation) of US$53 million for F2008. Net attributable earnings totalled US$18 million at an average gold price of US$826 per ounce. Capital expenditure for F2008 totalled US$28 million spent mainly on the ongoing DPCB, tailings storage facility as well as Huni pit pre-waste stripping.

The galamsey mining activity in the Abosso project area hampered commencement of exploration drilling of the Abosso underground target. The exploration drill programme was changed to include the brownfields exploration sites in the Bonsa area.

OUTLOOK FOR 2009

• The DPCB is scheduled to be completed in F2013 when the final pit limits are mined.

• Total gold production for F2009 operational plan is projected at 220,000 ounces. The operational focus remains on maintaining plant efficiencies and optimising throughput volumes. Planning, taking into account permitting requirements and social challenges, aims to optimise gold production and associated costs, whilst ensuring the continuous development of additional ore sources.

• Unit costs are expected to rise due to continued price pressure on all inputs.

• Resource definition diamond drilling for F2009 commenced on Tarkwaian conglomerate reefs in the Bonsa North prospect but was temporarily stopped after four holes due to heavy rains.

• The F2009 drilling campaign was planned around 20,900 metres RC and 21,200 metres DD at a total estimated cost of US$5.5 million. Proportionally, US$3.2 million will be dedicated to extensional capital projects and US$2.3 million will be allocated to brownfields working cost projects.

• A further US$2.0 million has been allocated to the South West Ghana Project Group, for regional exploration on the current tenements surrounding the Damang and Lima South mining leases.

Overview

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ST IVES GOLD MINE
ST IVES GOLD MINE
2008
2007 2006
Open pit mining
Waste mined
’000t
29,778
26,828
19,743
Ore mined
’000t
5,143
3,928
4,487
Head grade
g/t
1.71
2.23
1.89
Strip ratio
W:O
5.79
6.83
4.40
Underground mining
Ore mined
’000t
901
1,336
1,771
Head grade
g/t
5.15
5.28
4.59
Processing
Tons processed
Milled
’000t
4,647
4,669
4,567
Heap leach
’000t
2,586
2,090
2,123
Total

’000t
7,233
6,759
6,690
Yield
Milled
g/t
2.5
3.3
3.3
Heap leach
g/t
0.6
0.9
0.9
Combined
g/t
1.8
2.2
2.3
Gold produced
Milled
kg
11,552
14,177
14,404
Heap leach
kg
1,440
969
1,036
Total
kg
12,992
15,146
15,440
Total
’000oz
418
487
496
Total cash costs
A$/oz
649
540
453
US$/oz
582
424
339
R/kg

136,122
98,039
69,754
Notional cash expenditure
US$/oz
836
579
459
R/kg
195,466
134,029
94,403
Capital expenditure
Rm
784.5
545.8
336.5
US$m
107.9
75.8
52.6
Net earnings –
Total Australia
1
Rm
268.3
298.6
251.8
US$m
36.8
41.5
39.3
1
As a significant portion of the acquisition price was allocated to tenements of St Ives and Agnew on endowment ounces and also as these two Australian operations are entitled to transfer and then offset losses from one company to another, it is not meaningful to split the income statement below operating profit

OVERVIEW

Location: The St Ives operations extend from 5 to 25 km south-southwest of the town of Kambalda in Western Australia, approximately 630 km east of Perth. Located at approximately latitude 31°12'S and longitude 121°40'E, the nearest major settlement is the town of Kalgoorlie situated 80 km north. Infrastructure: Ore is currently mined from three underground mines, four open-pits and 10 surface stockpile sources, and processed via both mill/CIP and heap leach plants. Geology: Structurally controlled hydrothermal gold deposits situated in the Norseman-Wiluna Greenstone Belt, which is part of the Yilgarn Craton, a 2.6 Ga granite-greenstone terrain in Western Australia. Employees in service: 249 permanent employees, 926 contractors

PRODUCTION: 12,992 kg (417,700 ozs) TOTAL CASH COSTS: R136,122/kg (US$582/oz)

SAFETY, HEALTH AND ENVIRONMENT

St Ives remained fatality free for F2008; but unfortunately recorded six Lost Time Injuries (LTIs) during the year. The Serious Injury Frequency Rate (SIFR) improved from 16.93 in F2007 to 10.79 this year.

The primary focus is to eliminate injuries “aim for zero” through Critical Hazard Controls (CHC) together with the continued implementation of the Zero Incident Process (ZIP), which is an intervention designed to influence safety performance at both the individual and safety culture level.

The mine maintained AS4801:2000 Occupational Health and Safety Management System certification and ISO14001:2004 (Environmental Management System) certification.

OPERATIONAL PERFORMANCE

Gold production was lower for the year due to the late start of the underground projects and more low grade open pit ore tons being mined in an attempt to compensate. Mining operations focused on sustaining production from base load open pits and the Argo underground operation, while developing the Leviathan pit cutback and underground operations at Belleisle and Cave Rocks as future ore sources.

The majority of open pit ore was mined from the North Revenge, Bahama, Cave Rocks, Pluton and Revenge pits. The Thunderer and Bahama pits were completed, while North Revenge, Cave Rocks, Pluton and Revenge pits will be completed in the first quarter of F2009. A smaller mining fleet mined ‘good-bye cuts’ in all the completed pits and the historical Blue Lode pit. Overburden pre-stripping at the Grinder and Agamemnon pits commenced and together with the Leviathan pit cutback will reach full production in F2009. As a result stripping ratios and pit volumes remained similar throughout the year.

The sourcing of underground material from Argo was affected by delays in paste filling, but these were successfully resolved.

Development of the Belleisle complex was substantially completed during F2008, with the first stope completed towards the end of the year. Development was delayed due to a number of hyper-saline and high volume water intersections and difficult working conditions. Full production is expected to be reached in the second quarter of F2009.

Cave Rocks started development in September 2007 and an initial stope was mined at the southern extent of the mine at the end of F2008. This project was delayed by six months due to permitting delays and ore body interpretation.

Mining of remnant stopes at Leviathan continued throughout F2008, providing extra feed to the mill while Cave Rocks and Belleisle were developed. The infrastructure was closed in F2008.

The Lefroy mill operation benefited from various value adding projects of which the SAG mill cube control, North Orchin tailings line and Continuous Improvement (CI) process were primary features.

Gold recovery from the heap leach varied during the year as a result of variances in the feed blend, but has increased overall as a result of the agglomeration drum installation. The Leviathan pit cutback ore introduced towards the latter part of the year has impacted negatively on recovery due to its competent nature, pushing up maintenance, reagent and contractor costs. An oxide screen has been commissioned and optimised. Spent heap relocation has been demonstrated as a practical, simplified and cost effective option to create stacking area on existing pads and this strategy will be pursued to replace the Stage 3 pad, which will reach capacity during the third quarter of F2009.

Total gold production was down on the previous year (F2007: 487,000 ounces) to 418,000 ounces. Total cash costs for the year averaged US$582 per ounce (A$649 per ounce), up from US$424 per ounce (A$540 per ounce) in F2007. This was mainly due to increases in input costs, principally labour and fuel, as well as the lower grades and an unfavourable exchange rate movement.

Under the terms of the inherited royalty agreement pertaining to St Ives, the 10 per cent price participation royalty on a gold price above A$600 per ounce continued to apply during the year. The Net Smelter Royalty component was also triggered in mid June with production from St Ives reaching 3.3moz in June 2008. The impact of these royalties for the full year was A$14 million (US$30).

Revenue generated during the year was A$381 million (US$342 million) at an average gold price of US$819 per ounce (A$913 per ounce). Operating cost amounted to A$269 million (US$242 million), realising an operating profit (before amortisation) of A$105 million (US$94 million) for F2008.

Capital expenditure for the year totalled US$108 million (A$120 million) with most of this incurred on mine development for the underground operations at Argo, Belleisle and Cave Rocks. Exploration expenditure of A$27 million is also included in the capital expenditure.

Improved understanding of the underlying geological and mineralisation controls has been developed over the last two years and enabled consolidation of a number of key project areas going forward. The majority of the activity was focused on early stage exploration activities aimed at setting up the site for aggressive resource drill outs in F2009. The strategic thrust of the F2009 exploration programme will include expansion of underground reserves, extensional growth at operating open pit mining areas, and selective targeting in prospective greenfields areas.

Attracting and retaining the right people continues to present challenges, but we continue to embed our people strategy, directing particular attention to accurately identifying and addressing our current and future work force requirements and improving our approach to managing the careers of our people.

OUTLOOK FOR 2009

- Recertification of the AS4801:2000 Occupational Safety and Health Management and ISO14001:2004 Environmental Management Systems; and certification with the International Cyanide Management Code (ICMC).
- Complete development of the Leviathan pit cutback as a

future base load.

- Deliver full production from the Belleisle and Cave Rocks underground mines.
- Successful implementation of the Underground Department Improvement Programme (UDIP), delivering improved cash margins through productivity, costs and revenue drivers.
- The heap leach expansion project, through the re-utilisation of the Stage 2 heap leach pad.
- The exploration programme to include expansion of the underground reserves at Argo, Belleisle and Cave Rocks, extensional growth at operating open pit mining areas.

Overview

AGNEW GOLD MINE
AGNEW GOLD MINE

		2008	2007	2006
Open pit mining				
Waste mined	'000t	**191**	9,315	13,836
Ore mined	'000t	**202**	1,532	863
Head grade	g/t	**3.24**	2.58	2.13
Strip ratio	W:O	**0.95**	6.08	16.04
Underground mining				
Ore mined	'000t	**505**	394	452
Head grade	g/t	**9.34**	11.69	12.10
Processing				
Tons milled	'000t	**1,315**	1,323	1,323
Yield	g/t	**4.8**	5.0	5.2
Gold produced	kg			

6,336
6,605
6,916
’000oz
204
212
222
Total cash costs
A$/oz
496
377
355
US$/oz
445
295
266
R/kg
104,040
68,403
54,656
Notional cash expenditure
US$/oz
568
473
358
R/kg
132,734
109,402
73,614
Capital expenditure
Rm
241.0
205.7
117.7
US$m
33.1
28.6
18.4
OVERVIEW
Location: Agnew is located 23 km west of the town of Leinster in Western Australia, approximately 375 km north of Kalgoorlie and
1,050 km (by road) northeast of Perth at latitude 27°55`S and longitude 120°42`E. The nearest major settlement is the town of Leonora
situated 128 km to the south. The mine is served by a network of sealed roads and an all weather airstrip at Leinster.
Infrastructure:
Ore is currently mined from one open pit, Songvang, and from the Kim and Main ore bodies (comprising the Waroonga underground
mining complex) and processed through one CIP plant Geology: Structurally controlled hydrothermal gold deposits situated in the
Norseman-Wiluna Greenstone Belt, which is part of the Yilgarn Craton, a 2.6 Ga granite-greenstone terrain in Western Australia.

Employees in service: 114 permanent employees, 298 contractors
PRODUCTION: 6,336 kg (203,700 ozs) TOTAL CASH COSTS: R104,040/kg (US$445/oz)

SAFETY, HEALTH AND ENVIRONMENT
Agnew was LTI free for F2008, achieving 635 consecutive lost day injury free days. It also remained fatality free since acquisition.
The mine maintained certification for AS4801:2000 Occupational Safety and Health Management System, and ISO14001:2004 Environmental Management Standard.
Significant progress was made in capping the top of the southern half of the completed Tailings Storage Facility 2. The Songvang waste rock dump and open pit were largely rehabilitated by year end.
OPERATIONAL PERFORMANCE
Gold production for the year declined due to a reduction in open pit ore tons. Underground production increased by 28 per cent which provided the base load of mill feed. The Songvang open pit was successfully completed in August 2007 and the mining fleet demobilised. The Songvang ore stockpiles were blended with underground and will be depleted in 2009.
Mining at Waroonga started slowly in F2008 on the back of the issues experienced throughout the course of F2007, but exceeded budgeted levels by the end of the year. Ore drive rehabilitation at Kim South Lode was completed and many of the old secondary stopes from the previous mining method were mined and paste filled.
Whilst the overall performance of Main Lode exceeded F2007 production by 93 per cent, the mining sequence was modified extensively and stope production put on hold to facilitate development to access the orebody to enable optimal stope sequencing. This extended the orebody strike length on multiple levels.
Development to the Rajah Lode started on a number of levels to provide alternative blending sources for Kim.
The paste fill plant at Waroonga performed to expectations. This plant was changed out for a new custom build paste fill plant to achieve better product control.
Total gold production for F2008 was 204,000 ounces, which was 4 per cent down on the previous year’s 212,000 ounces.
Operating costs were steady year-on-year at A$92 million (US$83 million). The Byrnecut underground mining contract was renegotiated for three years. The reduction in mining volume with the completion of Songvang open pit resulted in a net saving of A$8 million in mining related costs. This was offset by an increase in processing costs of A$4 million and on-site overheads of A$3 million.
A new accommodation agreement was entered into as of 1 January 2008 with BHP Billiton who own the town of Leinster which provides accommodation for the mine work force.
Total cash costs for the year averaged A$496 per ounce (US$445 per ounce), compared with A$377 per ounce (US$295 per ounce) achieved in F2007. The increased costs were due predominantly to the increased Byrnecut underground mining costs, processing costs and on-site overheads outlined above.
Capital costs were marginally higher at A$37 million (US$33 million) in F2008 versus A$36 million (US$29 million) in F2007. Mining related

capital was down by A$12 million with the completion of the Songvang pit, however each of extensional exploration, additional exploration and capital works were A$4 million higher year-on-year.
Extensional exploration at Waroonga included down-dip extensions to the high grade Kim South resource and the commencement of drilling into the 450 South resource which sits south of the Main Lode orebody. An exploration drive was done for Claudius to evaluate the ore resource against the model. This project was considered marginal and the ore development and subsequent processing proved this to be the case.

Heritage surveys (land access) for exploration activities continued to exceed expectations and the operation was well placed in terms of being able to fulfil planned exploration activities with drilling focused on three main areas by year end: Vivien Gem, Turret North and Cinderella.
An additional A$1 million was spent on land access with various site studies to enable exploration activities to proceed where heritage approvals were required.

NCE was steady year-on-year with A$129 million (US$116 million) versus A$128 million (US$101 million) in F2007. On a per ounce basis, there was a 5 per cent increase with A$634 per ounce (US$568 per ounce) versus A$605 per ounce (US$473 per ounce) in F2007, due to the 4 per cent drop in gold sales.

Revenue generated during the year was A$188 million (US$169 million) with an operating cost of A$92 million (US$83 million), realising an operating profit (before amortisation) of A$74 million (US$66 million) for F2008. This compares with the following metrics for F2007: revenue A$174 million (US$137 million); operating costs A$92 million (US$73 million) and operating profit A$81 million (US$64 million).

Labour turnover continued at a very high rate among both staff and contractor workforces. This occurred despite significant improvements in operational performance and is indicative of issues faced in the current resource boom being experienced in Australia.

OUTLOOK FOR F2009

• Gold production budgeted to reduce to 171,000 ounces.
• The mill will only process underground ore in the second half of the year due to exhaustion of low grade stockpiles.
• Focus on maintaining Waroonga underground production at budgeted rates while continuing with extensional exploration with the aim of growing the resources and reserves base.
• Enhance additional exploration on the lease with a combination of target generation and more advanced project drilling.
• Capital expenditure planned at A$38 million (US$34 million) largely:
o Infrastructure up-grades in the mill, Waroonga underground declined development, cyanide code compliance and general utilities.
o A$17 million for extensional and additional exploration.

Overview

SAFETY, HEALTH AND ENVIRONMENT

Since October 2005 the Cerro Corona project had worked 11.9 million man-hours with no Lost Time Injuries (LTIs). However in December, the project regrettably experienced its first fatality when a contractor attempted to dislodge a bound cable being used to pull conductor wiring between towers on the 220kV transmission line to Cerro Corona. During the second half of F2008 there was a deterioration in LTIs which by year end had reached five. Management has already implemented several programmes; including severe contractor cost penalties, as well as additional training, to reverse this trend. New training programmes are also being ramped up to cater for the work force transition from project under construction to the operational phase.

By late December, an alternate access road around the project area was opened, allowing the closure of the last traditional community routes traversing the mining lease. The entire project site perimeter could thus be secured, allowing activities in the tailings management facility (TMF) to proceed more safely and with greater efficiency.

Project EIA general revision, the mine closure plan, and the contractor’s EIA for storage, transport, and ship loading of concentrate at the Port of Salaverry were approved during the year.

There were no significant environmental incidents.

OPERATIONAL PERFORMANCE

Total cumulative capital expenditure through F2008 reached US$501 million, which is US$80 million higher than the revised project value of US$421 million. Project forecast cost at completion is now projected to peak at approximately US$550 million. Projected operational costs per ounce for the F2009 year is US$270 per equivalent ounce.

Complications in the generation and placement of construction materials for the Tailings Management Facility (TMF) embankment continued to affect the project timelines during the first half of the year. Most of these were overcome when new sources of clay were opened up during late 2007. However, rain affected the rate of placement, further impacting on construction timelines.

The TMF embankment elevation work was completed during the fourth quarter and as of August 500,000 cubic metres of water had been captured. This is sufficient to take the mine through the dry season.

Mining activities focused on generating construction material for the various site structures, in particular the TMF.

The mining fleet sourced materials from three rock quarries within the project boundary, before shifting to overburden removal and excavation of oxide and sulphide ores for stockpiling. A total of 6.7 million tons was excavated from the Cerro Corona mine during the year of which approximately 49 per cent was overburden, with the balance being oxide and sulphide ore for stockpiling.

Accumulated mixed ore in stockpile at the end of F2008 was 974 thousand tons with an average gold and copper grade of

1.32 grams per ton and 0.52 per cent, respectively. This material represents eight weeks of plant production at full throughput. Mechanical construction activities were concluded in late April; pre-commissioning activities commenced in May and commissioning

CERRO CORONA GOLD MINE

OVERVIEW

Location: The Cerro Corona Development Project is situated in the highest part of the Western Cordillera of the Andes in northern Peru, 1.5 km west-northwest of the village of Hualgayoc in the Department of Cajamarca centred at longitude 78° 37' 8" W and latitude 6° 45' 36" S. The Project is located approximately 600 km north-northeast of Lima and approximately 80 km by road north of the city of Cajamarca. Access is by paved road from Cajamarca to the Yanacocha Mine area and by infrequently maintained gravel roads from Yanacocha to the Project area. Infrastructure: The Project involves the production of gold and copper by conventional open pit mining extraction of a copper-gold flotation concentrate which will be trucked to the Port of Salaverry for shipment to smelters in Japan, Korea and Europe. Geology: The Cerro Corona Cu-Au deposit is a Porphyry-style mineralisation hosted by a 600-700 metres diameter sub-vertical cylindrical-shaped diorite porphyry emplaced in mid-Cretaceous limestone, marls and siliclastic rocks. Mine type and depth: One large open pit mine. Employees in service: 114 permanent employees, 258 temporary employees and 3,540 contractors

PRODUCTION COMMENCED AT THE END OF JULY 2008.

was completed by the end of August. Project operational transition teams with formal plant operation and commissioning procedures are in place for all aspects of Cerro Corona on a go forward basis.
Of the approximately 3,000 people working on site throughout most of F2008, 825 came from local communities. Over 50 local community contractors and suppliers continued working for the project. Community stakeholder engagement continued at high levels throughout the year and community relationships were generally positive and stable, with no work stoppages due to community concerns.
As Cerro Corona transitions from permitting and construction to the operational phase, a plan for broader participation in district and regional issues is being developed and implemented. Part of this transition will involve a decline in staffing levels as construction ends, which will impact on the extent of local employment. To mitigate this effect, contractor opportunities and plans are in place to ensure that local suppliers are, through training and technical support, empowered to continue their business relationships with Cerro Corona into the operational phase. Similarly, the integration of community issues into Cerro Corona's operational plans was undertaken to ensure ways of maximising positive operational impacts within the local communities.

OUTLOOK FOR 2009

• First shipment of concentrate is planned for Q1 F2009, with forecast metals production of an annualised 375,000 equivalent gold ounces at total cash cost of US$270 per equivalent ounce.
• Total forecast capital expenditure for F2009 is US$113 million, to complete the Cerro Corona project, the Las Aguilas TMF, as well as operational capex.
• Total notional cash expenditure (NCE) for F2009 is estimated to reach US$600 per equivalent ounce.

CORPORATE GOVERNANCE
The Company has a robust production capability founded on its portfolio of high-quality, long-life assets and its 'gold only' Mineral Reserve profile currently ranks third in the industry.

This F2009 Statement outlines the Gold Fields Mineral Resources (Resources) and Mineral Reserves (Reserves) at each of its operating mines and at Arctic Platinum, as at 30 June 2008. Resource and Reserve information that is reported is rated as important for disclosure and it reflects a level of detail required for completeness, transparency and materiality. The Group's Resource and Reserve figures are estimates and will be affected by fluctuations in the US dollar currency exchange rates, costs and operating factors.

Resources are reported inclusive of Reserves and stability pillars.

Guided by a commitment to Corporate Governance, this Statement has been audited by recognised, leading global mining consultancies, and found to be compliant with the South African Code for the Reporting of Resources and Reserves (the SAMREC Code) and also Industry Guide 7 for reporting on the United States Securities and Exchange Commission (SEC). Cognisance is taken of other relevant International Codes, where geographically applicable, such as the Australian JORC Code and Canadian NI 43-101. The process followed in producing the declaration is in alignment with the guiding principles of the Sarbanes-Oxley Code (SOX).

Covering the entire Group's Mineral Resource Management (MRM) function, the SOX audit runs in parallel with the external Resource and Reserve audits and underpins the internal control process, leading to world class corporate governance practices.

All comparisons and reconciliations reported are standardised on an 18 month window defined by the period between the last published Resource and Reserve Supplement as at December 2006 and the current June 2008 declaration. Note that an interim Reserve only statement was compiled as at 30 June 2007 to meet the specific requirements of the 20-F filing in that year, as per SEC guidance.

OVERVIEW
- The December 2006 Statement's numbers are shown in brackets, excluding Choco 10 and Essakane, for ease of comparison.
- As at the end of June 2008, Gold Fields has total attributable precious metal Resources, including platinum and copper as gold equivalents as well as the Uncle Harry's Prospecting Area, contiguous to the South Deep mine, of 250.6 (244.9) million ounces and total attributable gold and copper-gold equivalent Reserves of 82.8 (92.0) million ounces. Total attributable gold Resources (excluding platinum and copper equivalents) are 234.5 (228.2) million ounces and Reserves are 80.5 (89.8) million ounces, net of 6.3 and 5.7 million ounces depletion from the Resource and Reserve respectively.

Attributable Mineral Resources and Mineral Reserves per operation:

F2009 MINERAL RESOURCE AND MINERAL RESERVE REVIEW

- Attributable Mineral Resources, including 2PGE and Cu converted to Au-Eq ounces, at 250.6 Moz (net of 18 months production depletion of 6.3 Moz).
- Attributable Mineral Reserves, including Cu converted to Au-Eq ounces, at 82.8 Moz (net of 18 months production depletion of 5.7 Moz).
- Review of pillar and remnant mining, aimed at reducing risk in South African mines, completed.
- South Deep is redesigned as a fully mechanised mine with a six year production ramp-up.
- Resource modelling at South Deep has been completed from 87 to 95 level and an aggressive underground and surface exploration drilling programme is in progress.
- Surface and underground Uranium Resource potential is continuing to be evaluated at the South African Operations.
- Eskom's power constraints have been accounted for in the Life of Mine (LoM) planning and a 90 per cent electricity power utilisation has been factored in at all South African mines.
- The CIL plant expansion at Tarkwa and Cerro Corona come on stream in F2009.
- Totals and sub-total figures for 2007 have been restated for compatibility to F2009 totals, and therefore exclude the Choco 10 Mine in Venezuela and the Essakane Project in Burkina Faso, which were sold in 2007.

Attributable Resources
Gold, 2PGE and Cu-Au Eq.
Moz
0
10
20
30
40
50
60
70
80
Damang Agnew St Ives Cerro App Taka a BeatrixDriefon South Kloof
Damang Agnew St Ives Cerro App Takaw a Beatrix Driefon South Kloof
Dec-06
Jun-08

Attributable Reserves
Gold and Cu-Au Eq.
Moz
0
5
10
15
20
25

30
35

Dec-06
Jun-08

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- The South African Region has a declared attributable Resource of 209.6 (199.7) million ounces, up 5 per cent primarily because of the acquisition of the prospective Uncle Harry's ground containing 16.5 million ounces of Inferred Resource of which 74 per cent (12.2 million ounces) are attributable to Gold Fields. The South African Region has a Reserve of 66.6 (73.9) million ounces, down 9.9 per cent, net of 4.1 and 3.7 million ounces depletion from the Resource and Reserve respectively;
- The consolidated Ghana, Australia and Peru Operations have a declared attributable gold Resource of 24.9 (28.5) million ounces and a gold Reserve of 13.9 (15.9) million ounces, depleted by 2.2 and 2.0 million ounces respectively;
- Attributable copper Resources and Reserves are 1,321 (1,508) million pounds and 856 (879) million pounds respectively. The attributable copper gold equivalent Resource and Reserve ounces 'only' are 3.5 (4.1) million ounces and 2.3 (2.2) million ounces respectively;
- The South Deep figures reported are as reviewed and approved by an Independent Review Panel of consultants as at December 2005, with the exception of the ground from 87 to 95 level that is quoted in line with the other South African Operations, using the new commodity price and updated technical and economic parameters;
- The Arctic Platinum Project (APP) Resource Statement remains the same as previously reported, because an update by North American Palladium (NAP) has not been finalised; and
- A common theme dominating this Resource and Reserve Statement is the significant increase in operating costs that have outweighed the rise in the declaration metal prices. The global mining industry has witnessed a 25 per cent to 35 per cent increase in operating costs in the last year driven by higher energy, labour, materials, transportation and contractor costs. These global trends have impacted Gold Fields by generally raising pay limits and cut-off grades at a rate exceeding the increase in metal prices permitted to be used for declaration purposes as per the SEC guidelines (three year historical average). The result has been a squeeze on 'Reportable Reserves' and the creation of a disconnect between the Group's declared Reserve position and that aligned to prevailing metal prices.

The gold prices used for the Reserve declaration are in accordance with the SEC guidelines and approximate historical three-year average commodity prices. As such, they incorporate the lower portions of the price cycle seen during this period in terms of

US$/oz, and are thus significantly lower than current spot prices.
The following key parameters were used as a basis for estimation in this declaration:

		June-08		Dec-06	
Location	**Unit**	**Reserves**	**Resources 1**	**Reserves**	**Resources**
Ghana & Peru	US$/oz	650	800	500	650
Australia	A$/oz	750	925	650	875
South Africa 2 and 3	R/kg	150,000	180,000	100,000	135,000
Peru	US$/lb Copper	1.75	2.10	1.25	1.75

Notes:
1 Resource prices are below declaration date spot prices.
2 South Deep from 87 to 95 level figures generated by Gold Fields.
3 The remainder of South Deep is reported as per the acquisition model (low gold price and corresponding lower costs).

Exploration Expenditure for 18 Month Period ending 30 June 2008

Total expenditure*
Operation
Metres drilled
R million
A$ million
US$ million

US$ million
Driefontein
24,238
15.003
–
–
2.196
Kloof
24,970
20.245
–
–
2.990
Beatrix
21,003
6.489
–
–
0.957
South Deep
19,786
25.378
–
–
3.557
Tarkwa
11,437
–
–
1.468
1.468
Damang
44,164
–
–
5.700
5.700
St Ives
308,081
–
38.219
–
31.989
Agnew
196,406
–
25.418
–
21.471
Cerro Corona
•

–
–
–
–
–
Total
650,085
67.115
63.637
7.168
70.329
Notes: Exchange rate as at 30 June 2007 US$0.7692 : A$1.00 and US$1.00 : R6.22
Exchange rate as at 30 June 2008 US$0.867 : A$1.00 and US$1.00 : R7.18
* *Based on weighted average exchange rates.*
•
Developing mine: grade control drilling only.
All mines exclusive of grade control and cover drilling except where part of Capex.

The investment in exploration has remained at high levels, with expenditure for the 18 month period January 2007 to June 2008 totalling
US$70.3 million. The on-mine exploration spend centred heavily on Australia (76 per cent) with South Africa (14 per cent) and Ghana (10 per
cent) accounting for the remainder.

Overview

SOUTH AFRICAN OPERATIONS

The South African Region's Resource base has increased by 5 per cent primarily because of the acquisition of the Uncle Harry's Prospecting Area immediately contiguous to the east of South Deep (Kalbasfontein Prospecting Right), containing 16.5 million ounces of Inferred Resource of which 74 per cent are attributable to Gold Fields. The total Reserve has decreased by 10 per cent, net of mined Reserve depletion. The South African Region currently accounts for 84 per cent and 80 per cent of the Group's attributable gold equivalent Resource and Reserve base respectively.

The old order mining rights of Driefontein, Kloof and Beatrix were converted in terms of the Mineral and Petroleum Resources Development Act 28 of 2002 (MPRDA) in early 2007. The application for the conversion of South Deep's old order rights, and Uncle Harry's Prospecting Right is in progress.

The tempo of exploration has significantly increased year-on-year, with drilling expenditure for the 18 months ending 30 June 2008 exceeding R67.1 million (F2008 actual R50.7 million against R31.3 million for F2007). South Deep accounted for R25.4 million and was the main contributor following the initiation of an extensive surface and underground exploration programme in F2008, aligned to facilitate geology models with improved resolution that will underpin resource definition.

The following points are noteworthy:

- Quantification of the full uranium and gold potential of all prospective tailing dams is underway;
- Underground uranium Resource models are being generated;
- Improved safety and productivity through the appropriate application of new technology and continued improvements in mine design and scheduling;
- The reduction in the power supply led to the deferment of Driefontein 9 shaft, with sinking delayed until 2012;
- At higher spot gold prices the opportunity to mine more medium to lower grade ore will be continually assessed to leverage spare shaft and plant capacities and contain unit costs;
- Achievement of planned development rates continues to be a priority to increase Reserves and operational flexibility;
- Restructured and empowered grade departments at all mines will drive additional gold delivery and reduce the in-situ to mill 'grade gap'. Mine Call Factor (MCF) and Volume, Value and Quality Management plans are in place to drive this imperative; and

- Risk adjusted planning has been implemented and will be further enhanced in F2009.

Driefontein enjoys strong potential for extensive delineation of additional Uranium Resources, both underground and on surface. To date, only two of the tailings dams have been drilled and the remaining three dams (no's 1, 2 and 4) will be evaluated in F2009.

A selective mining cut strategy is now being applied to the Multi Band Carbon Leader Reef directed by advanced framework drilling conducted from the cross-cuts. The preferred mining cut significantly improves stope values (g/t Au) and mitigates the geotechnical risk linked to exposing incompetent hanging wall quartzites.

Drilling results at Kloof from borehole KEA 5 resulted in the original geometry of the Ventersdorp Contact Reef (VCR) Sandy 1 facies being materially reduced. The updated VCR model now also takes account of the regional north-south palaeocurrent trend dominating the deeper more distal areas of Kloof's VCR. The decrease in below infrastructure Reserve ounces is driven by the revised resource model resulting in the exclusion of the northern portion of the Kloof Extension Area (KEA) project.

The Uranium Resource inherent to the Beisa Reef at Beatrix 4 Shaft has been quantified down to 5 level, covering the shallow portion of the geological over-turn structure. This provisional Resource is based on incremental mining in conjunction with the current mining of the Kalkoenkrans Reef and is stated separately from the total Gold Fields Resource declaration.

Re-modelling of the South Deep ore body from first principles and within the Gold Fields MRM systems framework is in progress and the Upper Elsburg reef zone from 87 level to 95 level has been completed. This process is being executed in accordance with Gold Fields' internal standards for database integrity and QA/QC coupled to our stringent protocols for geological and geostatistical modelling.

South Deep has now been designated a developing mine with the following core deliverables:

- Completion of the surface and underground exploration programmes;
- Focus on completing the Twin shaft infrastructure, to improve hoisting capacity and support the production ramp-up;
- Drive improved safety and efficiencies from improved mechanised mining methods, including mechanised de-stress, utilising low profile equipment;
- Accelerated opening up of the ore body above 110 level, focusing on new mine development targets north and immediately south of the Wrench Fault (above infrastructure);
- A six year production ramp-up as a fully mechanised mine;
-

Leverage any potential value from integration of the South Deep and Kloof surface infrastructure; and

- Submission of The Mine Works Programme and Social and Labour Plan to expedite transition to a New Order Mining Right by Quarter 2 F2009.

INTERNATIONAL OPERATIONS

The International Operations (including APP) currently account for 16 per cent and 20 per cent of the Group's total attributable gold equivalent Resource and Reserve base respectively. The sale of the Choco 10 Mine and the Essakane Project removed an attributable 6.8 Moz of Resource and 1.7 Moz of Reserve from the balance sheet as reported in the December 2006 statement.

On-mine exploration activities continued across all four of the International Operations, with drilling expenditure for the 18 months to 30 June 2008 in excess of US$60.6 million (F2008 US$45.1 million and US$41.6 million for F2007). Cerro Corona only conducted grade control drilling during this period. St Ives accounted for 53 per cent of the expenditure, Agnew 35 per cent, Damang 10 per cent and Tarkwa 2 per cent. The implementation of customised greenfield,

brownfield (near mine) and extensional exploration programmes at St Ives, Agnew and Damang is directly addressing the requirement for discovery, resource definition and conversion to Reserve to ensure longer-term sustainability without compromising short-term delivery. At Tarkwa, the search for additional Resources is moving toward assessing the depth extensions of the current ore bodies for underground exploitation and for certain hydrothermal gold prospects.
Cost increases have outstripped the declaration gold price (SEC) increases by approximately 7-10 per cent across the portfolio. Increased commodity prices, diesel and power costs, labour, reagent and greater consumption of steel balls at increased prices are collectively driving cost creep and placing upward pressure on cut-offs. Cost containment and cost leadership, optimal scheduling and blending, and quality mining and productivity initiatives thus remain essential to support sustainability of margin and NCE targets at the international operations.
The following points are noteworthy relating to the Ghana, Australia and Peru:

- Sale of Essakane: Attributable Resource 2.0 Moz (December 2006 declaration);
- Tarkwa CIL expansion project completion and ramp-up in Quarter 2 F2009. This expansion increases capacity to 12.3 Mtpa and maintains production at between 700 and 800koz per annum;
- Two new underground mines commissioned at St Ives, Belleisle and Cave Rocks, with build up to steady state underway;
- Sale of Choco 10: Attributable Resource of 4.8 Moz; Reserve of 1.7 Moz (December 2006 declaration); and
- Cerro Corona copper-gold porphyry mine, will ship its first concentrate in Quarter 1 F2009.

Cost increases in Ghana, outstripping declaration gold price increases, have had an impact on cut-off grades at Tarkwa. The 18 month increase in cut-off grades equates to +8 per cent for Heap Leach (HL) and +11 per cent for CIL and has reduced some of the lower grade Resources. The impact of future power increases in Ghana, particularly on the CIL Reserves, is being assessed.
The Damang Pit Cutback (DPCB) continues to provide a window of opportunity to explore attractive targets and increase the mine’s operational footprint. In addition, the strategy to move underground once the DCPB open pit is exhausted, will be evaluated by means of a scoping study in F2009.
At St Ives the criticality of driving the Resource to Reserve conversion on the underground mines and at Santa Ana and Athena projects, as well as curbing future mining activity cost increases both on surface

and underground, is a primary deliverable in F2009. The Leviathan open pit remains the critical contributor to LoM mill feed tons and cost containment remains key to ensuring profitability. St Ives continues to enjoy high levels of prospectivity across the mine lease and a full exploration project pipeline is expected to derive additional discovery ounces in F2009.

The short-term growth strategy at Agnew during the last 18 months has focused on replacing ounces mined from the Waroonga complex. This has been accomplished by extending known mineralisation both down dip and along strike at the Kim (33 per cent increase in Resource ounces), Main (77 per cent increase) and Rajah (44 per cent increase) ore bodies. In the upcoming year strong emphasis will again be put on both extensional resource development and discovering new resources at Waroonga and converting them to Reserves. This will centre on extensional and infill drilling at the Kim, Main and Rajah ore bodies.

The Cerro Corona Resource and Reserve estimates for the June 2008 declaration are based on a new geological model developed by Gold Fields in May 2007 and incorporates the relogging of all available diamond drill core. In this model, the definition of the supergene zone has been confirmed and zones of secondary copper mineralisation within the underlying hypogene zone have also been defined. A new Mineral Resource model has been developed using the new geological model as a framework. This estimate makes use of a linear geostatistical estimate of larger panels, followed by a non-linear post-processing technique to estimate the recoverable Resources. The technique has been extended to address the bivariate Cu-Au distributions at Cerro Corona.

MINERAL RESERVE SENSITIVITY

The sensitivity of Reserve ounces at all the Operations is shown in the accompanying charts, at -5 per cent, -10 per cent and +5 per cent, +10 per cent and +25 per cent, above and below the base gold price used in this declaration. Surface low-grade stockpiles are specifically included. South Deep has been included across the range at its base declaration prices with only a +25 per cent flex being applied to the remodelled 87 and 95 level area. The +25 per cent flex is included to help reflect the current commodity price trend.

The Reserve sensitivities are not based on detailed depletion schedules and should be considered on a relative and indicative basis only.

Note:

The main contributing factor to the decline in ounces at a gold price of Base -5 per cent (R142,500/kg), shown in the South African sensitivity graphs, is primarily due to the exclusion, on economic grounds of the Middelvlei Reef at Kloof and, at a gold price of Base -10 per cent (R135,000/kg) the exclusion of the 9 shaft project at Driefontein.

South Africa managed Mineral Reserve sensitivity

0
10
20
30

40
50
60
70
80
+25%
+10%
+5%
R150,000/kg
-5%
-10%
Driefontein
Kloof
Beatrix
South Deep
Au Moz
Reserve Gold Price
Ghana managed Mineral Reserve sensitivity
0
5
10
15
20
+25%
+10%
+5%
US$650/oz
-5%
-10%
Tarkwa
Damang
Reserve Gold Price
Au Moz
Overview

COMPETENT PERSONS

The competent persons designated in terms of the SAMREC Code taking responsibility for the reporting of Gold Fields Resources and Reserves are the respective mine based Mineral Resource Managers. Corporate governance on the overall compliance of these figures has been overseen by Tim Rowland, Senior Consultant Mineral Resources and Mine Planning [(BSc Hons, MSc Mine Geology and Exploration, GDE Mining Engineering, Registered Natural Scientist (Reg. No. 400122/2000) FGSSA, FSAIMM], 22 years experience. The named person is a permanent employee of Gold Fields Limited. Additional information summarising the competent person teams involved with the compilation of the Resource and Reserve declaration per Operation is included in the Resource and Reserve Supplement to this report.

Note:

A comprehensive review of the Group's Resources and Reserves for F2009, including locality and mine infrastructure plans of all the Operations, is available in a supplementary document that accompanies the annual report, or may be downloaded from the Gold Fields website (www.goldfields.co.za/www.goldfields.com) as a pdf file using Adobe Acrobat Reader. Rounding of figures in this report and in the supplementary documents may result in computational discrepancies. Where this occurs it is deemed not to be significant.

Australia managed Mineral Reserve sensitivity

0
0.5
1.0
1.5
2.0
2.5
3.0
+25%
+10%
+5%
A$750/oz
-5%
-10%
St Ives
Agnew
Au Moz
Reserve Gold Price

Peru managed Mineral Reserve sensitivity

0
1
2
3

4
5
6
+25%
+10%
+5%
BASE
-5%
-10%
Cerro Corona
Au + (Cu-AuEq)
Moz
Reserve Gold Price
Note:
Cerro Corona Reserves are constrained by the Tailings Management Facility (TMF). Supplementary facilities will allow for expansion of the Reserve base.

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GOLD FIELDS LIMITED CLASSIFIED MINERAL RESOURCE AND MINERAL RESERVE STATEMENT
as at 30 June 2008
HEADLINE NUMBERS
Resources
Reserves
30 June 2008
Dec 06
30 June 2008
Dec 06
Tons Au+2PGE
Au+2PGE
Tons Au+2PGE
Au+2PGE
Totals including platinum
(Mt)
(Moz)
(Moz)
(Mt)
(Moz)
(Moz)
Managed
1,627.0
257.79
248.35
755.9
84.77
94.57
Attributable
1,467.9
247.12
240.82
647.9
80.53
89.84
Au+2PGE
Au+2PGE
Au+2PGE
Au+2PGE
Totals including platinum and
Tons
+AuEq
+AuEq
Tons +AuEq
+AuEq
gold equivalents (from copper)
(Mt)
(Moz)
(Moz)

(Mt)
(Moz)
(Moz)
Managed
1,627.0
262.08
253.38
755.9
87.63
97.29
Attributable
1,467.9
250.59
244.88
647.9
82.84
92.03
SUMMARY
1
Resources
Reserves
Attributable
30 June 2008
Dec-06
30 June 2008
Dec-06
30 June 2008
Tons
Grade
Gold
Gold
Tons
Grade
Gold
Gold
Resource
Reserve
GOLD
(Mt)
(g/t)
(Moz)
(Moz)
(Mt)
(g/t)
(Moz)
(Moz)
(%)
(Moz)
(Moz)
South Africa Operations
Driefontein

188.7
7.5
45.57
44.92
80.4
7.6
19.70
21.36
100
45.57
19.70
Kloof
234.0
9.5
71.77
69.29
51.0
6.8
11.07
13.55
100
71.77
11.07
South Deep
2
278.0
7.2
63.97
66.78
149.7
6.1
29.13
30.58
100
63.97
29.13
Uncle Harry's
3
59.8
8.6
16.50
–
–
–
–
–
74
12.21
–
Beatrix
77.4

6.5
16.11
18.69
41.5
5.0
6.70
8.44
100
16.11
6.70
Total South Africa Operations
837.9
7.9
213.92
199.68
322.6
6.4
66.60
73.93
209.63
66.60
Ghana Operations
Tarkwa
323.4
1.5
15.44
18.95
285.3
1.2
11.31
12.66
71.1
10.97
8.04
Damang
51.1
2.1
3.49
3.76
25.5
1.7
1.35
1.60
71.1
2.48
0.96
Total Ghana Operations
374.5
1.6
18.93
22.70

310.8
1.3
12.67
14.26
71.1
13.46
9.01
Australia Operations
St Ives
46.8
3.0
4.54
5.42
25.9
2.3
1.88
2.55
100
4.54
1.88
Agnew
4
16.5
5.9
3.13
2.90
2.5
7.7
0.62
0.66
100
3.13
0.62
Total Australia Operations
63.3
3.8
7.66
8.32
28.4
2.7
2.49
3.21
100
7.66
2.49
Peru Operation
Cerro Corona
183.0
0.8
4.68
5.04

94.1
1.0
3.02
3.18
80.7
3.77
2.43
Total Peru Operation
183.0
0.8
4.68
5.04
94.1
1.0
3.02
3.18
80.7
3.77
2.43
Total International Operations
620.8
1.6
31.27
36.07
433.3
1.3
18.18
20.65
24.89
13.93
GFL GOLD TOTALS
Total Gold Managed
1,458.7
5.2
245.19
235.75
755.9
3.5
84.77
94.57
Total Gold Attributable
1,299.6
5.6
234.52
228.22
647.9
3.9
80.53
89.84
234.52
80.53

Overview

GOLD FIELDS LIMITED CLASSIFIED MINERAL RESOURCE AND MINERAL RESERVE STATEMENT
as at 30 June 2008
SUMMARY (continued)
Resources
Reserves
Attributable
30 June 2008
Dec-06
30 June 2008
Dec-06
30 June 2008
Tons
Grade
Copper
Copper
Tons
Grade
Copper
Copper
Resource
Reserve
COPPER
(Mt)
(% Cu)
(M lbs)
(M lbs)
(Mt)
(% Cu)
(M lbs)
(M lbs)
(%)
(M lbs)
(M lbs)
Cerro Corona (Copper only)
12
175.2
0.4
1,637
1,869
94.1
0.5
1,061
1,089
80.7
1,321
856
Au Eq
Au Eq

Au Eq
Au Eq
Au Eq
Au Eq
(Moz)
(Moz)
(Moz)
(Moz)
(%)
(Moz)
(Moz)
Cerro Corona – Gold Equivalent
12
4.30
5.03
2.86
2.72
80.7
3.47
2.31
Tons
Grade Uranium Uranium
Tons
Grade Uranium Uranium
Uranium Uranium
URANIUM
(Mt)
(kg/t) ('000 kg) ('000 kg)
(Mt)
(kg/t) ('000 kg) ('000 kg)
(%) ('000 kg) ('000 kg)
Driefontein Tailings (Indicated)
77.4
0.067
5,162
–
–
–
–
–
100
5,162
–
2PGE 2PGE 2PGE
2PGE 2PGE
2PGE
2PGE 2PGE
Tons
+ Au
+ Au
+ Au

Tons
+ Au
+ Au
+ Au
+ Au
+ Au
PLATINUM
(Mt)
(g/t)
(Moz)
(Moz)
(Mt)
(g/t)
(Moz)
(Moz)
(%)
(Moz)
(Moz)
Arctic Platinum Project
5
168.3
2.3
12.60
12.60
–
–
–
–
100
12.60
–

Footnotes: See page 52

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GOLD FIELDS LIMITED CLASSIFIED MINERAL RESOURCE AND MINERAL RESERVE STATEMENT
as at 30 June 2008
SOUTH AFRICAN OPERATIONS
1
Resources
Reserves
30 June 2008
Dec 06
30 June 2008
Dec 06
Tons
Grade
Gold
Gold
Tons
Grade
Gold
Gold
(Mt)
(g/t)
(Moz)
(Moz)
(Mt)
(g/t)
(Moz)
(Moz)
Driefontein
Driefontein
Measured
38.4
12.9
15.93
15.84
Proved
19.7
7.6
4.83
5.69
Indicated AI
20.3
14.5
9.43
10.13
Probable AI
19.3
9.7
6.00
7.00

Total Above Infrastructure
58.7
13.4
25.36
25.97
Total Above Infrastructure
39.0
8.6
10.84
12.69
Indicated BI
6
43.5
13.5
18.85
18.77
Probable BI
6
32.3
8.3
8.67
8.49
Total underground
102.2
13.5
44.20
44.74
Total underground
71.3
8.5
19.51
21.17
Indicated surface dumps
9.1
0.7
0.20
0.18
Probable surface dumps
9.1
0.7
0.20
0.18
Indicated surface tailings
77.4
0.5
1.17
–
Total surface
86.5
0.5
1.36

0.18
Total surface
9.1
0.7
0.20
0.18
Driefontein Total
188.7
7.5
45.57
44.92
Driefontein Total
80.4
7.6
19.70
21.36
Kloof
Kloof
Measured
55.6
12.8
22.96
22.97
Proved
18.7
8.9
5.33
4.15
Indicated AI
92.4
9.0
26.84
23.57
Probable AI
17.2
8.7
4.79
7.42
Total Above Infrastructure
148.0
10.5
49.80
46.54
Total Above Infrastructure
35.9
8.8
10.12
11.57
Indicated BI
7
54.6

12.2
21.36
22.12
Probable BI
7
2.3
7.9
0.58
1.69
Total underground
202.7
10.9
71.16
68.66
Total underground
38.2
8.7
10.71
13.26
Indicated surface dumps
31.4
0.6
0.62
0.63
Probable surface dumps
12.8
0.8
0.36
0.30
Kloof Total
234.0
9.5
71.77
69.29
Kloof Total
51.0
6.8
11.07
13.55
South Deep
2
South Deep
2
Measured
33.8
8.1
8.82
7.63
Proved
14.6
6.4

3.00
2.75
Indicated AI
151.6
7.4
36.25
40.25
Probable AI
68.5
6.3
13.81
15.52
Total Above Infrastructure
185.4
7.6
45.07
47.89
Total Above Infrastructure
83.1
6.3
16.81
18.27
Indicated BI
8
92.6
6.3
18.90
18.90
Probable BI
8
66.6
5.8
12.32
12.32
Total underground
278.0
7.2
63.97
66.78
Total underground
149.7
6.1
29.13
30.58
South Deep Total
278.0
7.2
63.97
66.78
South Deep Total
149.7

6.1
29.13
30.58
Uncle Harry's Prospecting Area
(Inferred Resource)
3
59.8
8.6
16.50
–
Beatrix Beatrix
Measured
20.8
6.7
4.46
4.77
Proved
12.0
4.6
1.78
2.73
Indicated AI
35.2
7.3
8.29
9.84
Probable AI
26.5
5.2
4.44
5.06
Total Above Infrastructure
56.0
7.1
12.74
14.60
Total Above Infrastructure
38.5
5.0
6.22
7.78
Indicated BI
9
21.4
4.9
3.36
4.09
Probable BI
9
3.0
5.0

0.48
0.65
Total underground
77.4
6.5
16.11
18.69
Total underground
41.5
5.0
6.70
8.44
Beatrix Total
77.4
6.5
16.11
18.69
Beatrix Total
41.5
5.0
6.70
8.44
Total South Africa
837.9
7.9
213.92
199.68
Total South Africa
322.6
6.4
66.60
73.93
Footnotes: See page 52
Overview

GOLD FIELDS LIMITED CLASSIFIED MINERAL RESOURCE AND MINERAL RESERVE STATEMENT
as at 30 June 2008
INTERNATIONAL OPERATIONS
1
Resources
Reserves
30 June 2008
Dec 06
30 June 2008
Dec 06
Tons
Grade
Gold
Gold
Tons
Grade
Gold
Gold
(Mt)
(g/t)
(Moz)
(Moz)
(Mt)
(g/t)
(Moz)
(Moz)
GHANA OPERATIONS
Tarkwa
Tarkwa
Measured
149.0
1.4
6.91
6.79
Proved
155.0
1.3
6.37
6.47
Indicated
146.1
1.3
6.02
8.12
Probable
126.6
1.2
4.86

6.05
Inferred
24.4
3.1
2.41
3.88
Total 319.5
1.5
15.35
18.79
Total
281.6
1.2
11.23
12.52
Measured low-grade stockpiles
3.9
0.7
0.09
0.15
Proved low-grade stockpiles
3.7
0.7
0.09
0.14
Tarkwa Total
323.4
1.5
15.44
18.95
Tarkwa Total
285.3
1.2
11.31
12.66
Damang
Damang
Measured
9.1
2.3
0.68
0.64
Proved
4.6
2.6
0.39
0.43
Indicated
26.0
1.6
1.31

1.47
Probable
16.1
1.6
0.80
0.90
Inferred
11.2
3.7
1.34
1.38
Total 46.3
2.2
3.33
3.50
Total
20.7
1.8
1.19
1.34
Indicated low-grade stockpiles
4.8
1.1
0.17
0.26
Probable low-grade stockpiles
4.8
1.1
0.17
0.26
Damang Total
51.1
2.1
3.49
3.76
Damang Total
25.5
1.7
1.35
1.60
Ghana Total
374.5
1.6
18.93
22.70
Ghana Total
310.8
1.3
12.67
14.26
AUSTRALIA OPERATIONS

St Ives
St Ives
Measured
1.2
6.3
0.25
0.29
Proved
0.8
6.7
0.17
0.13
Indicated
32.4
2.8
2.95
3.69
Probable
20.8
2.3
1.55
2.19
Inferred
8.9
4.1
1.18
1.21
Total 42.5
3.2
4.38
5.19
Total
21.6
2.5
1.72
2.32
Measured low-grade stockpiles
4.3
1.2
0.16
0.24
Proved low-grade stockpiles
4.3
1.2
0.16
0.24
St Ives Total
46.8
3.0
4.54
5.42

St Ives Total
25.9
2.3
1.88
2.55
Agnew
4
Agnew
4
Measured
1.6
7.1
0.37
0.37
Proved
0.4
8.3
0.11
0.22
Indicated
7.8
6.4
1.60
1.47
Probable
1.7
9.2
0.49
0.41
Inferred
6.7
5.3
1.15
1.04
Total 16.1
6.1
3.11
2.88
Total 2.1
8.9
0.60
0.63
Measured low grade stockpiles
0.5
1.2
0.02
0.02
Proved low-grade stockpiles
0.4
1.2
0.02

0.02
Agnew Total
16.5
5.9
3.13
2.90
Agnew Total
2.5
7.7
0.62
0.66
Total Australia
63.3
3.8
7.66
8.32
Total Australia
28.4
2.7
2.49
3.21
Footnotes: See page 52

GOLD FIELDS LIMITED CLASSIFIED MINERAL RESOURCE AND MINERAL RESERVE STATEMENT

as at 30 June 2008

INTERNATIONAL OPERATIONS

1

Resources

Reserves

30 June 2008

Dec 06

30 June 2008

Dec 06

Tons

Grade

Gold

Gold

Tons

Grade

Gold

Gold

(Mt)

(g/t)

(Moz)

(Moz)

(Mt)

(g/t)

(Moz)

(Moz)

PERU OPERATIONS

Cerro Corona

Cerro Corona

Measured

31.9

1.0

1.05

1.22

Proved

23.6

1.1

0.84

1.02

Indicated

137.8

0.8

3.34

3.63

Probable

69.9

1.0

2.15

2.16

Inferred

10.5
0.5
0.16
0.18
Total 180.2
0.8
4.54
5.04
Total 93.5
1.0
2.99
3.18
Measured stockpiles
2.8
1.5
0.14
–
Proved stockpiles
0.6
1.4
0.03
–
Cerro Corona Total
10
183.0
0.8
4.68
5.04
Cerro Corona Total
11
94.1
1.0
3.02
3.18
Peru Total
183.0
0.8
4.68
5.04
Peru Total
94.1
1.0
3.02
3.18
INTERNATIONAL OPERATIONS
Grand Total
620.8
1.6
31.27
36.07
Grand Total

433.3
1.3
18.18
20.65
TOTAL GFL (Managed)
Above infrastructure
1246.6
4.6
182.72
171.87
651.7
3.0
62.73
71.42
Below infrastructure
212.1
9.2
62.46
63.88
104.2
6.6
22.05
23.15
Total GFL (Managed)
1,458.7
5.2
245.19
235.75
Total GFL (Managed)
755.9
3.5
84.77
94.57
Total Attributable to GFL
1,299.6
5.6
234.52
228.22
Total Attributable to GFL
647.9
3.9
80.53
89.84
Au Eq
Au Eq
Au Eq
Au Eq
Copper – Gold equivalent
(Moz)
(Moz)
(Moz)

(Moz)
Cerro Corona
12
4.30
5.03
2.86
2.72
Footnotes: See page 52
Overview
Gold Fields Annual Report 2008
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5
5
2
Gold Fields Annual Report 2008

GOLD FIELDS LIMITED CLASSIFIED MINERAL RESOURCE AND MINERAL RESERVE STATEMENT
as at 30 June 2008
PROJECTS
1
Resources
Reserves
30 June 2008
Dec 06
30 June 2008
Dec 06
2 PGE
2 PGE
2 PGE
2 PGE
Tons
Grade
+ Au
+ Au
Tons
Grade
+ Au
+ Au
PLATINUM GROUP ELEMENTS (PGE)
(Mt)
(g/t)
(Moz)
(Moz)
(Mt)
(g/t)
(Moz)
(Moz)
Arctic Platinum Project
5
168.3
2.3
12.60
12.60
–
–
–
–
Resources
Reserves
30 June 2008
Dec 06

30 June 2008
Dec 06
Tons
Grade
Uranium
Uranium
Tons
Grade
Uranium
Uranium
URANIUM
(Mt)
(kg/t)
('000 kg)
('000 kg)
(Mt)
(kg/t)
('000 kg)
('000 kg)
Driefontein Tailings (Indicated)
77.4
0.067
5,162
–
–
–
–
–

Mineral Resources were calculated using gold prices of R180,000/kg in South Africa; A$925 in Australia; and US$800/oz in Ghana and Peru. The copper price
used was US$2.10/lb.
Mineral Reserves were calculated using gold prices of R150,000/kg in South Africa; A$750/oz in Australia; and US$650/oz in Ghana and Peru. The copper price
for Reserves was US$1.75/lb.

1
Managed, unless otherwise stated.
2
Aside from the restated 87 to 95 level area, South Deep’s Resource and Reserve figures are as per acquisition model.
3
Uncle Harry’s Prospecting Area Inferred Resources at a 5g/t cut-off estimated as per acquisition model, with Prospecting Rights held by WAPL for which the
shareholding is: GFL = 74 per cent and Peotona = 26 per cent.
4
The Agnew Deposits, Miranda and Vivien are subject to a royalty agreement.
5
Gold Fields holds a 100 per cent interest in the Arctic Platinum Project, which subject to certain conditions to be fulfilled may be diluted to 40 per cent,
through an agreement with North American Palladium Limited.
6
Driefontein BI refers to material below 50 level (3,420m below surface).
7

Kloof BI refers to material below 45 level (3,350m below surface).
8
South Deep BI refers to material below 110 level (2,888m below surface).
9
Beatrix BI refers to material below 26 level (1,341m below surface).
10
Excludes copper Resources of 0.4 per cent Cu containing 1,637 M lbs Copper (tons are however included). Copper open pit Resources comprise Measured
of 29.0 Mt at 0.5 per cent Cu for 345 M lb, Indicated of 135.1 Mt at 0.4 per cent Cu for 1,215 M lb, Inferred of 10.4 Mt at 0.3 per cent Cu for 69 M lb and
stockpiles of 0.6 Mt at 0.6 per cent Cu for 8 M lb.
11
Excludes copper Reserves of 0.5 per cent Cu containing 1,061 M lbs Copper (tons are however included). The copper Reserve classification tonnages are the
same as for gold with open pit Proved copper Reserves of 0.6 per cent Cu for 305 M lbs, Probable of 0.5 per cent Cu for 748 M lbs and Proved stockpiles
of 0.6 per cent for 8 M lbs.
12
Copper equivalent ounces (copper revenue converted to gold equivalent ounces). Note that tons are repeated in the gold statement.
AI = Above Infrastructure; BI = Below Infrastructure. All tons relate to metric units. Rounding-off of figures may result in minor computational discrepancies.
Resources are inclusive of Reserves; Total and sub-total figures for 2007 have been re-stated for comparability to F2009 totals, and therefore exclude the Choco
Mine in Venezuela and the Essakane Project in Burkina Faso, which were sold in late 2007.
For further details refer to the company's website, www.goldfields.co.za, and its annual Resource and Reserve Supplement.

Key focus areas for F2009

- Increased emphasis on mining safely and productivity.
- Completing the sustainable development framework and ensuring operational alignment with the Gold Fields Principles for Sustainable Development.
- Energy efficiency gains.
- Clean Development Mechanism Projects.
- Skills attraction and retention.
- Stakeholder engagement and finalising the implementation of the management systems.
- ISO 14001 Environmental Management System implementation at South Deep and Cerro Corona.

SECURING OUR FUTURE

Highlights

- ISO 14001, OHSAS 18001 and AS4801 certifications maintained.
- Zero Lost Time Injuries (LTIs) at Agnew.
- Significant progress made on our sustainable development framework.
- Numerous alternative livelihood projects progressed.
- Received an award in Ghana for "the most socially responsible company".
- Received an award for outstanding contributions in environmental education in South Africa.
- Cyanide Code (ICMI) certification at Damang and Tarkwa achieved.
- Illegal miners peacefully removed at Damang.
- Spend on Historically Disadvantaged South African vendors increased by R400 million.
- Progression of the Cerro Corona Project through the construction phase through to the commencement of the ramp-up phase with the ongoing input and support of our stakeholders.

Lowlights

- Tragic fatalities.
- Energy constraints at the South African operations.
- Rising input costs.
- Level 3 environmental incidences.
- Illegal mining activity on a portion of the Damang mine.

Overview of our performance

SECURING OUR FUTURE THROUGH INTEGRATED SUSTAINABLE DEVELOPMENT

In keeping with our previous year's report and the favourable feedback that we have received, we have elected to again restrict our reporting to issues that our stakeholders deem to be material and to present this report as an update on the progress achieved during this year.

Gold Fields Limited has become a member of the International Council on Mining and Metals (ICMM) as well as a signatory to the United Nations Global Compact. The ICMM commitment requires adherence to ten principle requirements ranging from ethical considerations to sound systems of corporate governance, human rights, health and safety, environmental management, material stewardship and supply chain management to engagement and last but not least, community affairs. The Global Compact requires adherence to another 10 principles that support the ICMM commitment with conformance required in the areas of human rights, labour standards, environmental management and anti corruption.

To understand our position in terms of the abovementioned principles, we have undertaken a comprehensive gap analysis.

Based on the outcomes of this gap analysis, we have developed a sustainable development framework which consists of a high level policy, supporting policies and associated practical guidance. The structure of the framework is reflected below.

Through our membership of the ICMM, we maintain an active role and provide representation on numerous work programmes of the ICMM which include:

- Environmental Stewardship;
- Health and Safety;
- Materials Stewardship;
- Socio-economic Development; and
- Resource Endowment.

Our involvement in these work groups serves to actively assist the ICMM in developing responsible approaches to the mining and use of metals in keeping with the ICMM's overall objective and to provide insight towards our practices and experiences regarding the above.

As a result of the requirement to ensure that the principles of our sustainable development framework are integrated into all aspects of our business, we have adopted a collaborative approach to the population of the framework. This approach is achieved through the formulation of peer groups for each policy area. The members of the peer groups are acknowledged experts in the respective subjects and are sourced from operations as well as from centralised disciplines. The terms of reference for each peer group includes the revision of policies and the development of strategic objectives and associated practical guidance. The peer groups also serve as a "brains trust" for the organisation and to ensure that intellectual capital is retained.

During the year significant progress has been achieved on this framework and the population of the various subsections of the framework. The focus of the coming year will be to finalise the framework and to ensure that the principles and practical guidance contained therein are cascaded back into our operational entities.

In terms of governance, this process is managed by a Steering Committee, which is responsible to report progress to the Sustainable Development Executive Committee. All sustainable development matters other than ethics and corporate governance matters are reported to the Safety, Health, Environment and Community Committee (a subcommittee of the Board of Directors) on a quarterly basis, including progress on the sustainable development framework. Ethics and corporate governance are reported at the Audit Committee. More detail on the Safety, Health, Environment and Community Committee is provided under the Corporate Governance section.

As part of the entire process, assurance checklists are being developed to provide operations with a yardstick for conformance.

Sustainable Development Policy

Sustainable Development Peer Groups

consisting of subject matter experts from an operational and corporate level

Supporting policies

Ethics and

Corporate Governance

Material Stewardship

and Supply Chains

Environment

Human Rights

Stakeholder Engagement

Health and Safety

Community

Risk Management

Sustainable Development Policy

Sustainable Development Peer Groups

consisting of subject matter experts from an operational and corporate level

Eth

Eth

Sustainable Development

INVITATION TO ENGAGE AND STAKEHOLDER FEEDBACK FORM

This Report provides part of Gold Fields' response to calls for increased transparency and accountability and we hope you find it useful and informative. We believe that it constitutes a reasonable and fair reflection of the progress and challenges we have experienced over the past year. As always, we welcome your feedback on the report and any of our activities. For further information please visit our website at www.goldfields.co.za or complete the fax reply form at the back of this report.

Contact person for the Sustainable Development Report:

Philip Woodhouse

Designation:

Senior Consultant Sustainable Development

Postal address:

Postnet Suite 252, Private Bag X30500, Houghton 2041

Telephone:
+27 11 644 2400

ETHICS AND CORPORATE GOVERNANCE

Gold Fields is committed to upholding sound principles of corporate governance and creating value for its shareholders in a responsible and ethical manner.

The company endorses the principles contained in the South African Code of Corporate Practices and Conduct as recommended in the second King Report (King II) and complies with its provisions. Gold Fields' shares are listed on the JSE Limited (the JSE) as a primary listing and the company is required to comply with the JSE Listings Requirements. The company, also has a secondary listing on the following stock exchanges: The New York Stock Exchange (NYSE), the Dubai International Financial Exchange (DIFX), the Euronext in Brussels (NYX), and the Swiss Exchange (SWX). The company is subject to the disclosure and corporate governance requirements of the NYSE, in so far as these relate to foreign private issuers such as Gold Fields.

1. Board of directors

The company's articles of association provide that the company's Board shall consist of a minimum of four directors and a maximum of 15 directors. The Board currently comprises two executive directors and nine non-executive directors, the majority of whom are independent.

The office of the chairman and that of the chief executive officer (CEO) are separate from one another and are currently filled by an independent non-executive director, Mr AJ Wright, and an executive director, Mr NJ Holland, respectively.

Mr Holland replaced Mr Cockerill as the CEO who resigned from the Board, and Mr TP Goodlace was appointed the chief operating officer (COO), all with effect from 1 May 2008. Mr DN Murray was appointed a non-executive director of the company, with effect from 1 January 2008, and Mrs GM Wilson was appointed a non-executive director of the company, with effect from 1 August 2008.

Dr A Grigorian and Mr TMG Sexwale resigned as directors with effect from 2 November 2007, and Mr JM McMahon and Dr PJ Ryan resigned as directors of the company with effect from 30 June 2008. Subsequent to year end, Mr TP Goodlace informed the Board of his resignation with effect 15 October 2008.

The Gold Fields Board comprises a majority of non-executive directors of whom sufficient are independent of management so that shareowner interests (including minority interests) can be protected. Non-executive directors do not receive any remuneration from the company for their services as directors other than the fees and share options detailed in the Directors' Report on pages 116 to 117 of this annual report.

The Board reviews the status of its members on an ongoing basis and, based on its deliberations, currently considers the majority of its nine non-executive directors to be independent, as defined in the JSE Listings Requirements.

Details of the directors and their status as executive, non-executive or independent appear on pages 4 and 5 of this annual report.

2. Board charter

Gold Fields' mission is that of a leading value adding globally diversified precious metals producer through the responsible, sustainable and innovative development of quality assets.

In accordance with the board charter, the directors seek to promote the mission of the company, while upholding sound principles of corporate governance, the interests of communities which the company affects, responsible citizenship and the best interests of the company's shareholders. The charter, which is available on the Gold Fields website (www.goldfields.co.za), articulates clearly and concisely the objectives and responsibilities of the Board.

The Board discharges these responsibilities through a number of actions, including:

- Determining the company's code of ethics and conducting its own affairs in a professional manner, upholding the core values of integrity, transparency and enterprise;
- Evaluating, determining and ensuring the implementation of corporate strategy and policy;
- Determining compensation, development, education and other relevant policies for the Group's employees; and
- Developing and setting disclosure and reporting practices, as required by applicable law to best serve the needs of its shareholders.

3. Staggered rotation of directors

In accordance with the company's articles of association, one-third of the directors shall retire from office at each annual general meeting, with the first to retire being those appointed as additional members of the Board during the year, followed by the longest serving members. Retiring directors are free to make themselves available for re-election and may, as such, be re-elected at the annual general meeting at which they retire.

5. Board committees

The Board has established a number of standing committees composed entirely of non-executive directors. These committees comprise the Nominating and Governance Committee, the Audit Committee, the Remuneration Committee, the Safety, Health, Environment and Community Committee, all of which operate in accordance with written terms of reference, which terms of reference were approved by the Board and are available on the Group's website (www.goldfields.co.za) or from the company's secretarial office, on request.

Each of the standing board committees is chaired by an independent, non-executive director. Each such committee is required to evaluate its own effectiveness and performance from time to time, with the Nominating and Governance Committee monitoring and reporting to the Board periodically on such performance and effectiveness.

Each member is paid remuneration in addition to the annual fee payable to directors, which remuneration is recommended by the Board and requires approval in advance by the shareholders of the company in general meeting.

6. Nominating and Governance Committee

The Nominating and Governance Committee was reconstituted on 8 May 2008 and is chaired by the chairman of the Group, Mr AJ Wright. Messrs RL Pennant-Rea, K Ansah and CI von Christierson are the other members of this committee. Its written terms of reference require this committee, *inter alia,* to:

- Develop the approach of the Group to matters of corporate governance and make recommendations to the Board with respect to all such matters;
- Identify successors to the chairman and chief executive officer and make recommendations of such successors to the Board;
- Consider the mandates of board committees, the selection and rotation of committee members and chairman as well as the performance and effectiveness of each board committee on an ongoing basis; and
- Evaluate the effectiveness of the Board and its committees and management as a whole and report thereon to the Board.

The Nominating and Governance Committee met on six occasions during the year under review. The record of attendance by members at such meetings is contained in the table overleaf.

4. Board meetings and attendance

The Board is required to meet at least four times a year. The non-executive directors also use this opportunity to meet amongst themselves.

The Board met on 13 occasions, in person or telephonically, during the year under review. The record of attendance by members of the Board
at such meetings is contained in the table below.

2007
2008
Director

31/7
22/8
04/10
09/11
30/1
14/2
15/2
13/3
30/3*
18/4
08/5
10/6
26/6
AJ Wright
^
^
^
^
^
^
^
^
^
^
^
^
^
^
^
^
^
^
^
^
^
^
^
^
^
NJ Holland
N/A
TP Goodlace
1
N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A

N/A
N/A
^
^
^
K Ansah
#

^
^
^
^
^
^
^
^
^
^
^
^
ID Cockerill
2
N/A

^
^
^
^
^
^
^
^
^
N/A
N/A
N/A
A Grigorian
3
N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A
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N/A

JG Hopwood

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G Marcus
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JM McMahon
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4
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DN Murray
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N/A
N/A
N/A
N/A
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DMJ Ncube

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RL Pennant-Rea
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PJ Ryan

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4
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#
TMG Sexwale
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3
#
#
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N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A
CI von Christierson

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Indicates attendance
#Indicates absence with apology
N/A Indicates not a director at the time or not required to attend
1
Appointed 1 May 2008 and resigned 15 October 2008
2
Resigned as a director 30 April 2008
3
Resigned 2 November 2007
4
Resigned 30 June 2008
5
Appointed 1 January 2008
**Non-executive*
Sustainable Development

7. Audit Committee

The Audit Committee is chaired by Mr JG Hopwood, and the other members are Messrs RL Pennant-Rea, DMJ Ncube and Mrs GM Wilson (appointed 1 August 2008). The committee is required to meet at least quarterly and to monitor and review:

- The effectiveness of the Group's information systems and other systems of internal control;
- The effectiveness of the internal audit function;
- The reports of both the external and internal auditors;
- The quarterly and annual reports and specifically the annual financial statements;
- The annual report on Form 20-F filed with the United States Securities and Exchange Commission (SEC);
- The accounting policies of the Group and any proposed revision thereto;
- The external audit findings, reports and fees and the approval thereof; and
- The compliance with applicable legislation, requirements of regulatory authorities and the Group's code of ethics.

All members of the Audit Committee are independent, non-executive directors.

The internal and external auditors have unrestricted access to the Audit Committee, the Audit Committee chairman, and the chairman of the Board, ensuring that their independence is in no way impaired.

The Group internal audit function is headed by the senior manager, internal audit. The Audit Committee determines the purpose, authority and responsibility of the internal audit function in an Internal Audit Charter, which charter has been approved by the Audit Committee. The Audit Committee has the authority to appoint and dismiss the head of the Group internal audit function.

The Audit Committee is required to approve all significant non-audit relationships with the Group's independent auditor. For the period under review, the Audit Committee has approved, and the Group's independent auditor has performed, the non-audit services for accounting advice and taxation. In consideration for rendering these services, the Group has paid the independent auditor an amount of R1.0 million.

The Audit Committee is responsible for the oversight of the work of the independent auditor, and the independent auditor reports directly to the Audit Committee.

The Board of Directors believes that the members of the Audit Committee collectively possess the knowledge and experience to oversee and assess the performance of Gold Fields' management and auditors, the quality of Gold Fields' disclosure controls, the preparation and evaluation of Gold Fields' financial statements and Gold Fields' financial reporting. The Board also believes that the members of the Audit Committee collectively possess the understanding of audit committee functions necessary to diligently execute their responsibilities.

The Audit Committee has adopted formal, written terms of reference that were approved by the Board. Save in respect of the requirement to have at least one member who is an ‘audit committee financial expert’, as defined in the rules of the SEC, the Audit Committee is of the opinion that it has satisfied its responsibilities for the past financial year in compliance with such terms of reference.

The Audit Committee met on six occasions during the year under review. The record of attendance by members at such meetings is contained in the table on the next page.

2007
2008
Director
21/8
8/11
13/2
27/3
07/5
25/6
AJ Wright
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K Ansah
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1
N/A
N/A
N/A
A Grigorian
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2
N/A
N/A
N/A
N/A
N/A
RL Pennant-Rea
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PJ Ryan