GOLD FIELDS LTD
Form 20-F
November 26, 2004

Table of Contents

As filed with the Securities and Exchange Commission on November 26, 2004

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 20-F

(Mark One)

[ ] **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g)**
OF THE SECURITIES EXCHANGE ACT OF 1934
or
[X] **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended June 30, 2004
or
[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from __________ to __________

Commission file number: 1-31318

Gold Fields Limited

(Exact name of registrant as specified in its charter)

Republic of South Africa
(Jurisdiction of incorporation or organization)

24 St Andrews Road,
Parktown, 2193
South Africa
011-27-11-644-2400
(Address of principal executive offices)

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

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

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

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

None
(Title of Class)

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

None
(Title of Class)

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

Ordinary shares of par value Rand 0.50 each 491,492,520

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

Indicate by check mark which financial statement item the registrant has elected to follow: Item 17 [ ] Item 18 [X]

Presentation of Financial Information

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

For Gold Fields financial statements, unless otherwise stated, balance sheet item amounts are translated from Rand to U.S. dollars at the exchange rate prevailing on the date of the balance sheet (Rand 6.30 per $1.00 as of June 30, 2004), except for specific items included within shareholders equity that are translated at the rate prevailing on the date the relevant transaction was entered into, and statement of operations item amounts are translated from Rand to U.S. dollars at the weighted average exchange rate for each period (Rand 6.90 per $1.00 for the year ended June 30, 2004).

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

Defined Terms and Conventions

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

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

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

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

In this annual report, unless otherwise noted, historical financial information and production statistics for Gold Fields prior to the dates of the acquisitions of the St. Ives, Agnew and Damang gold mining operations do not include activity attributable to the St. Ives and Agnew gold mining operations in Australia, which Gold Fields acquired from WMC Limited and WMC Resources Ltd on November 30, 2001, or the Damang gold mining operation in Ghana, which Gold Fields and Repadre Capital Corporation acquired when they purchased Abosso Goldfields Limited from Ranger Minerals Limited on January 23, 2002. In addition, except where otherwise noted, all production and operating statistics are based on Gold Fields total operations, which include production from the Tarkwa and Damang mines in Ghana which is attributable to the minority shareholders in those mines.

For the convenience of the reader, certain information in this annual report presented in Rand and Australian dollars has been translated into U.S. dollars. Unless otherwise stated, the conversion rates for these translations are Rand 6.10 and A$1.34 per $1.00, respectively, which were the noon buying rates on October 29, 2004. By including convenience currency translations, Gold Fields is not representing that the Rand and Australian dollar amounts actually represent the U.S. dollar amounts shown or that these amounts could be converted into U.S. dollars at the rates indicated.

TABLE OF CONTENTS

Part I	5
Item 1: IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS	5
Item 2: OFFER STATISTICS AND EXPECTED TIMETABLE	5
Item 3: KEY INFORMATION	6
RISK FACTORS	11
Item 4: INFORMATION ON THE COMPANY	29
Item 5: OPERATING AND FINANCIAL REVIEW AND PROSPECTS	103
Item 6: DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES	145
Item 7: MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS	168
Item 8: FINANCIAL INFORMATION	173
Item 9: THE OFFER AND LISTING	174
Item 10: ADDITIONAL INFORMATION	179
Item 11: QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK	199
Item 12: DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES	206
Item 13: DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES	207
Item 14: MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS	208
Item 15: CONTROLS AND PROCEDURES	209
Item 16A: AUDIT COMMITTEE FINANCIAL EXPERT	210
Item 16B: CODE OF ETHICS	211
Item 16C: PRINCIPAL ACCOUNTANT FEES AND SERVICES	212
Item 16D: EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES	213

Item 16E: PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS	214
Item 17: FINANCIAL STATEMENTS	215
Item 18: FINANCIAL STATEMENTS	216
Item 19: EXHIBITS	218
SIGNATURES	221

Exhibit 4.3
Exhibit 4.4
Exhibit 4.5
Exhibit 4.6
Exhibit 4.7
Exhibit 4.8
Exhibit 4.9
Exhibit 4.10
Exhibit 4.11
Exhibit 4.12
Exhibit 4.15
Exhibit 4.19
Exhibit 4.20
Exhibit 4.21
Exhibit 4.22
Exhibit 8.1
Exhibit 12.1
Exhibit 12.2
Exhibit 13.1
Exhibit 13.2

Table of Contents

Part I

Item 1: IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

Item 2: OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

Item 3: KEY INFORMATION

Selected Historical Consolidated Financial Data

The selected historical financial data set out below for the three years ended June 30, 2004, and as of June 30, 2004, 2003 and 2002 have been extracted from the more detailed information and financial statements, including Gold Fields audited consolidated financial statements for those years and as of those dates and the related notes, which appear elsewhere in this annual report. The summary financial data for the two years ended June 30, 2001, and as of June 30, 2001 and 2000 have been derived from Gold Fields audited consolidated financial statements as of that date, which are not included in this annual report. The selected historical financial data presented below have been prepared in accordance with U.S. GAAP.

	Year ended June 30,				
	2000	2001	2002	2003	2004
	(in $ millions, except where otherwise noted)				
Statement of Operations Data					
Revenues	1,130.4	1,028.4	1,219.4	1,564.2	1,727.3
Production costs	861.8	743.4	710.0	1,015.0	1,355.2
Corporate expenditure	13.9	16.0	12.3	16.6	20.3
Depreciation and amortization	135.5	99.8	113.3	188.1	198.6
Exploration expenditure	11.7	17.7	16.5	29.6	39.9
Franco-Nevada merger costs		2.5			
Settlement costs of Oberholzer irrigation water dispute		1.2	1.0		
Impairment of assets	15.7	112.1		29.6	72.7
Increase/(decrease) in post-retirement healthcare provision	8.4	8.8	6.6	(5.0)	(5.1)
Increase in provision for environmental rehabilitation	5.6	12.2	4.7	5.3	8.4
Finance expense/(income)	3.2	1.9	(8.3)	(4.2)	12.2
Unrealized loss/(gain) on financial instruments	2.0	(0.8)	(45.9)	(35.7)	(39.2)
Realized loss/(gain) on financial instruments	14.4	(7.4)	(4.7)	(15.1)	8.7
Employment termination costs	16.0	5.0	6.4	3.8	10.5
Profit on sale of non-current investments				(57.2)	(13.9)
Write-down of investments		2.0			
Stock compensation			4.8		
New York Stock Exchange listing and associated costs			4.3		
Gain on disposal of St. Helena mine				(13.4)	
Share of equity investees losses	0.8				
Profit on sale of mineral rights					(27.1)
Write-down of mineral rights					3.6
Other expenses	1.4	1.0		0.3	

	Year ended June 30,				
	2000	2001	2002	2003	2004
	(in $ millions, except where otherwise noted)				
Income before tax	40.0	13.0	398.4	406.5	82.5
Income and mining tax benefit/(expense)	85.2	(21.6)	(147.1)	(133.8)	(11.8)
Income/(loss) before minority interests	125.2	(8.6)	251.3	272.7	70.7
Minority interests	1.7	(8.8)	(12.2)	(14.4)	(21.8)
Income/(loss) before cumulative effect of changes in accounting principles	126.9	(17.4)	239.1	258.3	48.9
Cumulative effect of changes in accounting principles, net of tax		(0.6)		(1.3)	
Net income/(loss)	126.9	(18.0)	239.1	257.0	48.9
Other Financial and Operating Data					
Basic earnings/(loss) per share before cumulative effect of changes in accounting principles ($)	0.28	(0.04)	0.52	0.55	0.10
Diluted earnings/(loss) per share before cumulative effect of changes in accounting principles ($)	0.28	(0.04)	0.51	0.54	0.10
Basic earnings/(loss) per share ($)	0.28	(0.04)	0.52	0.54	0.10
Diluted earnings/(loss) per share ($)	0.28	(0.04)	0.51	0.54	0.10
Dividend per share (Rand)	0.50	1.05	1.30	3.70	1.40
Dividend per share ($)	0.08	0.13	0.13	0.39	0.19
Total cash costs per ounce of gold produced($/oz) [(1)]	215	194	170	212	302
Total production costs per ounce of gold produced ($/oz) [(2)]	251	224	198	254	349

Notes:

(1) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined using the Gold Institute industry standard, by gold ounces sold for all periods presented. The Gold Institute was a non-profit international industry association of miners, refiners, bullion suppliers and manufacturers of gold products that ceased operation in 2002, which developed a uniform format for reporting production costs on a per ounce basis. The standard was first adopted in 1996 and revised in November 1999. Total cash costs, as defined in the Gold Institute industry standard, are production costs as recorded in the statement of operations, less offsite (i.e., central) general and administrative expenses (including head office costs charged to the mines, central training expenses, industry association fees, refinery charges and social development costs), rehabilitation costs, amortization, reclamation, capital development and exploration costs, plus royalties and employee termination costs. Under U.S. GAAP, production costs do not include amortization, reclamation, capital development or

certain exploration costs. Changes in total cash costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and the Australian dollar compared to the U.S. dollar. Management, however, believes that total cash costs per ounce provides a measure for comparing Gold Fields operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. Total cash costs per ounce is not a U.S. GAAP measure. An investor should not consider total cash costs per ounce in isolation or as an alternative to net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the Gold Institute has provided a definition for the calculation of total cash costs, adoption of the standard is voluntary and thus the calculation of total cash costs per ounce may vary significantly among gold mining companies, and by itself does not necessarily provide a basis for comparison with other gold mining companies. See Information on the Company Glossary of Mining Terms Total cash costs per ounce. For a reconciliation of Gold Fields production costs to its total cash costs for fiscal 2004, 2003 and 2002, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2003 and 2004 and Years Ended June 30, 2002 and 2003.

(2) Gold Fields has calculated total production costs per ounce by dividing total production costs, as determined using the Gold Institute industry standard, by gold ounces sold for all periods presented. Total production costs, as defined by the Gold Institute industry standard, are total cash costs, as calculated using the Gold Institute industry standard, plus amortization, depreciation and rehabilitation costs. Changes in total production costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and the Australian dollar compared to the U.S. dollar. Management, however, believes that total production costs per ounce provides a measure for comparing Gold Fields operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. Total production costs per ounce is not a U.S. GAAP measure. An investor should not consider total production costs per ounce in isolation or as an alternative to net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the Gold Institute has provided a definition for the calculation of total production costs, adoption of the standard is voluntary and thus the calculation of total production costs per ounce may vary significantly among gold mining companies, and by itself does not necessarily provide a basis for comparison with other gold mining companies. See Information on the Company Glossary of Mining Terms Total production costs per ounce. For a reconciliation of Gold Fields production costs to its total production costs for fiscal 2004, 2003 and 2002, see Operational and Financial Review and Prospects Results of Operations Years Ended June 30, 2003 and 2004 and Years Ended June 30, 2002 and 2003.

	Year ended June 30,				
	2000	2001	2002	2003	2004
	(in $ millions, except where otherwise noted)				
Balance Sheet Data					
Cash and cash equivalents	75.8	23.6	195.1	133.6	656.3
Financial instruments					37.0
Receivables	36.0	50.5	56.2	74.9	116.4
Inventories	24.5	21.1	68.5	76.8	63.9
Material contained on heap leach pads	17.7	31.3	45.0	41.8	42.5
Total current assets	159.0	126.5	364.8	327.1	916.1
Property, plant and equipment, net[1]	2,178.1	1,798.7	1,726.9	2,231.0	2,805.5
Financial instruments			46.2	67.7	70.3
Non-current investments	38.5	42.2	73.3	101.0	179.8
Total assets	2,375.6	1,967.4	2,211.2	2,726.8	3,971.7
Accounts payable and provisions	148.1	127.4	153.3	184.7	290.6
Income and mining taxes payable	13.9	1.2	44.5	52.0	14.2
Current portion of long-term loans	10.0		37.0	20.5	
Total current liabilities	172.0	128.6	234.8	257.2	304.8
Long term loans	20.0		145.0	21.1	643.2
Deferred income and mining taxes	588.8	506.9	448.2	647.3	769.0
Provision for environmental rehabilitation	42.6	47.5	58.8	99.2	116.0
Provision for post-retirement health care costs	55.9	51.0	44.7	23.9	18.9
Minority interests	29.4	39.0	52.8	58.8	102.7
Share capital	41.1	41.3	42.1	42.2	43.6
Additional paid-in capital	1,493.0	1,498.1	1,560.8	1,565.2	1,792.3
Retained earnings	81.9	2.7	182.6	255.3	211.6
Accumulated other comprehensive loss	(149.1)	(347.7)	(556.8)	(243.4)	(30.4)

Total shareholders equity	1,466.9	1,194.4	1,226.9	1,619.3	2,017.1
Total liabilities and shareholders equity	2,375.6	1,967.4	2,211.2	2,726.8	3,971.7
Other Data					
Number of ordinary shares as adjusted to reflect changes in capital structure	453,250,595	455,836,608	470,522,224	472,364,872	491,492,520
Net assets	1,466.9	1,194.4	1,226.9	1,619.3	2,017.1

Note:

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

Exchange Rates

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

	Year ended June 30,			
	Average[1]	**High**	**Low**	**Period end**
2000	6.37	7.18	5.98	6.79
2001	7.64	8.16	6.79	8.05
2002	10.20	13.60	8.01	10.39
2003	9.12	10.90	7.18	7.51
2004	6.82	7.80	6.17	6.23
2005 (through October 29, 2004)	6.39	6.73	5.90	6.10

Note:

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

	Month ended		
	High	**Low**	**Period end**
May 31, 2004	7.05	6.52	6.52
June 30, 2004	6.64	6.17	6.23
July 31, 2004	6.34	5.91	6.27
August 31, 2004	6.74	6.09	6.65
September 30, 2004	6.67	6.40	6.45
October 29, 2004	6.61	6.10	6.10

The noon buying rate for the Rand on October 29, 2004 was Rand 6.10 per $1.00. Fluctuations in the exchange rate between the Rand and the U.S. dollar will affect the dollar equivalent of the price of the ordinary shares on JSE, which may affect the market price of the ADSs on the New York Stock Exchange. These fluctuations will also affect the dollar amounts received by owners of ADSs on the conversion of any dividends paid in Rand on the ordinary shares.

Table of Contents

RISK FACTORS

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

The defense against Harmony s unsolicited offer to purchase all of Gold Fields outstanding ordinary shares could require Gold Fields to incur significant costs and demand significant management time.

On October 18, 2004, Harmony Gold Mining Company Limited, or Harmony, announced an unsolicited and hostile tender offer to acquire the entire issued share capital of Gold Fields. According to the registration statement on Form F-4, or the Form F-4, filed by Harmony with the SEC, Harmony has structured the tender offer to occur in two steps. The first step consists of an early settlement offer in which Harmony has offered, subject to certain conditions, to acquire up to 34.9% of the outstanding Gold Fields ordinary shares (including ordinary shares in the form of American depositary shares, or ADSs). Subject to satisfaction of the conditions to the early settlement offer, Harmony has stated that the offer will close on November 26, 2004. According to the Form F-4, following completion of the early settlement offer, Harmony has irrevocably committed to make a subsequent offer to acquire, subject to certain conditions, the remaining Gold Fields ordinary shares and ADSs not tendered or accepted for payment in the early settlement offer on same terms as were given in the early settlement offer. As disclosed by Harmony, each of the early settlement offer and the subsequent offer are comprised of two offers a U.S. Offer which is available to holders of Gold Fields ordinary shares located in the United States and holders of Gold Fields ADSs wherever located and an International Offer which is available to holders of Gold Fields ordinary shares outside the United States to the extent such holders may lawfully participate in the International Offer. In the Form F-4, Harmony states that, with respect to the early settlement offer, the U.S. Offer and the International Offer are being made on substantially similar terms and are subject to substantially similar conditions.

In response to Harmony s unsolicited and hostile tender offer, on November 3, 2004, the Board of Gold Fields issued an Offer Response Document to its shareholders and filed a Solicitation/Recommendation Statement on Schedule 14D-9 with the SEC recommending that Gold Fields shareholders take no action and reject the Harmony offer. See Information on the Company Recent Developments Harmony Offer.

Gold Fields is pursuing various legal and regulatory actions in South Africa and the United States challenging the basis on which the Harmony offer is being made. These actions could be protracted and could be costly to pursue. Moreover, there can be no assurance that Gold Fields will be successful in any of these actions. In addition, responding to the Harmony offer has required, and may continue to require, a significant amount of management time. It has also required and may continue to require Gold Fields to incur significant costs, which could adversely affect Gold Fields business and results of operations. The Harmony Offer may interfere with Gold Fields ability to successfully complete the proposed transaction with the IAMGold Corporation. See Information on the Company Recent Developments Proposed IAM Gold Transaction.

Harmony s offer to purchase Gold Fields outstanding ordinary shares may result in an event of default under the Mvela Loan Agreement.

Gold Fields, GFI Mining South Africa (Proprietary) Limited, or GFIMSA, Mvelaphanda Gold (Proprietary) Limited, or Mvela Gold, First Rand Bank Limited, Gold Fields Australia Pty Limited, or Gold Fields

Australia, and Gold Fields Guernsey Limited, or Gold Fields Guernsey, entered into a loan agreement dated December 11, 2003, as amended on February 13, 2004 and on November 17, 2004, which is referred to in this discussion as the Mvela Loan Agreement. Pursuant to the Mvela Loan Agreement, Mvela Gold advanced a loan of Rand 4,139 million, or the Mvela Loan, to GFIMSA on March 17, 2004. The events of default under the Mvela Loan Agreement include any change in control of Gold Fields that occurs without the written consent of the agent, or the Senior Agent, of the providers of the commercial bank debt that funded, in part, the Mvela Loan, where the change in control could reasonably be expected to have a material adverse effect on the ability of Gold Fields, Gold Fields Australia and Gold Fields Guernsey, as guarantors of the Mvela Loan, or on GFIMSA, to perform their obligations under the Mvela Loan or on the validity or enforceability of any document relating to the Mvela Loan. If Harmony acquires enough Gold Fields shares in the early settlement offer or the subsequent offer to effect a change of control and Gold Fields does not obtain the consent of the Senior Agent to that change of control, there may be an event of default under the Mvela Loan Agreement. The occurrence of an event of default under the Mvela Loan Agreement would allow the Senior Agent, on behalf of Mvela Gold, to demand immediate repayment of the principal amount of Mvela Loan, the present value of all future interest payments on the Mvela Loan and any tax payable by Mvela Gold as a result of the early payment of the principal and interest. The source of funds for these repayments would be Gold Fields available cash. However, there can be no assurance that Gold Fields will have sufficient cash upon a change of control to satisfy these repayment obligations. If Gold Fields does not have sufficient cash, it may be required, among other things, to seek financing in the debt market, sell selected assets or reduce or delay planned capital expenditures or acquisitions. There can be no assurance that any of these measures would enable Gold Fields to satisfy the repayment obligations or that any such financing or sale of assets would be available on commercially favorable terms. See Information on the Company-Recent Developments-Harmony Offer and Operating and Financial Review and Prospects-Overview-Mvelaphanda Transaction.

Harmony s offer to purchase Gold Fields outstanding ordinary shares may allow it to exercise a substantial degree of control over Gold Fields.

The structure of Harmony s offer to purchase Gold Fields outstanding shares means that Harmony could end up holding a significant portion, but less than all, of Gold Fields outstanding ordinary shares. Under the early settlement offer, Harmony has offered, subject to certain conditions, to acquire up to 34.9% of Gold Fields outstanding ordinary shares, and may therefore acquire any amount of shares up to the 34.9% level. Harmony has stated that under the subsequent offer it will seek to acquire the remaining Gold Fields ordinary shares not tendered in the early settlement offer. Harmony has stated that the subsequent offer will be subject to certain conditions including receiving acceptances in the subsequent offer from Gold Fields shareholders holding in excess of 50% of the entire share capital of Gold Fields, including those Gold Fields ordinary shares settled by Harmony under the early settlement offer and those Gold Fields ordinary shares in respect of which Gold Fields largest shareholder, OJSC MMC Norilsk Nickel, has irrevocably undertaken to accept the subsequent offer. See Information on the Company-Recent Development-Harmony Offer. Depending on the number of Gold Fields ordinary shares Harmony may obtain in one or both of the early settlement offer and the subsequent offer, Harmony could be able to exercise significant influence over Gold Fields operations and business strategy, including the composition of the Board of Directors, declaration of dividends, disposal of assets and changes of control. The interests of Harmony in these matters may not be aligned with, and could conflict with, the interests of other shareholders and could inhibit Gold Fields development. If Harmony obtains a significant number, even if less than 50%, of Gold Fields shares, it could have the effect of delaying, deferring or preventing a change of control, may discourage other bids for Gold Fields ordinary shares and may adversely affect the market price of Gold Fields ordinary shares. If Harmony acquires more than 50%, but less than all, of the Gold Fields ordinary shares, it will have no fiduciary obligations under South African common law to minority shareholders. See Additional Information-Rights of Minority Shareholders and Directors Duties.

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

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

- the demand for gold for industrial uses and for use in jewelry;
- actual, expected or rumored purchases and sales of gold bullion holdings by central banks or other large gold bullion holders or dealers;
- speculative trading activities in gold;
- the overall level of forward sales by other gold producers;
- the overall level and cost of production by other gold producers;
- international or regional political and economic events or trends;
- the strength of the U.S. dollar (the currency in which gold prices generally are quoted) and of other currencies;
- financial market expectations regarding the rate of inflation; and
- interest rates.

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

On March 8, 2004, fifteen European central banks entered into a new gold sales agreement effective September 27, 2004, pursuant to which they restrict their annual sales of gold to specified limits. This agreement will be reviewed in five years. Although the new agreement calls for an increase in the amount of gold that can be sold of 100 tonnes of gold per year to 500 tonnes yearly, the effect on the market in terms of total gold sales is unclear.

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

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

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

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

The ore reserves stated in this annual report represent the amount of gold that Gold Fields believed, as of June 30, 2004, could be mined, processed and sold at prices sufficient to recover Gold Fields estimated future total costs of production, remaining investment and anticipated additional capital expenditures. Ore reserves are only estimates based on assumptions regarding, among other things, Gold Fields costs, expenditures, prices and exchange rates, many of which are beyond Gold Fields control. In the event that Gold Fields revises any of these assumptions in an adverse manner, Gold Fields may need to revise its ore reserves downwards. In particular, if Gold Fields production costs or capital expenditures increase or if gold prices decrease or the Rand or Australian dollar strengthens against the U.S. dollar, a portion of Gold Fields ore reserves may become uneconomical to recover, forcing Gold Fields to lower its estimated reserves.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Hazards associated with Gold Fields open pit mining operations include:

- flooding of the open pit;
- collapses of the open pit walls;
- accidents associated with the operation of large open pit mining and rock transportation equipment;
- accidents associated with the preparation and ignition of large scale open pit blasting operations;
- production disruptions due to weather; and
- hazards associated with heap leach processing, such as groundwater and waterway contamination.

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

accidents associated with operating a rock dump and production stockpile and rock transportation;

production disruptions due to weather;

collapses of tailings dams; and

ground and surface water pollution, on and off site.

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

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

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

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

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

The Rand and the Australian dollar each appreciated against the U.S. dollar during calendar years 2002 and 2003, with the Rand appreciating by approximately 28.4% and 22.9% in 2002 and 2003, respectively, and the Australian dollar appreciating by approximately 10.0% and 24.6% in 2002 and 2003, respectively. More recently, the Rand and the Australian dollar have experienced a period of further appreciation against the U.S. dollar. As of October 29, 2004, the Rand had appreciated by 8.8%, and the Australian dollar had appreciated by 0.3%, against the U.S. dollar since January 1, 2004. This appreciation has already significantly increased Gold Fields costs in U.S. dollar terms particularly at its South African operations and continuation of the appreciation trend for either of these currencies could have a material adverse effect on Gold Fields operating results or financial condition. See Quantitative and Qualitative Disclosures About Market Risk Foreign Currency Sensitivity.

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

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

Recently, the South African economy has been growing at a relatively slow rate, inflation and unemployment have been high by comparison with developed countries, and foreign reserves have been relatively low. GDP (based on

1990 prices given by Statistics South Africa) growth was 3.4% for 2000, 2.7% for 2001, 3.6% for 2002 and 1.9% for 2003. Corresponding inflation rates were 5.3% in 2000, 5.7% in 2001, 9.2% in 2002 and

5.9% in 2003, while corresponding unemployment rates were 26.7%, 26.9%, 30.5% and 28.4% as of December 31, 2000, 2001, 2002 and 2003, respectively. Gross foreign exchange reserves stood at $13.0 billion as of October 31, 2004. The depreciation of the Rand in 1997 and 1998 resulted in an increase in the South African bank prime lending rate, which peaked at approximately 25.5% during 1998, although rates have since decreased substantially. On October 29, 2004, the rate was 11%. Consequently, Gold Fields faces a high cost of capital should it need to borrow in South Africa.

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

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

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

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

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

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

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

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

Under South African exchange control regulations, Gold Fields must obtain approval from the SARB regarding any capital raising involving a currency other than the Rand. For example, in connection with its approval, it is possible that the SARB may impose conditions on Gold Fields use of the proceeds of any such capital raising, such as limits on

Gold Fields ability to retain the proceeds of the capital raising outside South Africa or requirements that Gold Fields seek further SARB approval prior to applying any such funds to a specific use. These restrictions could hinder Gold Fields financial and strategic flexibility, particularly its ability to fund acquisitions, capital expenditures and exploration projects outside South Africa. See

Information on the Company Regulatory and Environmental Matters South Africa Exchange Controls.

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

In some circumstances, potential acquisitions of shares in or assets of South African companies by non-South African resident purchasers are subject to review by the SARB pursuant to South African exchange control regulations. In 2000, the SARB refused to approve an acquisition of Gold Fields by Franco-Nevada Mining Corporation Limited, a Canadian mining company. The SARB may refuse to approve similar proposed acquisitions of Gold Fields in the future. As a result, Gold Fields management may be limited in its ability to consider strategic options and Gold Fields shareholders may not be able to realize the premium over the current trading price of Gold Fields ordinary shares which they might otherwise receive upon such an acquisition. See Information on the Company Regulatory and Environmental Matters South Africa Exchange Controls.

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

As of June 30, 2004, approximately 79% of Gold Fields employees belonged to unions. Accordingly, Gold Fields is at risk of having its production stopped for indefinite periods due to strikes called by unions and other labor disputes. In South Africa, in addition to strikes, on occasion Gold Fields experiences work stoppages based on national trade union stay away days regardless of the state of its relations with its workforce. Significant labor disruptions at any of Gold Fields operations could have a material adverse effect on Gold Fields business, operating results and financial condition.

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

Ghanaian law contains broad provisions requiring mining companies to recruit and train Ghanaian personnel and to use the services of Ghanaian companies.

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

Any expansion of these provisions or new labor legislation which increases labor costs in Ghana could have a material adverse effect on Gold Fields mining operations in Ghana and, accordingly, on Gold Fields business, operating results and financial condition.

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

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

negotiating agreements with contractors on acceptable terms;

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

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

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

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

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

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

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

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

Wages and related labor costs account for approximately 37% of Gold Fields total production costs in fiscal 2004. Accordingly, Gold Fields costs may be materially affected by increases in wages and related labor costs, particularly with respect to Gold Fields South African employees, who are unionized. Negotiations with South African unions in 2003 resulted in agreements on above-inflation wage increases required to be implemented through July 2005. If Gold Fields is unable to increase production levels or implement cost cutting measures to offset these increased wages and labor costs, these costs could have a material adverse effect on Gold Fields mining operations in South Africa and, accordingly, on Gold Fields business, operating results and financial condition. See Directors, Senior Management and Employees Employees Labor Relations South Africa.

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

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

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

Gold Fields South African operations are subject to various environmental laws and regulations including, for example, those relating to waste treatment, emissions and disposal, and must comply with permits or standards governing, among other things, tailings dams and waste disposal areas, water consumption, air emissions and water discharges. Gold Fields may, in the future, incur significant costs to comply with the

South African environmental requirements imposed under existing or new legislation, regulations or permit requirements or to comply with changes in existing laws and regulations or the manner in which they are applied. Also, Gold Fields may be subject to litigation and other costs as a result of environmental rights granted to individuals under South Africa s Constitution or other sources of rights. These costs could have a material adverse effect on Gold Fields business, operating results and financial condition.

South African mining companies are required by law to undertake rehabilitation works as part of their ongoing operations. In addition, during the operational life of their mines, they must provide for the cost of mine closure and post-closure rehabilitation and monitoring once mining operations cease. Gold Fields funds these environmental rehabilitation costs by making contributions into an environmental trust fund, with amounts approved by the authorities. As of October 29, 2004, Gold Fields had contributed a total of approximately Rand 340.5 million, including accrued interest, to the fund. Changes in legislation or regulations (or the approach to enforcement of them) or other unforeseen circumstances may materially and adversely affect Gold Fields future environmental expenditures or the level and timing of Gold Fields provisioning for these expenditures. See Information on the Company Regulatory and Environmental Matters South Africa Environmental.

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

The present Mine Health and Safety Act 1996, or the Mine Health and Safety Act, came into effect in January 1997. The principal objective of the Mine Health and Safety Act is to improve health and safety at South African mines and to this end, the Mine Health and Safety Act imposes various duties on Gold Fields at its mines, and grants the authorities broad powers to, among other things, close unsafe mines and order corrective action relating to health and safety matters. Exercising her authority under the Mine Health and Safety Act, the Minister of Minerals and Energy stopped production at Beatrix Shaft Nos. 1 and 2 for 10 days in May 2001 and required Gold Fields to implement various safety measures at the mine, following a methane gas explosion in which 13 people lost their lives and which was the second such explosion since May 2000. In the event of any future accidents at Gold Fields mines, regulatory authorities could take similar steps.

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

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

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

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

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

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

The charter s stated objectives are to:

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

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

utilize the existing skills base for the empowerment of HDSAs;

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

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

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

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

commitments of stakeholders to the different facets of promoting the objectives of the charter. See Business Regulatory and Environmental Matters South Africa Mineral Rights The New Minerals Act.

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

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

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

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

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

the claims relate and, as a result, on Gold Fields business, operating results and financial condition. See Information on the Company Regulatory and Environmental Matters South Africa Land Claims.

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

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

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

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

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

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

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

On September 12, 2003, the National Health Insurance Act, 2003 (Act 650) came into effect. The act requires every person resident in Ghana to belong to either a public or private health insurance scheme. To fund the National Health Insurance Fund, the act imposes a levy of 2.5% on goods and services produced or provided in, or imported into, Ghana. The provisions of the act relating to the levy came into effect on August 1, 2004. The levy could have an adverse impact on Gold Fields Ghanaian operations and thus an adverse effect on its business, operating results and financial condition. See Information on the Company Regulatory and Environmental Matters Ghana Health and Safety.

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

In Ghana, the ownership of land on which there are mineral deposits is separate from the ownership of the minerals. All minerals in their natural state in or upon any land or water are, under Ghanaian law, the property of Ghana and vested in the President on behalf of the people of Ghana. Gold Fields mining leases for the Tarkwa property have not yet been ratified by the Ghanaian parliament, as required by law. To the extent that failure to ratify these leases adversely affects their validity, there may be a material adverse effect on Gold Fields business, operating results and financial condition. See Information on the Company Regulatory and Environmental Matters Ghana Mineral Rights.

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

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

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

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

Western Australian health and safety laws impose a duty on a mine owner to provide and maintain a working environment which is safe for mine workers. The regulations prescribe specific measures to be taken and provide for inspectors to review the work site for hazards and violations of the health and safety laws. A violation of the health and safety laws or a failure to comply with the instructions of the relevant health and

safety authorities could lead to, among other things, a temporary shutdown of all or a portion of the mine, a loss of the right to mine or the imposition of costly compliance procedures. If health and safety authorities require Gold Fields to shut down all or a portion of the mine or to implement costly compliance measures, whether pursuant to existing or new health and safety laws and regulations, such measures could have a material adverse effect on Gold Fields business, operating results and financial condition. A bill to reform laws with respect to health and safety in Western Australia s mining industry was introduced in the Western Australia parliament in August 2004 but has not, as yet, been passed. The proposed reforms will increase penalties for breaches of the health and safety law, including imprisonment of persons found liable for the breaches and introduce new offenses, including gross negligence causing death or serious injury. In addition, there will be broader powers for inspectors to impose improvement or prohibition notices on machinery and work practices, and a new duty of care imposed on employers with respect to residential accommodation supplied in connection with employment. If these changes are enacted, Gold Fields exposure to prosecution will be increased, as will be the costs of health and safety compliance of Gold Fields mining operations in Australia. See Information on the Company Regulatory and Environmental Matters Australia Health and Safety.

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

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

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

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

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

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

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

the judgment has not lapsed;

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

the judgment was not obtained by fraudulent means;

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

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

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

Gold Fields is a named defendant in two lawsuits filed in the United States alleging human rights violations during the apartheid era which could impose significant costs and burdens.

On May 6, 2003, a lawsuit was filed by Zalumi Singleton Mtwesi against Gold Fields in the State of New York. Mr. Mtwesi alleges that during the apartheid era in South Africa he was subjected to human rights violations while employed by Kloof Gold Mining Company Limited, which at the time was a subsidiary of a predecessor of Gold Fields. Mr. Mtwesi filed the lawsuit on behalf of himself and as representative of all other victims and all other persons similarly situated. Mr. Mtwesi and the plaintiffs class have demanded an order certifying the plaintiffs class and compensatory damages from Gold Fields in the amount of $7 billion. A complaint has not been served on Gold Fields. Should the lawsuit proceed, defending it may be costly and time consuming and there can be no assurance that Gold Fields will be successful. If Gold Fields is unsuccessful in defending the lawsuit considerable compensatory damages or other penalties may be imposed on Gold Fields which may have a material adverse effect on Gold Fields business, operating results and financial condition. See Information on the Company Legal Proceedings.

On July 9, 2004, a lawsuit was filed in a federal district court in New York by six individuals against Gold Fields and a number of other defendants including IBM Corporation, Anglo American PLC, UBS AG, Union Bank of Switzerland, Fluor Corporation, Strategic Minerals Corporation, the Republic of South Africa and President Thabo Mbeki. The lawsuit alleges, among other things, that one of the plaintiffs was a victim of apartheid by virtue of acts committed against him at facilities in Randfontein, South Africa including those allegedly owned by one or more predecessors of Gold Fields. The suit further alleges that Gold Fields is liable for various wrongful acts and property expropriation, as well as violations of international law, allegedly committed during the apartheid era in South Africa. The plaintiffs are jointly and severally seeking, on each of two counts, unspecified compensatory damages and punitive damages of $10 billion with interest and costs against the various defendants. A complaint has not been served on Gold Fields. Should the lawsuit proceed,

defending it may be costly and time consuming and there can be no assurance that Gold Fields will be successful. If Gold Fields is unsuccessful in defending the lawsuit, considerable compensation damages or other penalties may be imposed on Gold Fields, which may have a material adverse effect on Gold Fields business, operating results and financial condition. See Information on the Company Legal Proceedings.

Gold Fields is unable to issue any ordinary shares for cash on a non-pre-emptive basis without shareholder approval.

At the annual general meeting of Gold Fields held on November 16, 2004, the proposed resolution giving the directors a general authority to issue shares for cash was not passed by the requisite majority. Under the listing requirements of the JSE Securities Exchange South Africa and the South African Companies Act, 75% of the votes cast by shareholders present or represented by proxy is required for the passing of a resolution providing such general authority. As a result, the Gold Fields board is prevented from allotting and issuing any ordinary shares for cash without first seeking shareholder approval unless the shares are offered to all existing shareholders on a pre-emptive basis. This requirement could affect Gold Fields ability to raise capital for specific transactions or for general corporate purposes, which could have an adverse effect on its business.

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

The principal trading market for Gold Fields ordinary shares is the JSE Securities Exchange South Africa, or the JSE. Historically, trading volumes and liquidity of shares listed on the JSE have been low in comparison with other major markets. The ability of a holder to sell a substantial number of Gold Fields ordinary shares on the JSE in a timely manner, especially in a large block trade, may be restricted by this limited liquidity. See The Offer and Listing The JSE Securities Exchange South Africa.

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

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

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

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

Gold Fields ordinary shares are subject to dilution upon the exercise of Gold Fields outstanding options.

As of October 29, 2004, Gold Fields had an aggregate of 1,000,000,000 ordinary shares authorized to be issued and as of that date an aggregate of 491,831,765 ordinary shares were issued and outstanding. Gold Fields has two securities option plans which are authorized to grant options in an amount of up to an aggregate of 25,071,013 ordinary shares. Gold Fields had outstanding as of October 29, 2004 options to purchase a total of 9,334,683 ordinary shares at exercise prices of between Rand 13.55 and Rand 154.65 that expire between June 17, 2005 and October 22, 2011 under the GF Management Incentive Scheme and 313,000 ordinary shares at exercise prices of between Rand 43.70 and 110.03 that expire between October 31, 2006 and November 27, 2008 under the GF Non-Executive Director Share Plan. Shareholders equity interests in Gold Fields will be diluted to the extent of future exercises of these options and any additional options. See Directors, Senior Management and Employees The GF Management Incentive Scheme , Directors, Senior Management and Employees The GF Non-Executive Director Share Plan.

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

Table of Contents

Item 4: INFORMATION ON THE COMPANY

Introduction

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

The majority of Gold Fields operations, based on gold production, are located in South Africa. It also owns the St. Ives and Agnew gold mining operations in Australia and has a 71.1% interest in each of the Tarkwa gold mine and the Damang gold mine in Ghana. In addition, Gold Fields has gold and other precious metal exploration activities and interests in Africa, Australasia, China, Europe, North America and South America. Gold Fields owns 100% of the Arctic Platinum Project, or APP, in northern Finland, which is evaluating the economic potential of deposits of open pittable and underground platinum group metal mineralization. APP was formerly a joint venture with Outokumpu Oy, or Outokumpu. On September 11, 2003, Gold Fields acquired Outokumpu s 49% interest in APP.

Gold Fields also has a right to acquire 92% of the voting shares (which is effectively 80.7% of the economic interest) of Sociedad Minera La Cima S.A., the owner of the Cerro Corona Project in Peru which is evaluating the economic potential of deposits of open pittable gold and copper mineralization.

Gold Fields operations include:

Driefontein Operation. This operation consists of seven shaft systems and three gold plants in South Africa s Gauteng Province near Carletonville. Driefontein produced 1.1 million ounces of gold during the year ended June 30, 2004, accounting for approximately 27% of attributable gold production for Gold Fields in fiscal 2004. The operation employed approximately 17,900 people including contractors as of June 30, 2004 including a limited number working for outside contractors at the site. The Driefontein operation includes both underground mining and surface rock dump processing.

Kloof Operation. This operation consists of five shaft systems and three gold plants in South Africa s Gauteng Province near Carletonville. Kloof produced 1.0 million ounces of gold during the year ended June 30, 2004, accounting for approximately 25% of attributable gold production for Gold Fields in fiscal 2004. The operation employed approximately 16,600 people including contractors as of June 30, 2004 including a limited number working for outside contractors at the site. The Kloof operation includes both underground mining and some surface rock dump processing.

Beatrix Operation. This operation, formerly known as the Free State Operation, was renamed Beatrix following the sale of the St. Helena gold mining operation to ARMGold/Harmony Freegold Joint Venture Company (Proprietary) Limited, or Freegold, on October 30, 2002. The operation consists of four shaft systems and two gold plants in South Africa s Free State Province near Welkom and Virginia. The Beatrix operation produced 0.6 million ounces of gold during the year ended June 30, 2004, accounting for approximately 15% of attributable gold production for Gold Fields in fiscal 2004. The operation employed approximately 12,200 people including contractors as of June 30, 2004 including a limited number working for outside contractors at the site. The Beatrix operation consists of both underground mining and some limited surface rock dump processing.

Ghana Operation. This operation consists of: (1) the Tarkwa mine, which comprises several open pit operations with two heap leach recovery facilities and a SAG mill and CIL plant that commenced

continuous operations in November 2004 and (2) the Damang mine, which Gold Fields acquired in January 2002 and which consists of a number of open pit operations with a CIL plant. Both mines are located in southwestern Ghana, about 300 and 360 kilometers by road west of Accra, respectively. During the year ended June 30, 2004, the Ghana operation produced 0.9 million ounces of gold (of which 0.7 million ounces of gold were attributable to Gold Fields and the remainder to minority shareholders in the Ghana operation), accounting for approximately 15% of attributable gold production for Gold Fields in fiscal 2004. The operation had approximately 4,200 employees as of June 30, 2004, including those working for the outside contractor at the sites.

Australia Operation. Gold Fields purchased the St. Ives and Agnew gold mining operations from WMC Limited and WMC Resources Ltd (collectively, WMC) in November 2001. Both mines are located in the state of Western Australia, with St. Ives situated near Kambalda, straddling Lake Lefroy, and Agnew situated near Leinster. These two mines together produced 0.8 million ounces of gold, accounting for approximately 18% of attributable gold production for Gold Fields in fiscal 2004. St. Ives and Agnew had approximately 1,200 employees as of June 30, 2004, including those working for outside contractors at the sites. St. Ives and Agnew conduct both underground and surface operations. Prior to their acquisition by Gold Fields, St. Ives and Agnew were owned by WMC.

Based on the figures reported by Gold Fields mining operations, as of June 30, 2004 Gold Fields had attributable proven and probable reserves of approximately 75.4 million ounces of gold. In the year ended June 30, 2004, Gold Fields processed 46.0 million tonnes of ore and produced 4.4 million ounces of gold, of which 4.2 million ounces were attributable to Gold Fields.

History

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

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

a 100% interest in Beatrix Mines Limited, or Beatrix, which in turn owned a 100% interest in Beatrix Mining Company Limited, or BMC, BMC owned the Beatrix mine;

a 37.3% interest in Driefontein Consolidated Limited, which owned the Driefontein operation;

a 100% interest in Kloof Gold Mining Company Limited, or Kloof, which owned the Kloof operation;

a 54.2% interest in St. Helena Gold Mines Limited, or St. Helena, which owned the St. Helena and Oryx mines;

a 100% interest in Gold Fields Guernsey Limited, or Gold Fields Guernsey, which indirectly owned a 70% interest in the Tarkwa mine (which was later increased to 71.1% due to the dilution of the other shareholders);

a 100% interest in Orogen Holding (BVI) Limited, or Orogen; and

various exploration and other rights and assets.

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

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

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

GFL Mining Services Limited transferred its interests in Beatrix, St. Helena, Oryx and Kloof to Gold Fields; and

Gold Fields transferred the Driefontein mine as a going concern to a shelf company named Driefontein Consolidated (Proprietary) Limited, a wholly-owned subsidiary of Gold Fields.

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

On November 30, 2001, Gold Fields acquired the St. Ives and Agnew gold mining operations from WMC.

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

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

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

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

On September 30, 2004, Gold Fields, Gold Fields Ghana Holdings Limited, Gold Fields Guernsey and IAMGold Corporation, or IAMGold, signed a definitive agreement pursuant to which, subject to certain conditions precedent, all assets owned by Gold Fields subsidiaries located outside the Southern African Development Community would be transferred to IAMGold in exchange for the issuance to Gold Fields or its subsidiaries of common shares of IAMGold which will result in Gold Fields owning, directly or indirectly, approximately 70% of the fully diluted equity of the enlarged company. In addition, immediately before completion, IAMGold shareholders registered as such on a record date, which will be a

date shortly before completion, will receive a special cash dividend of C$0.50 per IAMGold share. The definitive agreement was amended and restated as of November 4, 2004 to incorporate certain conditions and amendments requested by the Toronto Stock Exchange, or the TSX. See Recent Developments Proposed IAMGold Transaction.

On October 18, 2004, Harmony Gold Mining Company Limited, or Harmony, announced an unsolicited and hostile tender offer to acquire the entire issued share capital of Gold Fields. According to the registration statement on Form F-4, or the Form F-4, filed by Harmony with the SEC, Harmony has structured the tender offer to occur in two steps. The first step consists of an early settlement offer in which Harmony has offered, subject to certain conditions, to acquire up to 34.9% of the outstanding Gold Fields ordinary shares (including ordinary shares in the form of American depositary shares, or ADSs). Subject to satisfaction of the conditions to the early settlement offer, Harmony has stated that the offer will close on November 26, 2004. According to the Form F-4, following completion of the early settlement offer, Harmony has irrevocably committed to make a subsequent offer to acquire, subject to certain conditions, the remaining Gold Fields ordinary shares and ADSs not tendered or accepted for payment in the early settlement offer on same terms as were given in the early settlement offer. As disclosed by Harmony, each of the early settlement offer and the subsequent offer are comprised of two offers a U.S. Offer which is available to holders of Gold Fields ordinary shares located in the United States and holders of Gold Fields ADSs wherever located and an International Offer which is available to holders of Gold Fields ordinary shares outside the United States to the extent such holders may lawfully participate in the International Offer. In the Form F-4, Harmony states that, with respect to the early settlement offer, the U.S. Offer and the International Offer are being made on substantially similar terms and are subject to substantially similar conditions.

In response to Harmony s unsolicited and hostile tender offer, on November 3, 2004, the Board of Gold Fields issued an Offer Response Document to its shareholders and filed a Solicitation/Recommendation Statement on Schedule 14D-9 with the SEC recommending that Gold Fields shareholders take no action and reject the Harmony offer.

See Recent Developments Harmony Offer .

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

Organizational Structure

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

Group Structure[1]

Notes:

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

(2) Closing is conditional upon approval of an environmental impact study and issue of construction permits

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

Ghana: Gold Fields interests in the Tarkwa and Damang mines, which comprise the Ghana operation, are held through its 71.1% owned subsidiaries, Gold Fields Ghana Limited, or Gold Fields Ghana, and Abosso Goldfields Limited, or Abosso, respectively. The remaining interests in Gold Fields Ghana and Abosso are indirectly held by IAMGold Corporation, or IAMGold, which acquired an 18.9% beneficial interest previously held by Repadre Capital Corporation following a merger between the two companies on January 8, 2003, and the government of Ghana, which holds a 10.0% interest.

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

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

Strategy

General

Gold Fields is a significant producer of gold and major holder of gold reserves in South Africa, Ghana and Australia. The gold industry has historically been highly fragmented and a trend has been underway to consolidate the industry to make it more competitive and efficient. Gold Fields supports and is participating in this consolidation, as shown by its acquisitions of assets in Australia and Ghana.

Gold Fields also intends to enter the platinum group metals, or PGM, business, and to this end has acquired a PGM deposit in Finland. The full mineral and economic potential of this deposit continued to be evaluated during fiscal 2004.

Global Context

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

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

improving returns through the optimization of existing assets and diversification. Specifically, this implies the reduction of costs and growing assets through inward investment while growing Gold Fields by diversifying geographical, technical and product risk by acquiring and developing additional long-life assets;

developing the people of Gold Fields. Gold Fields believes that it has two primary assets ore reserves and people and Gold Fields has implemented education and training programs for employees at all levels;

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

developing the gold market for the benefit of Gold Fields product and its shareholders. The fact that Gold Fields is essentially unhedged underlines its commitment to gold. Gold Fields fully supports the World Gold Council, or WGC. Christopher M.T. Thompson, a director and chairman of Gold Fields, became chairman of the WGC in 2002 and continues in that capacity currently.

Improved Profitability and Increased Reserves

Improved profitability and increased reserves at existing underground operations in South Africa and operations elsewhere can be achieved by reducing costs and thereby reducing cut-off grades. Management believes that significant opportunity exists to do this, specifically through:

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

improved incentive compensation systems that more effectively link reward to key outputs; and

better use of new technologies in the form of new mining methods, the use of drill rigs and jigs, improved ventilation usage and research into new underground mining techniques.

Acquisitions and Exploration

Gold Fields is one of the largest producers of gold in the world based on annual gold production. Gold Fields corporate development mandate is to grow as a world leader in developing and operating precious metal mines and to make investments that generate positive returns. Gold Fields is sensitive to the fact that industry pressure for consolidation and the competition for acquisitions are pushing asset prices to high levels that threaten returns. Gold Fields believes its acquisitions of St. Ives and Agnew in Australia, the Teberebie property in Ghana and the Damang mine in Ghana offer excellent prospects of good investment returns and growth due to the exploration potential offered at the sites and, with respect to the Ghana operation, the synergies offered with respect to Gold Fields existing operations. Accordingly, these acquisitions provide examples of what is possible despite the limitations that constrain Gold Fields ambitions.

For acquisitions of gold assets or companies outside South Africa, Gold Fields is at somewhat of a disadvantage to certain of its competitors outside South Africa but also has offsetting strengths. First, South African exchange control regulations limit Gold Fields ability to provide guarantees or borrow outside South Africa without express approval from the South African Reserve Bank, or the SARB. In his speech to Parliament towards at the end of October 2004, the Minister of Finance outlined the South African Treasury s medium term budget policy statement and repeated that it was the government s eventual goal to replace all remaining exchange controls with prudential benchmarks. He also announced the abolition of exchange control limits on new outward foreign direct investments by South African corporations and the lifting of their obligation to repatriate foreign dividends. Gold Fields nonetheless remains at a disadvantage to its non-South African competitors. Second, shares of North American and, to a lesser extent, Australian gold companies historically have traded at premiums relative to shares of South African gold companies, thereby making it difficult to make non-dilutive acquisitions through equity issuances, although these premiums have reduced recently. On the other hand, Gold Fields has a strong balance sheet and low debt-to-equity ratio that diminishes the equity pricing disadvantage, and also has a skilled and effective corporate evaluation and acquisition team.

Gold Fields maintains an active global exploration effort for gold and PGMs through exploration offices worldwide and an exploration team that management believes is well focused, cost efficient and skilled. Generally, Gold Fields budgets to spend up to $10 per ounce of gold it produces on exploration, provided the opportunities offered warrant such expenditure. Exploration efforts are carefully selected with strict economic criteria in mind.

Hedging

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

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

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

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

Reserves of Gold Fields as of June 30, 2004

Methodology

While there are some differences between the definition of the South African Code for Reporting of Mineral Resources and Mineral Reserves, or SAMREC Code, and that of the SEC s industry guide number 7, only reserves at each of Gold Fields operations as of June 30, 2004 which qualify as proven and probable reserves for purposes of the SEC s industry guide number 7 are presented in the table below. See Glossary of Mining Terms. In accordance with the requirements imposed by the JSE, Gold Fields reports its reserves using the terms and definitions of the SAMREC Code. Mineral reserves, as defined under the SAMREC Code, are divided into categories of proved and probable reserves and are expressed in terms of tonnes to be processed at mill feed head grades, allowing for estimated mining dilution and recovery factors.

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

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

grid of diamond drilling and a 12.5 meter to 25.0 meter grid of reverse circulation drilling. For the Damang open pit operation, estimation of reserves is based on a 20 meter to 80 meter grid of both diamond drilling and reverse circulation drilling.

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

Reserve Statement

As of June 30, 2004, Gold Fields had aggregate attributable proven and probable reserves of approximately 75.4 million ounces as set forth in the following table:

Ore Reserve statement as of June 30, 2004 [1]

	Proven reserves			Probable reserves			Total reserves			Attributable gold production in the year ended June 30, 2004[2]
	Tonnes	Grade	Gold	Tonnes	Grade	Gold	Tonnes	Grade	Gold	
	(million)	(g/t)	(000 oz)	(million)	(g/t)	(000 oz)	(million)	(g/t)	(000 oz)	(000 oz)
Underground										
Driefontein (total)	29.4	8.1	7,621	59.2	8.1	15,485	88.6	8.1	23,106	970
Above infrastructure[3]	29.4	8.1	7,621	27.2	8.2	7,150	56.6	8.1	14,771	
Below infrastructure[3]				32.0	8.1	8,335	32.0	8.1	8,335	
Kloof (total)	17.4	10.3	5,786	62.0	10.6	21,138	79.4	10.5	26,924	1,000
Above infrastructure[3]	17.4	10.3	5,786	25.2	8.5	6,885	42.6	9.3	12,671	
Below infrastructure[3]				36.8	12.0	14,253	36.8	12.0	14,253	
Beatrix (total)	19.0	5.2	3,198	35.9	5.7	6,547	54.9	5.5	9,746	593
Above infrastructure [3]	19.0	5.2	3,198	33.9	5.7	6,185	52.9	5.5	9,384	
Below infrastructure [3]				2.0	5.6	362	2.0	5.6	362	
Australia										
St. Ives [4]										
Agnew [4]										

Total Underground	65.8	7.8	16,606	157.1	8.5	43,170	222.9	8.3	59,776	2,562
Surface (Rock Dumps)										
Driefontein				12.7	1.3	511	12.7	1.3	511	171
Kloof				13.6	0.8	341	13.6	0.8	341	38
Beatrix				2.7	0.7	58	2.7	0.7	58	32
Surface (Production Stockpile)										
Ghana										
Tarkwa	2.9	0.9	82				2.9	0.9	82	
Damang	6.5	1.4	283				6.5	1.4	283	
Australia										

	Proven reserves			Probable reserves			Total reserves			Attributable gold production in the year ended 2004[2] June 30,
	Tonnes	Grade	Gold	Tonnes	Grade	Gold	Tonnes	Grade	Gold	
	(million)	(g/t)	(000 oz)	(million)	(g/t)	(000 oz)	(million)	(g/t)	(000 oz)	(000 oz)
St. Ives [4]	7.4	1.1	265				7.4	1.1	265	
Agnew [4]	0.5	1.4	22				0.5	1.4	22	
Surface (Open Pit)										
Ghana										
Tarkwa	142.0	1.3	6,088	105.0	1.3	4,303	247.0	1.3	10,391	391[5]
Damang[6] [7]	1.8	0.9	60	5.1	1.5	244	7.0	1.4	304	219[5]
Australia										
St. Ives [4] [6]	1.8	3.5	203	20.3	3.9	2,545	22.1	3.9	2,748	543[5]
Agnew [4] [6]	0.4	14.9	180	3.5	4.1	454	3.8	5.2	634	202[5]
Total Surface	163.3	1.4	7,183	162.9	1.6	8,456	326.2	1.5	15,639	1,596
Total	229.1	3.2	23,789	320.0	5.0	51,626	549.1	4.3	75,415	4,158[8]

Notes:

(1) Quoted as mill delivered tonnes and run of mine grades, inclusive of all mining dilutions and gold losses except mill recovery. Metallurgical recovery factors have not been applied to the reserve figures. The approximate metallurgical factors are as follows: (1) Driefontein 96.9%; (2) Kloof 97.5%; (3) Beatrix 96.7%; (4) Tarkwa 95% for milling, 66% for heap leach; (5) Damang 88.6%-94.5%; (6) St. Ives 94% for milling, 55% for heap leach and (7) Agnew 94%. For Driefontein, Kloof and Beatrix, a gold price of Rand 90,000 per kilogram ($350 per ounce at an exchange rate of Rand 8.00 per $1.00) was applied in calculating ore reserve figures. For the Tarkwa and Damang operations, ore reserve figures are based on an optimized pit at a gold price of $350 per ounce. For the Australian operations ore reserve figures are based on a gold price of A$580 per ounce ($350 per ounce at an exchange rate of A$1.66 per $1.00). Open pit ore reserves at the Australian operations are similarly based on optimized pits. The gold price used for reserves is the three year average, calculated on a monthly basis, of the London afternoon fixing price of gold.

(2) Actual gold produced after metallurgical recovery.

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

future which will allow mining to occur at that level.

(4) All operations at St. Ives and Agnew are considered surface operations for purposes of reporting reserve and production data in this reserves table.

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

(6) Excludes inferred material within the pit design.

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

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

The amount of mineralization which Gold Fields can economically extract, and therefore can classify as reserves, is very sensitive to fluctuations in the price of gold. At gold prices different from the gold price of $350 per ounce used to estimate Gold Fields attributable reserves of 75.4 million ounces of gold as of June 30, 2004 listed above, Gold Fields operations would have had significantly different reserves. Based on the same methodology and assumptions as were used to estimate Gold Fields reserves as of June 30, 2004 listed above, but applying different gold prices that are 10% above and below the $350 per ounce gold price used to estimate Gold Fields attributable reserves, the attributable reserves of Gold Fields operations would have been as follows:

	$ 315/oz	$ 350/oz	$ 385/oz
	(000 oz)	(000 oz)	(000 oz)
Driefontein[1]	14,145[2]	23,106	23,577
Kloof[1]	9,332[3]	26,924	29,891
Beatrix[1]	8,409	9,746	10,289
Tarkwa	8,871	10,473	11,790
Damang	464	587	603
St. Ives	2,764	3,013	3,139
Agnew	637	656	682
Total[1]	44,622	74,505	79,971

Notes:

(1) South African operations reserves exclude rock dumps.

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

(3) Excludes the Kloof Extension Area and Eastern Boundary Area and which would not be economical to mine and thus would not be a reserve at this gold price.

The London afternoon fixing price on October 29, 2004 was $426 per ounce.

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

Geology

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

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

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

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

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

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

Description of Mining Business

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

Exploration

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

Mining

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

Underground Mining

Developing access to the orebody

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

Extracting the orebody

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

Open Pit Mining

Developing access to the orebody

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

Extracting the orebody

Extraction of the orebody in open pit mining involves the same activity as in stripping the overburden. The rock is drilled, and the drill cuttings are sampled to determine the grade of the rock at each blasting location. The rock is blasted and lines are established demarcating ore from waste material. The ore is hauled by dump truck to the crusher or stockpile, while the waste is hauled to waste rock dumps.

Rock Dump and Production Stockpile Mining

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

Mine Planning and Management

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

Gold Fields has a two-stage mine planning process. Each operation compiles a life of mine, or LoM, plan during the first half of each fiscal year and a detailed two year operational plan during the second half of each fiscal year, based on financial parameters issued to the operation by Gold Fields Operating Committee. See Directors, Senior Management and Employees Operating Committee. The operational plan is presented to Gold Fields Board for approval at the end of each fiscal year. The planning process is sequential and is based upon geological models, evaluation models, depletion schedules and, ultimately, financial analysis. Capital planning is formalized pursuant to

Gold Fields   capital spending planning process. Projects are categorized in terms of total expenditure, and all projects involving amounts exceeding Rand 50.0 million ($8.2 million) are submitted to the full Board for approval.

The South African operations have implemented an integrated electronic reserve and resource information system, called IRRIS, to enhance LoM planning capabilities. This system provides a common planning platform to facilitate quicker, more flexible and more accurate short- and long-term planning and more timely identification of production shortfalls. Short term planning on the operations is conducted monthly and aligned with the operational plan. Financial and economic parameters for the LoM and operational plan are issued to the operations from the head office and relevant survey and evaluation factors are determined in accordance with Gold Fields guidelines.

Processing

Gold Fields currently has 14 gold plants (eight in South Africa, three in Ghana (an additional plant is in the process of being commissioned) and three in Australia) which treat ore to extract gold. A typical gold processing plant circuit includes two phases: comminution and treatment.

Comminution

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

Treatment

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

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

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

Productivity Initiatives

Gold Fields is currently undertaking a number of initiatives intended to increase efficiency and reduce production costs at its mines. These initiatives include:

Safe Quality Planned Blast, or SQPB

At the South African operations, the SQPB initiative covers various activities that form part of the underground mining process and are tailored specifically to each operating mine. The purpose of the initiative is to provide for a safe blast each day as planned in the mining cycle, either at the stope face or at a development end to meet specific production and/or development targets.

Optimization

Various initiatives are in place to increase productivity at the international operations. For example, at St. Ives, Gold Fields is studying an improved process for the removal of lake sediment on Lake Lefroy and the introduction of trains for the hauling of underground ore at the Leviathan underground mine. At Agnew, Gold Fields is adapting the underground mining method to facilitate the safe removal of pillars at the Kim mine by introducing cemented backfill. At Tarkwa, Gold Fields converted operations to owner mining during fiscal 2004 and, in connection with the conversion, purchased a full fleet of mining equipment.

Cost, Supply and Labor Management

Gold Fields has implemented standardized cost reporting with uniform terminology and is introducing various systems to centralize supply procurement, improve vendor management and share services among shafts and operations. Gold Fields is putting in place an integrated daily reporting system throughout the South African operations, which it hopes will permit better allocation of labor and supplies among shafts. This includes a new payroll and human resources system called Solitgold, described below, which has been implemented at the Driefontein and Kloof operations and is expected to be implemented at the Beatrix operation in fiscal 2005. In addition, all production and ore reserve management reports are now part of the IRRIS system. See Mine Planning and Management.

Bonus Systems

Payroll, human resources and bonus systems are being integrated across the South African operations. Gold Fields is altering the bonus system to move it to production target-based standards, rather than only efficiency-based standards, and align it more closely with the SQPB objectives. See Directors, Senior Management and Employees Labor Relations Bonus Schemes.

Refrigeration and Ventilation Infrastructure

Gold Fields continues to upgrade and increase the efficiency of its refrigeration and ventilation systems.

Training

Gold Fields has implemented an expanded training program for employees at all levels, with an emphasis on safety, literacy and middle management development. An integrated people development system called The Integrated Manager (TIM) has been implemented at all mine sites. See Directors, Senior Management and Employees Employees Training.

Technology

Gold Fields is introducing a number of applied mining technologies, including mechanized development drill rigs and stope drill jigs, increased use of hydropower, new blasthole drilling methods and transport systems.

Payroll and Human Resources Systems

Gold Fields is currently replacing its seven different payroll and human resources systems in South Africa with an integrated payroll and human resources systems called Solitgold. Gold Fields anticipates that this initiative will provide improved controls and the ability to better manage its payroll and costs on a group-wide basis. The system was implemented in March 2004 at Driefontein and Kloof and is scheduled for implementation in fiscal 2005 at Beatrix.

Processing

Gold Fields is upgrading its metallurgical plants with the aim of reducing processing costs and improving security.

Palladium

Gold Fields has introduced Palladium, an integrated occupational health and safety system that integrates and manages health and safety data from all of the South Africa operations. The management system to support Palladium is currently being finalized and Gold Fields expects the system to be fully operational in fiscal 2004.

Refining and Marketing

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

On June 1, 2004 Gold Fields exercised its right under its agreement with Rand Refinery to sell all of Gold Fields gold production from its South African operations with effect from October 1, 2004. Prior to that time, Rand Refinery was the exclusive agent to sell Gold Fields South African produced gold, and Gold Fields treasury was appointed by Rand Refinery to act as its agent with respect to the sale of 50% of such gold to international customers. Under the new arrangement, Rand Refinery advises Gold Fields from time to time of the amount of gold available for sale. Gold Fields sells the gold at the London afternoon fixing price for the day if it is so advised. Within two business days after receipt of this advice Gold Fields deposits an amount in U.S. dollars equal to the value of the gold sold into Rand Refinery s nominated U.S. dollar account. On the date of the deposit, Rand Refinery, in turn, deducts any refining and administrative charges payable by Gold Fields relating to such amount of gold, and deposits the balance of the money into the nominated U.S. dollar account of Gold Fields. Gold Fields pays Rand Refinery an amount for administrative services associated with delivery of the refined gold of $0.05 per troy ounce of gold and a refining fee of $0.23 per troy ounce of gold received by Rand Refinery.

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

In Australia, all gold produced by St. Ives and Agnew is refined by AGR Joint Venture (trade name Australian Gold Refineries). The AGR Joint Venture is a partnership between Australian Gold Alliance Pty Ltd and WA Mint (trade name Perth Mint). Under an agreement which became effective on September 1, 2002 among St. Ives Gold Mining Company Pty Ltd, Agnew Gold Mining Company Pty Ltd and AGR Joint Venture, AGR Joint Venture refines the gold produced by St. Ives and Agnew for a refining fee of A$0.36 per ounce of gold plus a transportation fee of A$0.09 per ounce (subject to minimum charges). The refining fee is scheduled to increase by two cents per ounce in January 2005 and again in January 2006. AGR Joint Venture retains 0.1% of the gold it refines to cover losses in the refining process. AGR Joint Venture must collect the gold from St. Ives and Agnew, refine it and credit the gold to its metals account in Western Australia and then either purchase the gold or swap it to London, which means that AGR Joint Venture provides gold in London for sale by Gold Fields in an amount equal to the gold from St. Ives and Agnew located in Perth. At Gold Fields election the gold may be sold to AGR Joint Venture at spot for a fee of $0.20 per ounce or at the London morning or afternoon fixing price for a fee of $0.25 cents per ounce or, if the gold is swapped to London, and sold through third parties for a fee which is based on the gold price and interest rates. This agreement continues indefinitely until terminated by either party upon 90 days written notice.

Gold Fields supports and participates in the gold marketing activities of the WGC and contributes $1.75 per ounce of gold it produces to the WGC in support of its activities.

Services

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

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

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

Gold Fields Mining Operations

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

Total Operations

The following chart details the operating and production results for fiscal 2002 for all operations owned by Gold Fields as of June 30, 2002, and for fiscal 2003 and fiscal 2004 for all operations owned by Gold Fields as of June 30, 2004, plus the operating and production results of the St. Helena mine through the first four months of fiscal 2003 prior to the sale of the mine to Freegold.

	Year ended June 30,		
	2002	**2003**	**2004**
Production			
Tonnes (000)	36,953	42,988	46,028
Recovered grade (g/t)	3.6	3.3	3.0

Gold produced (000 oz)[1][2]	4,307	4,577	4,406
Results of operations ($ million)			
Revenues	1,210.0	1,538.2	1,706.2
Total production costs	831.4	1,168.3	1,538.3

	Year ended June 30,		
	2002	2003	2004
Total cash costs	713.4	974.9	1,332.5
Cash profit[3]	496.6	563.3	373.7
Cost per ounce of gold ($)			
Total production costs	198	254	349
Total cash costs	170	212	302

Notes:

(1) Includes production at Shaft No. 4, which was capitalized through the end of fiscal 2002 (fiscal 2002: 75,000 ounces)

(2) In fiscal 2002, 4.109 million ounces of production were attributable to Gold Fields, in fiscal 2003, 4.334 million ounces were attributable to Gold Fields and in fiscal 2004, 4.158 million ounces were attributable to Gold Fields with the remainder attributable to minority shareholders in the Ghana operation.

(3) Cash profit represents revenues less total cash costs. For a reconcilliation of Gold Fields total cash costs to production costs, see Operating and Financial Review and Prospects Results of Operations.

Underground Operations

The following chart details the operating and production results for fiscal 2002 for all underground operations owned by Gold Fields as of June 30, 2002 and for fiscal 2003 and fiscal 2004 for all operations owned by Gold Fields as of June 30, 2004, plus the operating and production results of the St. Helena mine through the first four months of fiscal 2003 prior to the sale of the mine to Freegold.

	Year ended June 30,		
	2002	2003	2004
Production			
Tonnes (000)	11,274	11,895	13,231
Recovered grade (g/t)	8.2	7.5	7.0
Gold produced (000 oz)[1]	2,968	2,855	2,982
Results of operations ($ million)			
Revenues	824.7	958.5	1,153.4
Total production costs	564.5	729.9	1,139.6
Total cash costs	498.0	636.8	996.6
Cash profit[2]	326.7	321.7	156.8
Cost per ounce of gold ($)			
Total production costs	197	252	382
Total cash costs	174	221	334

Notes:

(1) Includes production at Kloof Shaft No. 4, which was capitalized through the end of fiscal 2002; fiscal 2002: 75,000 ounces).

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

Tonnes milled from the underground operations increased from 11.9 million tonnes in fiscal 2003 to 13.2 million tonnes in fiscal 2004. An increase of 2.0 million tonnes from the Australian operations, resulting from a reclassification of near surface operations from surface to underground operations, was largely offset by decreases at Driefontein and Kloof resulting from a reduction in lower grade mining at the South African operations to counter the lower Rand gold price. The amount of gold produced from the underground operations increased from 2.6 million ounces in fiscal 2003 to 3.0 million ounces in fiscal 2004. The primary reason for this increase was the Australian reclassification of near surface operations to underground operations, which accounted for an additional 420,000 ounces. This offset lower production from the South African operations due to lower tonnes milled at slightly lower yields.

Surface Operations

The following chart details the operating and production results for fiscal 2002 for all surface operations owned by Gold Fields as of June 30, 2002 and for fiscal 2003 and 2004 for all such operations owned by Gold Fields as of June 30, 2004. All operations at St. Ives and Agnew were considered surface operations prior to June 30, 2003 for purposes of reporting production data. Starting in fiscal 2004, production data for the Australian operations has been split between underground and surface operations.

	Year ended June 30,		
	2002	**2003**	**2004**
Production			
Tonnes (000)	25,679	31,093	32,797
Recovered grade (g/t)	1.6	1.7	1.4
Gold produced (000 oz)[1]	1,340	1,722	1,424
Results of operations ($ million)			
Revenues	385.3	579.7	552.8
Total production costs	266.9	438.4	398.7
Total cash costs	215.4	338.1	335.9
Cash profit[2]	169.9	241.6	216.9
Cost per ounce of gold ($)			
Total production costs	199	255	280
Total cash costs	161	196	236

Notes:

(1) In fiscal 2002, 1.142 million ounces of production were attributable to Gold Fields, in fiscal 2003, 1.480 million ounces of production were attributable to Gold Fields and in fiscal 2004, 1.176 million ounces of production were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operations.

(2) Cash profit represents revenues less total cash costs. For a reconciliation of Gold Fields cash costs to production costs see Operating and Financial Review and Prospects Results of Operations.

Tonnes milled from the surface operations increased from 31.1 million tonnes in fiscal 2003 to 32.8 million tonnes in fiscal 2004 despite the reclassification of near surface operations in Australia from surface to underground operations, principally due to increased tonnage produced in Australia and the treatment of surface tonnage at Beatrix via toll arrangements with a nearby operation. However, the amount of gold produced from the surface operations decreased from 1.7 million ounces in fiscal 2003 to 1.4 million ounces in fiscal 2004, primarily due to the increased processing of lower grade ore in Australia.

Driefontein Operation

Introduction

The Driefontein gold mine is located in the Gauteng Province of South Africa in the Far West Rand mining district, some 70 kilometers southwest of Johannesburg. Driefontein operates under a mining authorization with a total area of 8,561 hectares. It is an underground mine with nominal surface reserves represented by rock dumps that have been accumulated through the operating history of the mine. Driefontein has seven operating shaft systems and three metallurgical plants, and operates at depths between 800 meters and 3,400 meters. In the year ended June 30, 2004, it produced 1.1 million ounces of gold. Driefontein had approximately 17,900 employees, including a limited number employed by outside contractors as of June 30, 2004.

History

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

Geology

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

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

Mining

The Driefontein operation is engaged in both underground and surface mining, and is thus subject to all of the underground and surface mining risks discussed in the Risk Factors section. Due to the operating depths and extensive mined out areas, seismicity and the damage caused by seismicity are serious safety and productivity issues at Driefontein. To address this, among other things, Gold Fields seeks to use closely spaced dip pillar mining techniques in its newer deep level operations, as well as using backfill placement to stabilize particularly difficult areas. The safety record at the Driefontein operation during fiscal 2004, in terms of serious injury frequency rate and fatal injury frequency rate, was better than the South African industry average for the same period.

The primary challenges facing the Driefontein underground operation include seismicity, flammable gas, water intrusion and rock temperatures. As noted above, Gold Fields is seeking to reduce seismicity problems at Driefontein through using a combination of closely spaced dip pillar mining techniques and backfill methods. Water intrusion is dealt with through an extensive water pumping network. Also, because rock temperatures tend to increase with depth, Driefontein requires extensive cooling infrastructure to maintain comfortable conditions for workers. Driefontein experienced underground fires in July, September and October 2003 at Shaft Nos. 2, 10 and 8 respectively. Shaft No. 2 experienced a partial closure for 2 months, and Shaft No. 10 was closed for approximately 8 weeks after the fires. Shaft No. 8 was back in full production by the third quarter of fiscal 2004. In addition, there has been one fire to date in fiscal 2005 which resulted in minor production interruptions.

During the 2004 fiscal year, Driefontein suffered significant seismic events on July 29, 2003, July 31, 2003, September 22, 2003, November 13, 2003 and March 3, 2004 which resulted in one worker in each event losing their lives. Although the areas affected by the seismicity were temporarily closed, Driefontein did not experience material work stoppages in connection with the accidents. There have been no seismic related fatalities to date in fiscal 2005, but there have been scattered interruptions of the operations at Shaft Nos. 1, 2, 4 and 5.

With respect to underground operations, in the western, older portions of Driefontein the focus is on remnant pillar mining. Some mining activity is located in virgin rock, primarily using longwall and scattered mining methods. In the eastern, newer portions of the mine the focus is also on mining through scattered mining or longwall methods. Newer shafts in the eastern portion, particularly those at the deepest levels of the mine, employ the closely spaced dip pillar mining method. This method provides some mining flexibility and is designed to be generally safer than the longwall method. The scattered mining method is not practiced at depth.

Gold Fields is currently focusing development at Shaft Nos. 1 and 5 to increase mineable ore reserves. In addition to these shafts, Shaft No. 4 continues to be a primary center of production and new development to open up reserves in the shaft pillar area. The other shafts at the operation are mature, with production focused on remnant pillar extraction and accessing and mining the secondary reef horizons. Shaft Nos. 2 and 8 are being used to provide hoisting and services support to the active shafts. Gold Fields has completed a feasibility study to evaluate reopening Shaft No. 9, where development had previously been suspended, to access below infrastructure reserves. However, studies indicated that it was not economically feasible to open Shaft No. 9 at current gold prices. In addition, Shaft No. 10 was depleted in fiscal 2004 after having produced high grade ore for the last 40 years.

Operationally, Gold Fields is focused on improving quality square meters extracted through the SQPB initiative at Driefontein. Also, the Driefontein operation continues to focus on identifying previously worked areas which can offer opportunities for further production under current economic conditions and to search for payshoots outside the scope of current mine development.

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

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

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

	Year ended June 30,		
	2002	2003	2004
Production			
Tonnes (000)	6,587	6,370	6,438
Recovered grade (g/t)	6.3	6.0	5.5
Gold produced (000 oz)	1,327	1,238	1,141
Results of operations ($ million)			
Total production costs	234.2	293.7	405.6
Total cash costs	200.9	254.7	354.5
Cash profit[(1)]	171.3	165.5	85.9
Cost per ounce of gold ($)			
Total production costs	180	233	355
Total cash costs	154	202	311

Note:

(1) Cash profit represents revenues less total cash costs. For a reconciliation of Gold Fields   cash costs to production costs see   Operating and Financial Review and Prospects   Results of Operations.

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

Output quality of the Driefontein orebody improved over the course of the fiscal year as the mine switched to mining higher grades, primarily during the latter half of the fiscal year. Shaft No. 10 was closed during fiscal 2004 and less than planned output was achieved at Shaft No. 5 due to ventilation constraints. These ventilation constraints should be removed when a new refrigeration plant and cooling infrastructure is commissioned at Shaft No. 5, which is expected to occur in the third quarter of fiscal 2005.

In June 2004, Gold Fields renamed its shafts at Driefontein. The total shaft hoisting capacity of Driefontein is detailed below.

Shaft System

Hoisting capacity	**(tonnes/month)**
No. 8[1]	96,000
No. 10[2]	121,000
No. 6[3]	118,000
No. 7[4]	190,000
No. 1[5]	155,000
No. 2[6]	185,000
No. 4 [7]	180,000
No. 5 [8]	175,000

Notes:

(1) Formerly named Shaft No. 4W.

(2) Formerly named Shaft No. 5W. This shaft was closed in fiscal 2004.

(3) Formerly named Shaft No. 6W.

(4) Formerly named Shaft No. 7W.

(5) Formerly named Shaft No. 1E.

(6) Formerly named Shaft No. 2E.

(7) Formerly named Shaft No. 4E.

(8) Formerly named Shaft No. 5E.

On a simplistic basis, and assuming that Gold Fields does not identify any additional reserves at Driefontein, at the production level achieved in fiscal 2004, Driefontein s June 30, 2004 proven and probable reserves of 23.6 million ounces of gold will be sufficient to maintain production through approximately fiscal 2032. However, because Driefontein s operations consist of several different shafts that are at various stages of maturity, Gold Fields expects that some shafts will decrease production earlier than others. In addition, as discussed in the Risk Factors section, any future changes to the assumptions on which the reserves are based, as well as any unforeseen events affecting production levels, could have a material effect on the expected period of future operations.

Processing

The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factor during the fiscal year ended June 30, 2004, for each of the plants at Driefontein:

		Processing Techniques				Approximate recovery factor for the year ended June
					Average milled for the year ended June	
Plant	Year commissioned	Comminution Phase	Treatment phase	Capacity	30, 2004	30, 2004
					(tonnes/month)	
No. 1 Plant	2003	SAG milling	CIP treatment and Electrowinning	240,000	197,300	96.9%
No. 2 Plant	2002	SAG/ball milling circuit	CIP treatment[1]	200,000	211,800	95.1%
No. 3 Plant	1998	SAG milling	CIP treatment[1]	115,000	127,300	95.7%

Note:

[1] After CIP treatment, electrowinning occurs at No. 1 Plant.

In fiscal 2004, the Driefontein plants collectively extracted approximately 96.2% of the gold contained in ore delivered for processing.

The No.1 Plant was commissioned with a new SAG milling circuit during the second quarter of fiscal 2004. An optimization program has been implemented to address a number of technical issues affecting the mill to improve mechanical reliability and overall utilization, including redesigning the mill discharge ends to improve product transfer size.

In addition, during fiscal 2004, certain upgrades were made at the No. 2 Plant to improve efficiency.

Capital Expenditure

Gold Fields spent Rand 238.3 million on capital expenditure at the Driefontein operation in fiscal 2004. This amount included Rand 138.7 million spent on continuing development at Shaft Nos. 1 and 5 and Rand 54.3 million on upgrading Plant Nos. 1 and 2. Gold Fields has budgeted approximately Rand 270.0 million of capital expenditure at Driefontein for fiscal 2005, principally for continuing major shaft development projects, completing metallurgical plant upgrades and completing the new refrigeration plant and cooling infrastructure at Shaft No. 5. Total capital expenditure for 2005 may be reduced if the Rand gold price remains depressed.

Kloof Operation

Introduction

The Kloof operation is located in the Gauteng Province of South Africa, near Westonaria, and comprises the former Kloof, Libanon and Leeudoorn mines. Kloof operates under a mining authorization with a total area of 20,086 hectares. It is principally an underground operation, with a limited amount of processing of surface rock dump material. Kloof has five operating shaft systems serviced by three metallurgical plants, and, like Driefontein, is a deep-level mine, with operating depths between 1,000 meters and 3,500 meters. In the fiscal year ended June 30, 2004, it produced 1.0 million ounces of gold. As of June 30, 2004, Kloof had approximately 16,600 employees, including a limited number employed by outside contractors.

History

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

Geology

The majority of production at Kloof is from the VCR, which occurs at depths between approximately 1,000 meters and 3,500 meters. The VCR has a general northeast strike and dips to the southeast at between 24° and 45°. The Middelvlei Reef is becoming an increasingly important contributor to production, while minor production volumes are planned from the Kloof and Libanon Reefs.

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

Mining

The Kloof operation is engaged in underground mining, and is thus subject to all of the underground risks discussed in the Risk Factors section. Like Driefontein, Kloof experiences seismicity due to the extreme depth of operations and also experiences flammable gas. Newer development is based on the closely spaced dip pillar mining method to reduce the impact of seismicity at Kloof. Early detection and increased ventilation of the shafts are being used to minimize the risk of incidents caused by flammable gas. In fiscal 2004, the serious injury frequency rate and the fatal injury frequency rate at Kloof were in line with the South African industry average for the same period. Kloof had three fatalities in the first quarter of fiscal 2005.

The primary challenges facing the Kloof operation are seismicity and flammable gas. As noted above, Gold Fields seeks to reduce the impact of seismicity at Kloof by using the closely spaced dip pillar mining method. Kloof experienced consistent levels of flammable gas during fiscal 2004 as compared to fiscal 2003. As noted above, early detection and increased ventilation of the shafts are being used to minimize the risk of incidents caused by flammable gas. Also, as with Driefontein, Kloof requires extensive cooling infrastructure to maintain comfortable conditions for workers due to the extreme depth of its operations.

Newer areas of Kloof, particularly deep level operations, use the closely spaced dip pillar mining method, while older areas use the longwall mining method. The focus at mature areas of Kloof is on remnant pillar mining. Shaft Nos. 1, 3, 4 and 7 provide the main centers of current production at Kloof. Mining activity at Shaft No. 4, which began production in early 2000, is still in the build up phase and is expected to reach a sustainable production level during fiscal 2005. A development program with an associated exploration program to drill and to endeavor to establish additional proven reserves and improved grades in the Shaft No. 3D area was implemented in fiscal 2002 and development has commenced into certain areas of the VCR. In addition to its own production, Shaft No. 1 provides additional hoisting capacity for Shaft Nos. 3 and 4. As a response to the strength of the Rand against the U.S. dollar, Gold Fields decided to shift its focus at its South African operations to mining in higher grade areas. As a result, Kloof reduced its production from the Middelvlei Reef and stopped production at Shaft No. 9 in the second quarter of fiscal 2004.

Pre-feasibility studies on the Kloof Extension Area, or the KEA, and the Eastern Boundary Area, or EBA, were completed in fiscal 2003. A feasibility study on the KEA was completed in fiscal 2004. However, Gold Fields is continuing surface exploration drilling in the KEA and expects to complete studies in fiscal 2005. Surface drilling at the EBA to confirm the structural model and grade zones at particular depths was completed in fiscal 2004. The EBA is still at the pre-feasibility stage, and a full view on feasibility is not expected until late fiscal 2005 or early fiscal 2006. Gold Fields expects Shaft Nos. 3, 4 and 7 to be the primary sources of future production at Kloof.

Operationally, Gold Fields is focused on improving quality volume and the rate of development at the mine by introducing updated drilling technology, including development drill rigs operated from power packs and increasing the proportion of hydropower drill rigs. Various initiatives have been implemented with the intention of improving Kloof s mine call factor. Gold Fields has been experiencing difficulties with ore grades at the lower levels of Shaft No. 3 due to an unexpected variation in the structure of the VCR, and work is ongoing to overcome this problem.

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

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

	Year ended June 30,		
	2002	**2003**	**2004**
Production			
Tonnes (000)	4,657	4,838	4,983
Recovered grade (g/t)	7.4	7.3	6.5
Gold produced (000 oz)[1]	1,101	1,140	1,038
Results of operations ($ million)			
Total production costs	199.3	281.4	403.0
Total cash costs	178.8	245.9	353.8
Cash profit[2]	111.3	134.2	47.2
Cost per ounce of gold ($)			
Total production costs	195	246	388
Total cash costs	175	215	341

Notes:

(1) Includes production at Kloof Shaft No. 4, which was capitalized through the end of fiscal 2002 (2002: 75,000 ounces).

(2) Cash profit represents revenues less total cash costs. For a reconciliation of Gold Fields cash costs to production costs see Operating and Financial Review and Prospects Results of Operations.

From fiscal 2003 to fiscal 2004, there was a significant increase in processing of surface rock dump material and a decrease in processing of underground tonnage. The decrease in gold produced was principally a result of the decrease in underground tonnage, which was part of a planned strategy to reduce lower grade mining in light of the strength of the Rand against the U.S. dollar. Gold Fields experienced an increase in total cash costs per ounce of gold from fiscal 2003 to fiscal 2004 at Kloof, principally as a result of the appreciation of the Rand against the U.S. dollar as well as higher Rand cash costs. Cash costs in Rand increased due primarily to above inflation wage increases and increases in other costs generally in line with inflation.

Output quality of the Kloof orebody improved as the mine switched to mining higher grades, primarily during the second half of the year. Gold production was below that achieved in fiscal 2003, largely because of the closure of the low grade areas at Shaft No. 9 and less than planned output at Shaft No. 4, where unpay areas and mining constraints affected production in the first half of fiscal 2004. In addition, plans were put into place to reduce the proportion of production from the Middlevlei and Kloof reefs which were considered lower grade areas.

The total shaft hoisting capacity of Kloof is detailed below.

Shaft System

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

Notes:

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

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

On a simplistic basis, and assuming that Gold Fields does not identify any additional reserves at Kloof, at the production level achieved in fiscal 2004, Kloof s June 30, 2004 proven and probable reserves of 27.3 million ounces of gold will be sufficient to maintain production through approximately fiscal 2034. However, because Kloof s operations consist of several different shafts that are at various stages of maturity, Gold Fields expects that some shafts will decrease production earlier than others. In addition, as discussed in the Risk Factors section, any future changes to the assumptions on which the reserves are based, as well as any unforeseen events affecting production levels, could have a material effect on the expected period of future operations.

Processing

The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factor during the fiscal year ended June 30, 2004, for each of the plants at Kloof:

		Processing Techniques				
Plant	Year commissioned	Comminution Phase	Treatment phase	Capacity	Average milled for the year ended June 30, 2004	Approximate recovery factor for the year ended June 30, 2004
					(tonnes/month)	
No. 1 Plant	1970	Traditional crushing and milling	CIP treatment[1]	180,000	179,750	97.4%
			CIP treatment and			

No. 2 Plant	1990	SAG milling	electrowinning	120,000	127,333	97.4%
No. 3 Plant	1990	Traditional crushing and milling	CIP treatment[1]	140,000	108,250	92.1%

Note:

(1) After CIP treatment, electrowinning occurs at No. 2 Plant.
In fiscal 2004, the Kloof plants collectively extracted approximately 97% of gold contained in ore delivered for processing.

A pumpcell installation was completed in October 2003 at the No. 3 Plant, and the central elution facility at the No. 2 Plant was commissioned in the first quarter of fiscal 2004. This now provides one central elution facility for the entire Kloof operation.

Capital Expenditure

Gold Fields spent Rand 344.4 million on capital expenditures at the Kloof operation in fiscal 2004. Of this amount, Gold Fields spent Rand 201.2 million continuing the development projects at Shaft Nos. 4 and 7, Rand 72.6 million on refrigeration projects, Rand 19.0 million on drilling at the Eastern Boundary Area, Rand 21.2 million on the three-dimensional seismic survey project at the KEA and Rand 19.5 million on continuing metallurgical plant upgrades. The remaining balance of capital expenditure in fiscal 2004 was spent on development projects, mining and ventilation equipment. Gold Fields has budgeted approximately Rand 261.9 million of capital expenditure at Kloof for fiscal 2005, principally for the completion of a sub-vertical shaft project at Shaft No. 4, a drop down project at Shaft No. 3, and the refrigeration and the main shaft pillar extraction. Total capital expenditure for fiscal 2005, may be reduced should Rand gold prices remain depressed.

Beatrix Operation

Introduction

The Beatrix operation is located in the Free State Province of South Africa, near Welkom and Virginia, and comprises the Beatrix mine. The Beatrix operation was formerly known as the Free State operation. Gold Fields renamed the operation Beatrix following the sale of the St. Helena mine to FreeGold on October 30, 2002.

The Beatrix mine is located in the southern Free State of South Africa some 240 kilometers southwest of Johannesburg. Beatrix operates under a mining license with a total area of 16,821 hectares. It is only an underground operation, with the exception of a nominal amount of surface production from processing rock dump material. Beatrix has four shaft systems serviced by two metallurgical plants. It has shallow to intermediate depth operations, at depths between 700 meters and 2,200 meters. In the fiscal year ended June 30, 2004, Beatrix produced 0.6 million ounces of gold. As of June 30, 2004, Beatrix had approximately 12,200, employees, including a limited number employed by outside contractors.

History

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

Geology

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

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

Mining

The Beatrix mine is engaged in underground mining, and is thus subject to all of the underground mining risks discussed in the Risk Factors section. The primary safety risks at Beatrix are falls of ground and flammable gas explosions. In fiscal 2001, following two fatal flammable gas explosions, regulatory authorities issued an order to stop operations at Beatrix for a period of 10 days while the mine was inspected and declared safe to resume operations. Following the accidents, management has worked actively to remedy the most significant problems which resulted in the explosion, and has implemented, the recommendations arising out of the Department of Mineral and Energy s investigation of the incident. These remedies have included providing additional safety training and equipment for employees, establishing new monitoring and ventilation procedures and installing additional remote sensing equipment. Beatrix uses a telemetric monitoring system coupled with an extensive ventilation system to help monitor flammable gas. The safety record at the Beatrix operation during fiscal 2004, in terms of serious injury frequency rate and fatal injury frequency rate, was better than the South African industry average for the same period. In fiscal 2004, there were four fatalities at Beatrix due to falls of ground (including rock bursts). There have been no fatalities to date at Beatrix in fiscal 2005.

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

Mining at Beatrix is based upon the scattered mining method. Activity at Shaft No. 3 is focused upon haulage development and initial stoping in order to build up production at the shaft. The power source being used at Shaft No. 3 for a variety of activities including drilling is hydropower, as opposed to compressed air, with a majority of the mining equipment being run off a high pressure water system. The benefits of the system include improved cooling underground, improved machine efficiency, lower noise levels and less power wastage.

Shaft Nos. 1, 2 and 4 are the primary sources of production at present and over time Gold Fields expects mining concentration to shift to Shaft No. 3. Gold Fields experienced inconsistent performance at Shaft No. 4 in fiscal 2004 due to grade swings at the KKR, which is characterized as being a highly erratic reef structure, making access to the orebody more difficult. In fiscal 2004, Gold Fields worked to improve ventilation and rock removal systems at Shaft 4.

Operationally, Gold Fields implemented an initiative in fiscal 2002 called Project M to mine previously developed low grade ore on a marginal cost basis, and this initiative has continued in fiscal 2004 and fiscal 2005. This ore is hoisted at Shaft Nos. 1 and 2 and transported, by road, to take advantage of spare metallurgical capacity at the No. 2 Plant. In addition, Gold Fields is also focusing on various productivity initiatives, such as programs to increase the mine call factor and new drilling and support methods and technologies. A new ventilation shaft at Shaft No. 2 was completed in fiscal 2004 which has improved underground environmental conditions at Shaft No. 2.

Gold Fields expects to increase volumes at Shaft Nos. 3 and 4 in order to offset lower grades at Beatrix and improve gold output from current levels. Gold Fields is focusing on optimizing the mining mix to maintain steady grades at Beatrix. Higher rates of development are planned and the holing of raises at Shaft No. 3 is expected to create additional ore reserve flexibility.

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

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

	Year ended June 30,		
	2002	2003	2004
Production			
Tonnes (000)	4,115	4,722	5,448
Recovered grade (g/t)	4.9	4.3	3.6
Gold produced (000 oz)	655	659	625
Results of operations ($ million)			
Total production costs	125.3	171.5	245.5
Total cash costs	110.5	151.1	222.2
Cash profit	77.3	66.5	19.2
Cost per ounce of gold ($)			
Total production costs	191	260	393
Total cash costs	169	229	356

Note:

(1) Cash profit represents revenues less total cash costs. For a reconciliation of Gold Fields   cash costs to production costs see   Operating and Financial Review and Prospects   Results of Operations.

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

Lower grade and marginal mining activities were curtailed and crews redeployed to higher grade panels as they became available. Development was primarily focused on the build up of Shaft No. 3 and establishing ore reserves for the higher grade area of Zone 5 at Shaft No. 4, where potential stoping of a well-developed conglomerate with higher grade potential has been identified.

The total shaft hoisting capacities of Beatrix are detailed below.

Shaft System

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

On a simplistic basis, and assuming that Gold Fields does not identify any additional reserves at Beatrix, at the production level achieved in fiscal 2004, Beatrix s June 30, 2004 proven and probable reserves of 9.8 million ounces of gold will be sufficient to maintain production through approximately fiscal 2023. However, because Beatrix s operations consist of several different shafts that are at various stages of maturity, Gold Fields expects that production at some shafts will decrease earlier than at others. In addition, as discussed in the Risk Factors section, any future changes to the assumptions on which the reserves are based, as well as any unforeseen events affecting production levels, could have a material effect on the expected period of future operations.

Processing

The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factor during the fiscal year ended June 30, 2004, for each of the plants at Beatrix:

		Processing Techniques				
Plant	**Year commissioned**	**Comminution Phase**	**Treatment phase**	**Capacity**	**Average milled for the year ended June 30, 2004**	**Approximate recovery factor for the year ended June 30, 2004**
					(tonnes/month)	
No. 1 Plant	1983	SAG milling	CIP treatment	250,000	266,000	95.9%
No. 2 Plant	1992	SAG milling	CIP treatment	150,000	112,400	95.0%

In fiscal 2004, the Beatrix plants collectively extracted approximately 95.7% of gold contained in ore delivered for processing.

During fiscal 2003, Beatrix put in place arrangements with a nearby mining operation to treat surface tonnage from Beatrix. In August 2004, this arrangement was terminated by the nearby mining operation. Alternative in-house treatment options are currently being pursued by Gold Fields to treat surface tonnage, including a screening project at No. 2 Plant targeted to remove more waste rock from surface tonnage prior to processing.

Also in fiscal 2004, Gold Fields also installed a Knelson concentrator at the No. 1 Plant which removes large pieces of gold earlier in the metallurgical process.

Capital Expenditure

Gold Fields spent Rand 295.1 million on capital expenditures at the Beatrix operation in fiscal 2004. This amount includes a total of Rand 22.2 million spent on a new ventilation shaft to service Shaft No. 2, Rand 170.5 million on continuing development at Shaft No. 3 and Rand 8.9 million on installation of Knelson concentrators for the No. 1 plant. Capital spending was curtailed during the year due to low profitability. Gold Fields has budgeted approximately Rand 280 million of capital expenditure at Beatrix for fiscal 2005, principally for development at Shaft No 3. Total capital expenditure for fiscal 2005 may be reduced should Rand gold prices remain depressed.

Ghana Operation

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

Tarkwa Mine

Introduction

Gold Fields Ghana, which holds the interest in the Tarkwa mine, is owned 71.1% by Gold Fields, 18.9% by IAMGold and 10.0% by the Government of Ghana.

The Tarkwa mine is located in southwestern Ghana, about 300 kilometers by road west of Accra. The Tarkwa mine consists of several open pit operations on the Tarkwa property and the adjacent northern portion of the Teberebie property which Gold Fields acquired in August 2000, together with two heap leach facilities, one on the Tarkwa property, referred to as the North Plant, and the other on the northern portion of the Teberebie property, referred to as the South Plant. A new SAG mill and CIL plant commenced continuous operations at the Tarkwa property in November 2005. For regulatory purposes, Ghanaian regulators generally regard the Tarkwa property and the acquired portion of the Teberebie property as a single operation. The Tarkwa mine operates under mining leases with a total area of approximately 20,700 hectares. It currently conducts only surface operations, although it previously had a small underground mining operation which it operated through July 1999 under Gold Fields agreement with the government of Ghana. In the fiscal year ended June 30, 2004, Tarkwa produced 0.5 million ounces of gold, of which 0.4 million ounces were attributable to Gold Fields, with the remainder attributable to minority shareholders in Gold Fields Ghana. As of June 30, 2004, Tarkwa had approximately 3,300 employees, including a limited number employed by outside contractors.

History

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

Geology

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

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

Mining

The Tarkwa mine is engaged in both open pit and production stockpile surface mining, and is thus subject to all of the surface mining risks discussed in the Risk Factors section. Although surface mining generally is less dangerous than underground mining, serious and even fatal accidents do still occasionally occur. While there is no reliable industry benchmark for safety at Ghanaian surface mining operations, the Tarkwa mine had a lost time injury frequency rate of approximately 1.2 per million man hours worked in fiscal 2004. There was one fatality in each of fiscal 2003, 2004 and, to date, in fiscal 2005. There were no reported fatalities at the Tarkwa mine in fiscal 2002.

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

Tarkwa currently presents no unusual challenges beyond those faced at most open pits and heap leaching mining operations, including variations in amenability of ores to leaching. However, harder ores are expected at Tarkwa which could reduce throughput at the North Plant Heap Leach facility and at the South Plant Heap Leach facility. The primary operational challenges include managing effective grade control, lowering operating costs and managing gold-in-process on heap leach pads (gold in the processing circuit that is expected to be recovered during or after operations). A new SAG mill and CIL plant was commissioned in early fiscal 2005 to add to the processing capabilities at Tarkwa.

Most mining labor at Tarkwa was previously provided by a contractor, African Mining Services (Ghana) Pty Ltd., or AMS, which is a joint venture between two Australian mining service contractors. Pursuant to a contract with Gold Fields Ghana, AMS provided employees, supplies and equipment for mining at Tarkwa, including drilling, blasting and waste stripping, as well as the haulage of the material produced from the mining activities, including both ore and waste. The contract with AMS expired at the end of fiscal 2004. Gold Fields has subsequently taken over the mining activities previously performed by AMS, having purchased its own mining fleet of equipment during the latter half of fiscal 2004. The transition from contractor mining to owner mining has gone smoothly to date with Gold Fields re-engaging the majority of the AMS operators and AMS being totally phased out during August 2004. Maintenance and repair contracts have been entered into with all the suppliers of the major equipment. Similar mining equipment to that used by AMS has been acquired to enable the mine to maintain good control over its selective mining methods. The conversion from contractor mining to owner mining at the Tarkwa mine was completed in the first quarter of fiscal 2005.

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

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

	Year ended June 30,		
	2002	**2003**	**2004**
Production			
Tonnes (000)	14,914	15,210	16,000
Recovered grade (g/t)	1.1	1.1	1.1
Gold produced (000 oz)[1]	544	540	550
Results of operations ($ million)			
Total production costs	105.0	121.5	141.7
Total cash costs	89.7	105.0	126.4
Cash profit[2]	62.9	74.4	86.8
Cost per ounce of gold ($)			

	Year ended June 30,		
	2002	2003	2004
Total production costs	193	225	258
Total cash costs	165	195	230

Notes:

(1) In fiscal 2002, 2003 and 2004, 0.386 million ounces of production, 0.384 million ounces of production and 0.391 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operation.

(2) Cash profit represents revenues less total cash costs. For a reconciliation of Gold Fields cash costs to production costs see Operating and Financial Review and Prospects Results of Operations.

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

On a simplistic basis, and assuming that no additional reserves at Tarkwa are identified, at the production level achieved in fiscal 2004, Tarkwa s June 30, 2004 total proven and probable reserves of 14.7 million ounces (10.4 million ounces of which were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operation) will be sufficient to maintain production through approximately fiscal 2027. In addition, as discussed in the Risk Factors section, any future changes to the assumptions on which the reserves are based, as well as any unforeseen events affecting production levels, could have a material effect on the expected period of future operations.

Processing

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

		Processing Techniques			Average treated for the year ended June	Approximate progressive recovery factor for the year ended June
Plant	Year commissioned	Comminution Phase	Treatment phase	Capacity	30, 2004	30, 2004
					(tonnes/month)	
		Multiple stage				

North Plant Heap Leach Facility	1997	crushing and screening process and agglomeration	Heap leach [(1)] with AD&R treatment	810,000	803,041	77%
South Plant Heap Leach Facility	1992	Multiple stage crushing and screening process and agglomeration	Heap leach [(1)] with AD&R treatment and electrowinning	530,000	530,269	61.8%

Table of Contents

Note:

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

During fiscal 2004, the two crushing plants at Tarkwa remained in use while the heap leach pads were upgraded. In fiscal 2004, Gold Fields also undertook to expand the processing facilities at Tarkwa by construction of a new SAG mill and commissioning of a CIL plant. By June 30, 2004, $78 million of the $85 million approved for the mill project had been spent. At that time, earthwork and major structural work had been largely completed, while the SAG mill had been installed and the bulk of the electricity supply infrastructure had been finished. During the last quarter of the 2004 fiscal year, the new primary crusher was put into operation to feed the North Plant Heap Leach facility, while that plant s crusher was shut down for a major upgrade. The new SAG mill and CIL plant commenced continuous operations in November 2004.

Gold Fields also took steps to address the expected impact of harder ores on the South Plant Heap Leach Facility and moved crushing equipment from the old Teberebie plant to the South Plant to offset any reduction in throughput due to harder ores and to provide increased screening capacity. Additional solution delivery and handling capabilities have been added to the South Plant Heap Leach facility as well.

Capital Expenditure

Gold Fields spent $136.7 million on capital expenditures at the Tarkwa operation in fiscal 2004, of which $131.1 million was spent on the Tarkwa expansion project, which consisted of the conversion to owner mining and the new mill, and $6 million was spent on the expansion of the North Plant Heap Leach Facility and leach pads. Gold Fields has budgeted approximately $72 million for capital expenditure at Tarkwa for fiscal 2005, principally for heap leach pad construction and additional mining equipment, as well as on the remaining work for the commissioning of the new CIL plant and SAG mill and the transition to owner mining.

Damang Mine

Introduction

On January 23, 2002, Gold Fields and Repadre completed the acquisition from Ranger of Ranger s 90% beneficial interest in Abosso and shareholder loans from Ranger to Abosso totaling A$75.7 million ($39.4 million at an exchange rate of A$1.92 per $1.00, which was the noon buying rate on the date of the transaction). Abosso is a Ghanaian company which owns the Damang mine. Total consideration for the purchase was A$63.3 million ($32.9 million at an exchange rate of A$1.92 per $1.00) in cash contributed by

Gold Fields and 4,000,000 Repadre shares. Following the transaction, 71.1% of Abosso was owned by Gold Fields, 18.9% by Repadre and 10.0% by the Ghanaian government, mirroring the shareholding structure of Gold Fields Ghana. Repadre s interest was acquired by IAMGold when the latter merged with Repadre on January 8, 2003.

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

Damang operates under a mining lease with a total area of approximately 5,239 hectares. In the fiscal year ended June 30, 2004, the Damang mine produced 0.3 million ounces of gold, of which 0.2 million ounces were attributable to Gold Fields, with the remainder attributable to minority shareholders in Abosso. As of June 30, 2004, Damang had approximately 900 employees, including those employed by outside contractors.

History

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

Geology

The geology of the Damang mine is different from that of the Tarkwa mine. The deposit occurs at the hinge of a regional anticline as hydrothermal mineralization associated with dominantly east dipping thrusts and sub- horizontal quartz veins. Primary gold mineralization also occurs in the conglomerates of the Tarkwaian Formation.

Mining

The Damang mine comprises both open pit and production stockpile surface mining, and is thus subject to all of the surface mining risks discussed in the Risk Factors section. Although surface mining generally is less dangerous than underground mining, serious and even fatal accidents do still occasionally occur. While there is no reliable industry benchmark for safety at Ghanaian surface mining operations, the Damang mine had a lost time injury frequency rate of approximately 0.6 per million man hours worked. There were no reported fatalities at the Damang mine in fiscal 2002, 2003, 2004 or, to date, in fiscal 2005.

Damang uses the typical open pit mining methods of drilling, blasting, loading and hauling. The progression of blasting downwards into the open pit occurs in three meter flitches, which are then combined to form steps of six meters with the ore loaded into 100 tonne dump trucks.

Other than the unusual hardness of the rock at the site, Damang presents no unusual challenges beyond those faced at most open pits and ore processing operations, including variation in ore grades.

Following the acquisition of this mine in January 2002, an exploration programme was started to seek alternative sources of ore to replace the Damang pit, by testing both hydrothermal and conglomerate styles of mineralization across the Damang lease area. Following completion of the bulk of drilling by the middle of fiscal 2003, a full time evaluation project, the Damang Extension Project (DEP), was launched to turn this exploration to account. This work has successfully brought additional mineral reserves to account from conglomerate ore bodies, and from hydrothermal prospects, which are expected to add further life to this mine. The DEP has also identified an opportunity to undertake a cut back of the main Damang pit, the drilling of which began at fiscal year end. This cutback has the potential to further increase the life of Damang. Gold Fields is also exploring options to develop an underground mine below the Damang pit.

A substantial proportion of the operations at Damang is performed by a mining contractor, AMS. Pursuant to a contract with Abosso, AMS provides employees, supplies and equipment for mining at Damang, including drilling, blasting and waste stripping, as well as the haulage of the material produced from the mining activities, including both ore and waste. AMS receives fees under the contract which depend on the type of service being performed and the equipment being used, with adjustments for overtime and holiday periods. Under the terms of the contract, AMS is liable for any damage or loss it causes, including that caused by any subcontractor it hires. AMS is not liable for damage that is the result of work performed in accordance with the terms of the contract, which is unavoidable or which is caused by any negligent act or omission of employees of Abosso or third parties over whom AMS has no control. AMS is required to take out insurance to cover potential damage and liability. Gold Fields can terminate its contract at any time without paying any significant penalties or having to purchase any of AMS s equipment.

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

Detailed below are the operating and production results at Damang for the six-month period ended December 31, 2001, the period from January 23, 2002 to June 30, 2002 and the fiscal years ended June 30, 2003 and 2004.

	Six-month period ended December 31, 2001	Period from January 23, 2002 to June 30, 2002 [2]	Fiscal 2003	Fiscal 2004
Production				
Tonnes (000)	2,204	1,951	4,877	5,236
Recovered grade (g/t)	2.0	2.3	1.9	1.8
Gold produced (000 oz)[1]	143	141	299	308
Results of operations ($ million)				
Total production costs	42.8	32.9	77.9	75.5
Total cash costs	35.0	29.9	72.6	68.5
Cash profit[3]	8.8	15.7	26.9	51.5
Cost per ounce of gold ($)				
Total production costs	298	233	260	245
Total cash costs	244	211	243	222

Notes:

(1) In the period from January 23, 2002 to June 30, 2002, 0.100 million ounces and in fiscal 2003 and 2004, 0.213 million ounces and 0.219 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in Abosso.

(2) Financial data for the period from January 23, 2002 to June 30, 2002 and for the years ended June 30, 2003 and 2004 are based on Gold Fields audited financial statements for the years ended June 30, 2002, 2003 and 2004, respectively, which have been prepared in accordance with U.S. GAAP and are not comparable with financial data based on the unaudited financial statements for Abosso for the six-month period ended December 31, 2001 which have been prepared in accordance with IFRS and reconciled to U.S. GAAP.

(3) Cash profit represents revenue less cash costs. Cash costs are reconciled in Operating and Financial Review and Prospects Results of Operations.

Performance from the Damang operation during fiscal 2004 was positive, both from a mining and processing point of view. As expected, the mine began to experience a decline in head grades with the maturity of the high grade Damang hydrothermal pit. Although ongoing optimization of the mill feed blend and plant set up allowed Gold Fields to treat more tonnage than the previous year, only a slight increase in gold production resulted in fiscal 2003. Total production and cash costs increased due to decreases in the stripping ratio as the Damang open pit nears the end of its life of mine.

On a simplistic basis, and assuming that no additional reserves are identified at Damang, at an annualized production level based on actual production for fiscal 2004, Damang s June 30, 2004 total proven and probable reserves of 0.6 million ounces (0.4 million ounces of which were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operation) will be sufficient to maintain production through approximately fiscal 2007. In addition, as discussed in the Risk Factors section, any future changes to the assumptions on which the reserves are based, as well as any unforeseen events affecting production levels, could have a material effect on the expected period of future operations.

Processing

All processing at Damang is provided by a single plant. The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factor during the fiscal year ended June 30, 2004 for the plant:

		Processing Techniques			Average milled for the year ended June 30,	Approximate progressive recovery factor for the year ended June 30,
Plant	**Year commissioned**	**Comminution Phase**	**Treatment phase**	**Capacity**	**2004**	**2004**
					(tonnes/month)	
Main Plant	1997	Single stage crushing with SAG ball milling	CIL	450,000	435,000	90.6%

The optimization of the Damang mill involves careful blending of hard and soft ores to maximize use of the milling circuit, which remains the constraint in this plant. During fiscal 2004, the leaching circuit s agitation system was upgraded to allow treatment of ores with a range of viscosities. Mining operations were similarly modified to optimize the plant feed blend by advancing mining in the low grade but soft conglomerate pits, which displaced lower grade ore from the stockpiles.

Capital Expenditure

Gold Fields spent $3.2 million on capital expenditures at the Damang mine in fiscal 2004, of which $2 million related to mining projects primarily directed at defining mining areas which have the potential of extending the mine s life. The balance represents spending on plant and equipment. Gold Fields has budgeted approximately $5.9 million of capital expenditure at Damang for fiscal 2005, primarily for bringing the recently identified deposits to production, mill maintenance and brown field exploration.

Table of Contents

Australia Operations

On November 30, 2001, Gold Fields acquired from WMC Limited and WMC Resources Ltd (collectively, WMC), members of an Australian mining group, WMC s gold mining operations in Australia, including the St. Ives and Agnew gold mining operations. The consideration for the transaction was $233.1 million, comprising $180.0 million in cash and 12,000,000 Gold Fields ordinary shares valued at $53.1 million.

In addition, Gold Fields agreed to pay to WMC a royalty based on future gold production at St. Ives and Agnew, calculated according to the following criteria:

4% of the net smelter return of the gold production of St. Ives for each quarter to the extent that cumulative production of gold from November 30, 2001 exceeds 3.3 million ounces, subject to the spot price of gold exceeding A$400 per ounce;

4% of the net smelter return of the gold production of Agnew for each quarter to the extent that cumulative production of gold from November 30, 2001 exceeds 0.8 million ounces, subject to the spot price of gold exceeding A$400 per ounce; and

10% of the difference between the spot gold price and A$600 per ounce of gold in respect of all gold produced from St. Ives and Agnew each quarter after November 30, 2001, subject to the spot price of gold exceeding A$600 per ounce.

The royalties are payable in cash, quarterly in arrears. On June 26, 2002, WMC agreed to give up its right to receive royalties from the Agnew operation in exchange for a payment of A$3.6 million ($2.0 million at an exchange rate of A$1.80 to $1.00), which was paid on July 11, 2002. The obligation to pay royalties in respect of St. Ives is still in effect. To date, no royalty payments have been required to be paid by Gold Fields under this agreement.

St. Ives

Introduction

St. Ives is located 80 kilometers south of Kalgoorlie and 20 kilometers south of Kambalda, straddling Lake Lefroy in Western Australia. It holds mining leases covering a total area of approximately 91,078 hectares. St. Ives is both a surface and underground operation, with a number of open pits, three operating underground mines and two metallurgical plants. In fiscal 2004, St. Ives produced 0.5 million ounces of gold. St. Ives had a work force of approximately 900 employees as of June 30, 2004, approximately 690 of whom were employed by outside contractors.

Gold production takes place over an extensive area at St. Ives, although it is mainly concentrated in a 30 kilometer corridor extending south-southeast from Kambalda across Lake Lefroy.

History

Gold mining began in the St. Ives area in 1897, with WMC commencing gold mining operations at St. Ives in 1980.

Geology

The gold deposits of St. Ives are located at the southern end of the Norseman-Wiluna greenstone belt of the Eastern Goldfields Province. In the St. Ives area the belt consists of Kalgoorlie Group volcanic rocks, Black Flag group felsic volcanic rocks and sediments and a variety of intrusive and overlying post-tectonic sediments. The area is structurally complex, with host rocks highly metamorphosed to upper greenschist and lower amphibolite facies. Gold mineralization discovered to date is best developed in the mafic dominated parts of the sequence, hosted in minor structures including vein arrays, breccia zones and central, quartz rich and mylonitic parts of shear zones. Deposit styles and ore controls are varied, but deposits are commonly associated with subsidiary structures which splay off the regionally extensive Boulder-Lefroy Fault.

Mining

St. Ives is engaged in underground mining and in both open pit and production stockpile surface mining, and is thus subject to all of the underground and surface mining risks discussed in the Risk Factors section. Seismicity at the Junction mine is the primary safety risk, which is addressed through the use of backfilling and by mining different parts of the orebody in controlled steps to improve stability, which is called stope sequencing. The safety record at St. Ives during fiscal 2004, in terms of lost time injury frequency rate, was better than the Australian industry average for the same period. No fatalities were recorded in fiscal 2002, 2003, 2004 or, to date, in fiscal 2005.

St. Ives sources production from a variety of underground and surface operations, and has a heap leach operation which treats low and marginal grade ore. The principal production sources in fiscal 2004 included the Junction, Argo and Leviathan underground mines, the Argo open pit mine and the open pit mines within the Greater Revenge Area. Gold Fields expects the principal production sources in fiscal 2005 to include the Junction underground mine, the Argo underground mine, the Leviathan underground complex, and the several open pit mines within the Greater Revenge Area. As many of the operations at St. Ives involve mining deposits on or under Lake Lefroy (which is a shallow salt lake), extracting ore requires construction of berms and other earthworks to prevent water intrusion. Open pit operations use 180 to 250 tonne excavators loading 150 tonne trucks. Waste dumps are formed adjacent to the pits.

All underground mining activities are completed under a contract with Carlowen Proprietary Ltd, which trades as GBF Underground Mining, or GBF. The five year agreement commenced in April 2004 which operates under a cost reimbursable model. GBF provides all the employees, equipment and consumables necessary to complete the underground development and stoping. Under the terms of the contract Gold Fields approves all expenditures incurred and guarantees to reimburse 95% of these costs, with the remaining 5% plus any profit earned contingent on GBF achieving certain key performance indicators.

Under the terms of the contract, GBF is liable for claims arising from its performance or non-performance, and any loss, damage, injury or death related to the presence of its employees onsite. GBF is not liable for liabilities or losses that are the result of negligence of or a breach of a statutory duty of the mine owner. GBF is required to ensure that it and any subcontractors have adequate insurance.

Leighton Contractors Proprietary Limited, or Leighton, performs the surface mining at St. Ives, under an alliance contract which was extended in January 2004 for a five year period. Leighton provides employees, consumables and equipment for mining ore and waste disposal. The contract is structured so that Leighton carries all the risk on plant and personnel with Gold Fields carrying the risk on costs through reimbursement. Leighton is reimbursed 100% of its costs and is given an additional amount for overhead. Payments above costs are contingent upon Leighton achieving certain key performance indicators.

Under the terms of the contract, Leighton is liable for claims arising from its performance or non-performance or any loss, damage, injury or death related to the presence of its employees on the sites. Leighton is not liable for claims or loss due to the mine owner s negligence. Leighton is required to ensure that it and any subcontractors have adequate insurance.

Junction Underground Mine

The Junction mine currently uses a combination of uphole open stoping and uphole bench and fill mining methods, with the mix depending on development and production needs. Backfilling using a slurry consisting of tailings and cement, a specifically designed dynamic ground support system as well as stope sequencing, are used to address seismicity issues. Access to the orebody is through a decline tunnel which accommodates workers, materials and equipment. The maximum depth at present is approximately 700 meters. As expected, there was a production decline in fiscal 2004 at the Junction mine, previously St. Ives biggest contributor. Mining at the Junction mine is expected to be complete in fiscal 2005.

Argo Complex

Argo has had an open pit operation since 1994. After a dormant period, WMC began open pit mining there again in 2000. Open pit operations ceased in fiscal 2004. Development of the Argo underground reserves commenced in fiscal 2003 in line with Gold Fields   strategy to reduce reliance on the Junction mine as a source of high grade ore. Stoping activities at the Argo mine commenced in November 2003. By the second half of fiscal 2004, the Argo underground mine had reached targeted stoping tonnages.

Greater Revenge Complex

Mining at the Greater Revenge Area commenced in 1989. Mining operations at the Greater Revenge Area during fiscal 2004 consisted primarily of the Agamemnon and Mars open pit mines, which are located under Lake Lefroy. The mines apply typical open pit and lake sediment mining methods.

Leviathan Complex

The Leviathan complex consists of three distinct areas: Sirius, which is in production, East Repulse, which is in production, and Conqueror, which commenced development in late fiscal 2004. The Sirius underground operation, the first of the three underground operations scheduled within the Leviathan complex, commenced operations during fiscal 2003. Sirius consists primarily of two large stopes which are expected to be depleted early in calendar 2005. East Repulse commenced stoping operations in fiscal 2004. Development of the Conqueror area began in late fiscal 2004 with water drainage and rehabilitation of old access areas. In addition, Gold Fields is continuing to explore opportunities for further extensions of mining operations within the Leviathan complex.

The most significant features of fiscal 2004 were the expected decline of the Junction mine, previously St. Ives biggest contributor, and the planned commissioning of the new underground mines at Argo, Sirius and East Repulse. This strategy had been initiated following significant difficulties at Junction in fiscal 2002 and fiscal 2003 relating primarily to seismic activity and the maturity of this operation. The ramp up of Sirius occurred early in the fiscal year and operations have been a great success following the introduction of more mechanized mining and ore handling systems, including automated loading of trucks and the use of underground road trains for haulage of ore to the surface. Although progress on the other two underground mines was slow in the first half of the fiscal year, by the second half, the Argo mine had reached targeted stopping tonnages while East Repulse began its production ramp up.

The St. Ives operation has access to the local electricity supplier and water, rail and road infrastructure, and needed supplies are trucked in from Kalgoorlie.

Detailed below are the operating and production results at St. Ives for the seven-month period ended June 30, 2002, fiscal 2003 and 2004.

	Seven-month period ended June 30, 2002	**Fiscal 2003**	**Fiscal 2004**

Production			
Tonnes (000)	3,398	5,486	6,744
Recovered grade (g/t)	3.1	2.9	2.5
Gold produced (000 oz)	341	513	543

	Seven-month period ended June 30, 2002	Fiscal 2003	Fiscal 2004
Results of operations ($ million)			
Total production costs[1].	75.3	151.3	204.7
Total cash costs[1]	56.3	101.5	162.6
Cash profit[2]	47.3	74.7	49.2
Cost per ounce of gold ($)			
Total production costs[1]	221	295	377
Total cash costs [1]	165	198	300

Notes:

(1) For purposes of allocating production costs between St. Ives and Agnew, the consideration paid for the Australian operations in excess of the book value of the underlying net assets was allocated pro rata to the value of the underlying assets

(2) Cash profit represents revenues less total cash costs. For a reconciliation of Gold Fields cash costs to production costs see Operating and Financial Review and Prospects Results of Operations.

From fiscal 2003 to fiscal 2004, there was a significant increase in tonnage but gold produced increased only marginally due to lower recovered grades. Total cash costs increased primarily due to the commissioning of the underground mines and the appreciation of the Australian dollar against the U.S. dollar. These factors, when taken together with the lower recovery grades resulted in higher total cash costs per ounce of gold. Total open pit volumes mined decreased from fiscal 2003 levels, evidencing a reduction in ore mining volumes in line with the planned build up in underground mining and an increase in open pit stripping ratios.

On a simplistic basis, and assuming that no additional reserves are identified at St. Ives, at an annualized production level based on actual production during fiscal 2004, St. Ives June 30, 2004 proven and probable reserves of 3.0 million ounces of gold will be sufficient to maintain production through approximately fiscal 2011. However, because St. Ives operations consist of several different underground and open pit mines that are at various stages of maturity, it is expected that production at some operations will decrease earlier than at others. In addition, as discussed in the Risk Factors section, any future changes to the assumptions on which the reserves are based, as well as any unforeseen events affecting production levels, could have a material effect on the expected period of future operations.

Processing

The table below sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factors during fiscal 2004, for each of the plants at St. Ives. The Heap Leach Plant operation treats low and marginal grade ore from St. Ives, with crushing and stacking conducted by a contractor, Henry Walker Eltin Proprietary Ltd, or Henry Walker Eltin.

		Processing Techniques			Average milled for the year ended June	Approximate recovery factor for the ended June
Plant	**Year commissioned**	**Comminution Phase**	**Treatment phase**	**Capacity**	**30, 2004**	**30, 2004**
					(tonnes/month)	
Main Plant	1988	Single stage crushing and SAG milling	CIP treatment with electrowinning	258,000	260,000	94.1%
Heap Leach Plant [1]	2000	Multiple stage crushing and screening process	Carbon absorption	167,000	202,000	57.1%

Note:

(1) Heap leach recoveries are the result of an extended solution application process with full recovery requiring several leach cycles. Full recovery of all recoverable gold (about 60% of the contained gold) for current ores is only achieved over several years. Thus, recoveries must be considered in terms of recovery as time progresses, or a progressive recovery. Over time, Gold Fields expects the plant to achieve progressive recovery factors of around 60% of contained gold, equivalent to full recovery of all recoverable gold.

The St. Ives mill and heap leach pads each performed well throughout the year. Early in fiscal 2004, recognizing the scale of the production challenges at St. Ives, Gold Fields initiated a substantial toll treatment program using two other mills in the area. Total volumes treated by the plants was slightly ahead of the total volume of ore mined, with the balance of ore being sourced from existing low grade stockpiles. However, Gold Fields does not expect to use other mills in the area to toll treat its ore in fiscal 2005.

The St. Ives optimization study, which had been exploring long-term processing and mining strategies, was completed during the second quarter of fiscal 2004 with the completion of a feasibility study. On November 20, 2003, Gold Fields announced plans to construct a new CIP mill at an estimated cost of A$125.0 million. Gold Fields expects to complete construction in December 2004. This new plant will replace the existing Main Plant which is old, inflexible and expensive to operate.

Capital Expenditure

Gold Fields spent A$171.3 million on capital expenditures at St. Ives in fiscal 2004, primarily reflecting acceleration of the mill expansion project and the costs of the development of the underground mines and pre-stripping of open pits. Gold Fields has budgeted approximately A$112.3 million for capital expenditure at St. Ives for fiscal 2005, principally for exploration, the completion of a new metallurgical processing plant, continuing underground development at the Argo mine and the Leviathan complex and further pre-stripping of open pits.

Agnew

Introduction

Agnew is located 23 kilometers southwest of Leinster, approximately 375 kilometers north of Kalgoorlie in Western Australia. It holds mining leases covering a total area of approximately 58,868 hectares. Agnew is both a surface production stockpile and underground operations, with one open pit stockpile, two underground mines and one metallurgical plant. In fiscal 2004, it produced 0.2 million ounces of gold. Agnew had a workforce of approximately 300 employees as of June 30, 2004, approximately 160 of whom were employed by outside contractors.

History

Gold was discovered at Agnew in 1895, with gold being produced there since then. WMC acquired the operation in the early 1980s and commenced open pit mining operations in 1987.

Geology

The Agnew deposits are located within the northwest portion of the Norseman-Wiluna greenstone belt of the Achaean Eastern Goldfields province within the Yilgarn Craton. In the Agnew area the greenstone belt is comprised of an older sequence of ultramafic flows, gabbros, basalts, felsic volcanics and related sedimentary rocks. The rocks are folded about the large, moderately north plunging Lawlers Anticline. The Agnew deposits are located on the western limb of this anticline, and major deposits discovered to date lie at or near, the sheared contact with the overlying sequence of sedimentary rocks. The anticline is cut by north-northeast trending faults such as the Waroonga and East Murchison Unit shear zones.

Mining

Agnew is engaged in underground mining and production stockpile surface mining and is thus subject to all of the underground and stockpile mining risks discussed in the Risk Factors section. The primary safety risk at Agnew is falls of ground at the underground operations, which is addressed through the use of ground support. The safety record at Agnew during fiscal 2004, in terms of lost injury time frequency rate, was better than the Australian industry average for the same period. There were no fatalities at Agnew in fiscal 2002, 2003, 2004 or, to date, in fiscal 2005.

Agnew was constrained by a shortage of ore sources during fiscal 2003 caused by a poor grade performance in the Waroonga open pit and the decline in economic ores in the Crusader underground mine. The Waroonga open pit was closed during the third quarter of fiscal 2003 following an expected depletion of economic ores and complications associated with pit wall instability. The low grade ore stockpile from this source will be depleted early in fiscal 2005. Following a decline in the Crusader mine, operations at that mine were shifted to the adjacent Deliverer lode. The performance of this complex remained erratic due to the high degree of variability in grade and thickness of ore zones. Gold Fields expects operations there to cease by the middle of fiscal 2005. The Kim underground mine, which was commissioned in fiscal 2003, achieved sustainable levels of production by the end of fiscal 2003 and performed well in 2004.

Most underground mining labor at the Crusader/Deliverer and Kim underground mines is currently provided by Byrnecut. Byrnecut provides employees, supplies and equipment for underground mining activities including drilling, blasting and haulage of the material produced from the mining activities, including both ore and waste. Byrnecut receives fees under the contracts which depend on the type of service being performed and the equipment being used, with adjustments for performance. Under the terms of the agreement, Byrnecut is liable for claims arising from its performance or non-performance and any loss, damage, injury or death related to the presence of its employees on the sites. Byrnecut is not liable for claims or loss due to the mine owner s negligence. Byrnecut is required to ensure that it and any subcontractors have adequate insurance. The agreement provides that major work at the mines is to be completed by May 23, 2006.

Waroonga Complex

The Waroonga Complex currently includes the Kim underground mine and the Main Lode deposit. The Waroonga open pit mine was completed and operations ceased in the third quarter of fiscal 2003. Development of the Kim underground mine, to access an orebody below the Waroonga open pit, continued during fiscal 2003 with primary ore production activities commencing in the second half of the year. The mine currently uses uphole open stoping methods with access to the orebody through a decline tunnel which accommodates workers, materials and equipment. All mining is currently conducted by Byrnecut. Ore production achieved full sustainable levels in the first half of fiscal 2004. Feasibility studies for the adjacent

Main Lode underground deposit are expected to be completed early in fiscal 2005 with development planned for the remainder of the year. The most significant production and financial contribution came from the relatively new Kim underground mine (in the Waroonga Complex), which reached full production during fiscal 2004. The ore grades have generally been above expectation while the ore zones have generally been more continuous than original drilling had predicted. During the year the mining method at Kim was evolved to reduce pillar sizes with the introduction of cemented aggregate backfill, which has increased extraction of the ore body.

Crusader/Deliverer Underground Mine

The Crusader deposit was discovered in 1987, with mining commencing in 1989, initially via an open pit mine. Access to the mine is from a portal near the bottom of the old Crusader open pit mine which leads to a decline. The Deliverer deposit is adjacent to Crusader and is mined concurrently via the same decline access from the surface. Mining methods employed include jumbo cut and mullock fill, uphole open stoping and uphole bench and fill mining methods and are varied to accommodate changes in geotechnical conditions and orebody geometry. All mining and access activities are conducted by Byrnecut. Gold Fields expects economic reserves to be depleted and mining operations at Crusader to have ceased by the middle of fiscal 2005. Exploration and development works are currently being undertaken at several other deposits to provide alternative sources of production. Depletion of the Crusader/Deliverer underground complex was expected early in fiscal 2004, but positive exploration results in the upper end of the Deliverer lode resulted in continued mining activity through the entire fiscal year.

Songvang Open Pit

A significant development at Agnew during fiscal 2004 was the proving of the Songvang open pit. A feasibility study for the Songvang deposit, located eight miles south of the Crusader mine, was completed during the first half of fiscal 2004 and the open pit was approved for development late in fiscal 2004. It is expected to be brought into production in the second quarter of fiscal 2005. This open pit is expected to produce a base load of medium grade ores that, along with the high grade ores from the Waroonga underground complex, are expected to extend the life of Agnew before alternative ore sources are needed.

In addition, innovative exploration around the Redeemer, Waroonga and Crusader complexes has turned up ore grade intersections which in all cases appear worthy of follow up. Exploration on Agnew s regional tenements, which is the subject of a joint venture with Breakaway Resources, has also brought the Vivien deposit, a portion of which was previously mined and which is located in the northeast of Agnew, closer to a final feasibility decision in fiscal 2005.

Agnew has access to the local electricity supplier and road infrastructure. Water is supplied from local wells, and needed supplies are generally trucked in from Kalgoorlie.

Detailed below are the operating and production results at Agnew for the seven-month period ended June 30, 2002, fiscal 2003 and fiscal 2004.

	Seven-month period ended June 30, 2002	Fiscal 2003	Fiscal 2004
Production			
Tonnes (000)	682	1,268	1,179

Recovered grade (g/t)	3.8	3.5	5.3
Gold produced (000 oz)	83	144	202

	Seven-month period ended June 30, 2002	Fiscal 2003	Fiscal 2004
Results of operations ($ million)			
Total production costs[1]	29.0	56.9	61.1
Total cash costs[1]	18.0	31.5	44.5
Cash profit[2]	7.0	17.8	34.0
Cost per ounce of gold ($)			
Total production costs[1]	351	396	303
Total cash costs[1]	218	219	221

Notes:

(1) For purposes of allocating production costs between St. Ives and Agnew, the consideration paid for the Australian operations in excess of the book value of the underlying net assets was allocated pro rata to the value of the underlying assets.

(2) Cash profit represents revenues less total cash costs. For a reconciliation of Gold Fields cash costs to production costs see Operating and Financial Review and Prospects Results of Operations.

In fiscal 2004, tonnage processed and ounces of gold produced were 1.2 million and 0.2 million ounces, respectively. While tonnes processed decreased from fiscal 2003, gold production increased due in large part to increased yields resulting from improved underground mine performance plus an increase in overall gold recovery. In addition, the Waroonga open pit mine had been producing grades below expectations prior to its closure during fiscal 2003. Total cash costs increased principally because of the appreciation of the Australian dollar against the U.S. dollar and a substantial increase in underground tonnage produced. Total production costs per ounce decreased due to lower depreciation as a result of the lower capital base following the impairment recorded in fiscal 2003. See Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2004 and 2003 Impairment of assets. On a per ounce basis, total cash costs increased only slightly as the impact of the appreciation in the Australian dollar was almost entirely offset by the increase in recovered grade.

On a simplistic basis, and assuming that no additional reserves are identified at Agnew, at an annualized production level based on actual production during fiscal 2004, Agnew s June 30, 2004 proven and probable reserves of 0.7 million ounces of gold will be sufficient to maintain production through approximately fiscal 2006. However, because Agnew s operations consist of several different underground mines that are at various stages of maturity, it is expected that some operations will decrease production earlier than others. In addition, as discussed in the Risk Factors section, any future changes to the assumptions on which reserves are based, as well as unforeseen events affecting production levels, could have a material effect on the expected period of future operations.

Processing

All processing at Agnew is provided by a single plant. The following table sets forth year commissioned, processing techniques and processing capacity per month, as well as average tonnes milled per month and metallurgical recovery factor during the fiscal year ended June 30, 2004 for the plant:

		Processing Techniques				
Plant	Year commissioned	Comminution Phase	Treatment phase	Capacity	Average milled for the year ended June 30, 2004	Approximate recovery factor for the year ended June 30, 2004
				(tonnes/month)		
Main Plant	1986	SAG milling	CIP treatment	96,000	100,000	94.0%

Capital Expenditure

Gold Fields spent A$27.4 million on capital expenditures at Agnew in fiscal 2004, primarily on development at the Waroonga Complex. Gold Fields has budgeted approximately A$38.2 million for capital expenditure at Agnew for fiscal 2005, primarily for stripping of the new Songvang open pit, continued underground development on the Waroonga Complex and exploration.

Exploration

Gold Fields holds a diverse portfolio of active gold and platinum group metal exploration projects and assets in Africa, Europe, North America, South America, China and Australasia, which are primarily held through project companies incorporated in the jurisdiction where the exploration projects or assets are located. In addition, Gold Fields has in place a number of exploration projects in connection with mineral rights it holds which are adjacent to its active mining operations in South Africa, Ghana and Australia. Gold Fields exploration program is headquartered in Denver, Colorado, which also acts as the regional office for North and Central America, with regional offices also in Oxford, England (responsible for Europe, the former Soviet Union and Africa), Perth, Australia (responsible for Australasia and China) and Santiago, Chile (responsible for South America). Gold Fields exploration team includes 25 geologists, along with support staff. Gold Fields directs exploration activities at sites adjacent to its South African, Ghanaian and Australian operations from its offices in Johannesburg, Oxford and Perth, respectively, with logistical support from the mining operations.

Gold Fields exploration strategy is based on a balanced approach to projects, which permits it to consider a project at any stage of development, from greenfield projects through the feasibility study phase. Gold Fields focuses its exploration activities on finding quality mineral assets with potential for low-cost extraction of gold or platinum group metals. When determining whether it will proceed with a project, Gold Fields weighs a variety of cost factors, including the cost of acquiring the project, expected cash operating costs, costs of capital and overhead costs, against the likely returns for the project and the project s strategic importance in terms of geographic diversification and production profiles. With respect to exploration projects which are adjacent to Gold Fields existing mining operations, Gold Fields also considers possible operating synergies which can be realized, for example, by sharing processing plants and other infrastructure.

Gold Fields has also expanded its exploration activities in countries and regions where it has more limited experience by means of equity investments in, and strategic alliances with, junior mining partners that are already operating in the relevant region with the requisite mining permits and approvals. Gold Fields has applied this strategy to exploration projects in China, Canada, Venezuela, Guinea, Sardinia, Guatemala, Tanzania, and Burkina Faso, among others.

Generally, Gold Fields budgets to spend up to $10 per ounce of gold it produces on exploration, provided the opportunities offered warrant such expenditure. At current gold prices, the economics of gold prospects that may offer positive returns has improved. Gold Fields exploration projects are carefully selected with strict economic criteria in mind and may involve longer term metal price and exchange rate assumptions. Recently, higher metal prices have increased the demand for quality projects and, consequently, have increased the price of entry into those projects.

In order to be considered by Gold Fields, an exploration project must have the potential to meet the majority of certain minimum target criteria, which Gold Fields refers to as the Rule of Twos . The Rule of Twos criteria require that a project has potential for a minimum of 2 million ounces of reserves, production rates of greater than 200,000 ounces per year, cash cost of production of less than half the commodity price and a double digit rate of return. If these criteria are met and the project fits within Gold Fields strategic development goals and is located in a region with acceptable risk, Gold Fields will consider taking on the project.

Gold Fields goal in its search for quality assets is to be in the lowest quartile of breakeven cost defined as the sum of acquisition costs, total cash operating costs, capital costs and general and administrative costs.

Gold Fields divides the different phases of a project s development into what it refers to as the resource triangle. The resource triangle provides for the progression of an exploration project in five steps: (1) greenfield exploration, (2) initial drilling, (3) resource definition, (4) pre-feasibility studies and (5) a feasibility study. Each regional exploration office typically targets one greenfield exploration project, along with various other projects at varying stages of development. Once a project reaches the feasibility stage, a team evaluates the project with feedback regarding the project s strategic implications from Gold Fields corporate development office.

Gold Fields Exploration Projects

The table below provides a breakdown of the number of projects in Gold Fields four exploration regions for each of the five phases of the resource triangle as at September 30, 2004. The table does not include exploration projects on sites adjacent to Gold Fields existing operations in South Africa, Ghana or Australia.

Phase	North and Central America	Europe and Africa	Australasia	South America
Feasibility		1		1
Pre-feasibility		1		
Resource definition		3	1	1
Initial drilling	2	5	2	3
Greenfield		3	3	2

Gold Fields spent $28.2 million on exploration projects not adjacent to its mining operations in fiscal 2004. Gold Fields total exploration budget for projects not adjacent to its mining operations for fiscal 2005 is approximately $47.0 million. In addition, Gold Fields spent $45.9 million on exploration at sites adjacent to its existing mining operations in fiscal 2004 and has budgeted approximately $24.5 million for fiscal 2005. Gold Fields made equity investments in junior mining partners of $23.5 million, as well as exploration expenditure in the APP of approximately $11.4 million during fiscal 2004 and expects to spend approximately $14.6 million to finalize the feasibility study on the APP. If a decision is made to proceed, Gold Fields expects to spend a further $18.4 million on the APP during fiscal 2005. In addition, approximately $15.0 million has been budgeted for development of the Cerro Corona Project

Arctic Platinum Project

The APP is located near the city of Rovaniemi in northern Finland. APP was set up in 2000 as a joint venture to develop potential platinum group metal deposits through open pit and underground operations. Gold Fields held 51% of APP during fiscal 2003, with the remainder held by Outokumpu Oy, a Finnish industrial conglomerate with over 50 years   experience designing and supplying technology for the mining and metallurgical industries. On September 11, 2003, Gold Fields exercised its pre-emptive right to acquire Outokumpu s 49% interest in APP, for consideration of $31 million comprising $23 million in cash and Gold Fields ordinary shares worth $8 million.

APP is currently at an advanced stage of assessing two potential open pit deposits called Konttijarvi and Ahmavaara, which are referred to as the Suhanko Project. The Konttijarvi and Ahmavaara deposits are found in the Konttijarvi-Suhanko Intrusion, which forms part of the Portimo mafic layered complex situated in northern Finland. Project development during fiscal 2004 focused on the Suhanko Project, with particular emphasis on trial mining, pilot plant test work and infill drilling. Also during the year the environmental permit application for the Suhanko Project was submitted to the Northern Environmental Permit Authority in Oulu. Permits to begin construction are expected in the second half of 2005. APP has begun the process of obtaining the mining lease for the Suhanko Project. A renewal application for the Suhanko mining license was submitted to the Ministry of Trade and Industry in May 2004. The application is expected to be finalized once the final boundaries of the lease area have been established with landowners. The Ministry is expected to issue a concession certificate in late fiscal 2005 which would give APP the right to process and use all extractable minerals in the area covered by the concession certificate and to use the area for mining and processing. Securing suitable treatment terms from one or a number of smelters remains the single biggest challenge to proving this project and will be the focus of particular attention, separate from the completion of engineering and other feasibility study aspects. As of June 30, 2004, approximately 262,300 meters of drilling had been completed.

Cerro Corona Project

In December 2003, Gold Fields, through a subsidiary, signed a definitive agreement to purchase an 80.7% economic and 92% voting interest in the Cerro Corona Project from a Peruvian family-owned company, Sociedad Minera Corona S.A., or SMC. The agreement calls for a reorganization whereby the assets of the Cerro Corona Project are to be transferred to a new Peruvian company named Sociedad Minera La Cima S.A. This condition has been waived by Gold Fields. Gold Fields   obligation to acquire the Cerro Corona Project is subject to the acquisition of all surface rights and the securing of all permits necessary to construct and operate a mine at the site. Gold Fields has the discretion to waive these two conditions.

The Cerro Corona Project forms part of a porphyry copper-gold deposit located within Hualgayoc Mining District approximately 40 kilometers northwest of the Yanacocha Gold Mine in the Department of Cajamarca, northern Peru. At the time the definitive purchase agreement was signed, SMC already owned 141.7 hectares, comprising the surface rights over much of the Cerro Corona deposit, the Mina Carolina plant and campsite, and about half of the valley that would be used for tailing storage. The remaining parcels needed for the Cerro Corona Project, which total 382.06 hectares, are under various stages of ongoing negotiation by SMC and Gold Fields.

The Cerro Corona Project has been the subject of extensive exploration and several feasibility studies over the last 10 years. Current work by Gold Fields is focused on community relations and completion of an updated environmental impact study. Technical work is also in progress to support a new feasibility study expected to be completed by June 2005. Assuming that all required permits are approved by mid-2005, the construction period is expected to take about 18 months and production start-up is scheduled for early calendar 2007.

The Cerro Corona Project is located in the highest part of the Western Cordillera of the Andes in Northern Peru, close to the headwaters of the Atlantic continental basin. It lies approximately 90 kilometers by road north of the departmental capital of Cajamarca (population approximately 100,000) and near the village of Hualgayoc. Access from Cajamarca is by means of an all-weather road to the Yanacocha Mine (45

kilometers), followed by approximately 45 kilometers of a relatively poor quality gravel road that continues on to the village of Hualgayoc and the town of Bambamarca.

Gold Fields will complete an updated resource estimate by May 2005 to complete a new feasibility study by June 2005, with input from new data relating to sulfur analyses, waste characterization, check analyses, clay mineralogy, drill hole re-logging, surface mapping and an in-fill/metallurgy drill program. This will be followed by an updated mine plan and new reserve estimate to be completed by June 2005. To support the program described above, Gold Fields plans to also carry out detailed re-mapping of the Cerro Corona deposit with an emphasis on structure and alteration. A concurrent property wide geologic map will also be made as part of an exploration / condemnation program.

Recent Developments

Proposed IAMGold Transaction

On September 30, 2004, Gold Fields, Gold Fields Ghana, Gold Fields Guernsey and IAMGold, signed a definitive agreement, referred to in this discussion as the Gold Fields International Agreement, pursuant to which, subject to, among other things, the conditions precedent set out below, all assets owned by Gold Fields subsidiaries located outside the Southern African Development Community, or SADC, would be transferred to IAMGold in exchange for the issuance to Gold Fields or its subsidiaries common shares of IAMGold, or the Consideration Shares, which will result in Gold Fields owning, directly or indirectly, approximately 70% of the fully diluted equity of the enlarged company. In addition, immediately before completion IAMGold shareholders, registered as such on a record date, which will be a date shortly before completion, will receive a special cash dividend of C$0.50 per IAMGold share. The Gold Fields International Agreement was amended and restated as of November 4, 2004 to incorporate certain conditions and amendments requested by the TSX. This transaction is referred to in this discussion as the IAMGold Transaction.

The Gold Fields International Agreement provides for the transfer by Gold Fields subsidiaries to IAMGold or its subsidiaries of the following assets, which are referred to in this discussion as the Acquired Interests:

100% ownership interest in the St. Ives and Agnew gold mines in Australia;

71.1% ownership interest in the Tarkwa and Damang gold mines in Ghana;

the APP, in which Gold Fields subsidiaries have a 100% interest;

80.7% economic interest and 92% voting interest in the Cerro Corona development project in Peru, the acquisition of which is subject to completion;

all of the working capital (comprising cash, cash equivalents and receivables owing by trade debtors, less payables owed to trade creditors) of Gold Fields Guernsey and Gold Fields Ghana; and

a portfolio of other exploration properties, cash and investments.

The consideration for the Acquired Interests will consist of 351,690,218 fully paid and non-assessable common shares of IAMGold ranking on the same level and equally with the existing common shares in issue. Based on IAMGold s volume weighted average trading share price over the 20 trading days prior to August 11, 2004, the date on which Gold Fields and IAMGold first announced the IAMGold Transaction, these common shares had a market value of approximately $2.1 billion. The number of common shares to be issued will be subject to adjustment based on the total net cash contributed by Gold Fields to the acquired companies and the vendors thereof from June 24, 2004 through to completion of the IAMGold Transaction. This adjustment will be made based on the 20 business day volume weighted average trading price of the IAMGold shares prior to closing and is capped at U.S.$50 million. Following completion of the IAMGold Transaction, IAMGold will be a listed subsidiary of Gold Fields.

Gold Fields has undertaken that, for so long as required by any South African regulatory authority, it will retain a minimum shareholding of 50.1% in Gold Fields International. Upon completion of the IAMGold Transaction, Gold Fields will be contractually precluded from selling part of its shareholding in Gold Fields International unless it sells its entire shareholding.

Upon completion of the IAMGold Transaction, IAMGold will be renamed Gold Fields International and will become the international growth vehicle (outside of the SADC region) for Gold Fields.

Gold Fields will retain its existing primary listing in South Africa on the JSE and listings outside of South Africa on the NYSE and certain other international exchanges.

The IAMGold Transaction provides for a U.S.$20 million break fee payable under certain conditions.

Subject to approval of the IAMGold Transaction by the holders of ordinary shares of Gold Fields (voting in person or by proxy) at an extraordinary general meeting scheduled for December 7, 2004, or the EGM.

In order to satisfy certain conditions imposed by the SARB in granting its approval of the IAMGold Transaction, which are described below, IAMGold has agreed to provide Gold Fields with anti-dilution rights. These rights include pre-emptive rights that enable Gold Fields and its affiliates to purchase as many shares of Gold Fields International as are necessary to maintain beneficial ownership of not less than 50.1% (or such lesser percentage as may be required or permitted from time to time by the SARB) of the outstanding common shares of Gold Fields International on a fully diluted basis from time to time. The anti-dilution rights entitle Gold Fields to maintain its ownership interest from time to time by participating in any issuance of Gold Fields International equity securities for cash at the same price as other purchasers. In the case of a non-cash issuance, Gold Fields is entitled to participate to the extent necessary to enable it to maintain its interest at 50.1% (or such lesser percentage as may be permitted by the SARB) at a cash price equal to the prevailing market price or fair value of the securities being offered. The anti-dilution rights also restrict Gold Fields International s ability to issue shares in circumstances where shareholder approval is required, and has not been obtained, prior to the exercise of Gold Fields pre-emptive rights.

The IAMGold Transaction is subject to, among other things, the following principal conditions precedent:

the approval, to the extent necessary, of any regulatory authorities having jurisdiction over the IAMGold Transaction, including the JSE and Canadian securities regulators;

the approval by a majority vote of the holders of ordinary shares of Gold Fields (voting in person or by proxy) at the EGM to be held to approve the IAMGold Transaction;

the approval by a majority of shareholders of IAMGold (voting in person or by proxy) at the special meeting of shareholders to be held to approve the IAMGold Transaction;

the listing of the Consideration Shares of IAMGold on the TSX, and the New York Stock Exchange, or the NYSE, or failing the NYSE, the American Stock Exchange, or AMEX, and confirmation from the TSX and the NYSE or AMEX that the Consideration Shares will not be subject to escrow arrangements;

obtaining third party consents and releases from certain guarantees and obligations of Gold Fields and its subsidiaries (other than the Acquired Interests) in respect of the Acquired Interests, releases from certain cross-guarantees and obligations flowing from the Acquired Interests in favor of Gold Fields or its subsidiaries other than the Acquired Interests and the consent of Mvela Resources, to the assignment of Gold Fields exploration rights outside of SADC;

no person having acquired beneficial ownership of 20% or more of IAMGold s outstanding common shares prior to completion of the IAMGold Transaction;

IAMGold entering into an agreement granting to Gold Fields the anti-dilution rights described above as of completion;

the absence of any changes, effects, occurrences or states of facts, other than those affecting the economy and markets generally (including changes to the gold price and currency exchange rates), that, either individually or in the aggregate, have or would reasonably be expected to have a material adverse effect on the Acquired Interests or IAMGold; and obtaining all necessary governmental consents for the IAMGold Transaction.

This transaction, if completed, will be accounted for as a reverse acquisition because Gold Fields will obtain the majority interest in the enlarged company.

Overview of Gold Fields International

If the transaction is completed, Gold Fields International will have interests in six operating mines: four in West Africa (Tarkwa and Damang in Ghana, Sadiola and Yatela in Mali) and two in Australia (St. Ives and Agnew) with 2005 forecast production totaling 2.0 million ounces of gold. In addition, Gold Fields International will have two near-term development projects, located in Finland (Arctic Platinum) and, subject to completion of the acquisition thereof, Peru (Cerro Corona), along with various royalty interests and a portfolio of advanced-stage exploration projects in Latin America, Canada, Australia, China and Africa.

Gold Fields largest shareholder OJSC MMC Norilsk Nickel, or Norilsk, has irrevocably undertaken to vote against the completion of the the proposed IAMGold Transaction. In a statement issued on November 19, 2004, the Gold Fields Board of Directors stated that, should Gold Fields shareholders vote against the proposed IAMGold Transaction, it would move quickly to implement alternative strategies to ensure that the inherent value of Gold Fields international assets can be delivered directly to Gold Fields shareholders.

Harmony Offer

On October 18, 2004, Harmony announced an unsolicited and hostile tender offer to acquire the entire issued share capital of Gold Fields. According to the registration statement on Form F-4, or the Form F-4, filed by Harmony with the SEC, Harmony has structured the tender offer to occur in two steps. The first step consists of an early settlement offer in which Harmony has offered to acquire up to 34.9% of the outstanding Gold Fields ordinary shares (including ordinary shares in the form of American depositary shares, or ADSs). In the early settlement offer, Harmony has offered to exchange 1.275 new Harmony Shares or ADSs, for every Gold Fields ordinary share or ADS, respectively. The early settlement offer has been structured as two simultaneously run offers. There is what is referred to in this discussion as a U.S. Offer to holders of Gold Fields ordinary shares located in the United States and holders of Gold Fields ADSs wherever located. In addition, there is what is referred to in this discussion as an International Offer to holders of Gold Fields ordinary shares outside the United States to the extent such holders may lawfully participate in the International Offer. According to the Form F-4, Harmony states that the U.S. Offer and the International Offer are being made on substantially similar terms and are subject to substantially similar conditions.

Harmony has stated in the Form F-4 that there are only two conditions to the early settlement offer. The first condition is that the issuance of new Harmony ordinary shares and ADSs upon closing of the early settlement offer shall have been duly approved by Harmony s shareholders at an extraordinary general meeting to be held for that purpose.

According to a press release dated, November 12, 2004, Harmony held an extraordinary general meeting on that date and the issuance of the new Harmony ordinary shares and ADSs was duly approved by its shareholders. The second condition is that the Form F-4 has been declared effective by the SEC. On November 19, 2004, Harmony announced that its registration statement on Form F-4 had been declared effective by the SEC.

According to Harmony s disclosure in the Form F-4, the early settlement offer will close on November 26, 2004.

As disclosed in the Form F-4, Harmony has irrevocably committed to commence a subsequent offer immediately after the completion of the early settlement offer. Harmony has stated that the subsequent offer will also be structured as two simultaneously run offers one a U.S. Offer and the other an International Offer. Harmony has stated that the subsequent offer will be made on the same terms as the early settlement offer, but will be subject to different conditions, which Harmony has stated will include:

the passing and, where applicable, registration by the registrar of the Harmony resolutions relating to the subsequent offer, among other things;

Harmony receiving acceptances of the subsequent offer from Gold Fields shareholders holding in excess of 50% of the entire issued share capital of Gold Fields, including those Gold Fields ordinary shares and ADSs settled by Harmony under the early settlement offer and those Gold Fields ordinary shares in respect of which Norilsk has irrevocably undertaken to accept the subsequent offer;

the proposed IAMGold transaction not being implemented for whatever reason;

the proposed acquisition of Gold Fields being approved by the relevant competition authorities;

the Form F-4 with respect to the new Harmony Shares and ADSs to be issued in the further offers having been declared effective by the SEC; and

the approval of all regulatory authorities whose approval is required for the implementation of the further offers.

In response to Harmony s unsolicited and hostile tender offer, on November 3, 2004, the Board of Gold Fields issued an Offer Response Document to its shareholders and filed a Solicitation/Recommendation Statement on Schedule 14D-9 with the SEC recommending that Gold Fields shareholders take no action and reject the Harmony offer. The text of the Board s recommendation statement and further details on the background to, and basis for, the Board s recommendation may be found in the Offer Response Document. The Offer Response Document is included as an exhibit to the Schedule 14D-9, which is available free of charge from the SEC s website. In addition, Gold Fields is pursuing various legal and regulatory actions in South Africa and the United States challenging the basis on which the Harmony offer is being made. See Risk Factors Harmony s offer to purchase all of Gold Fields outstanding ordinary shares is disruptive to Gold Fields business and threatens to adversely affect Gold Fields results of operations.

Insurance

Gold Fields holds insurance policies providing coverage for accidental loss or damage, business interruption in the form of fixed operating costs or standing charges, public liability, material damage and other losses which it holds through a captive insurance company domiciled in Gibraltar. Gold Fields insurance policies covering material damage and business interruption based on fixed operating costs or standing charges provide coverage in amounts up to $100 million per event occurring underground and up to $300 million per event occurring elsewhere. In fiscal 2003, Gold Fields changed from business interruption cover based on gross profit to cover based on fixed operating costs or standing charges only in an effort to reduce costs.

Management believes that the scope and amounts of coverage of its insurance policies are adequate and in accordance with customary practice for a gold mining company of its size with multinational operations.

Regulatory and Environmental Matters

South Africa

Environmental

Gold Fields   South African operations are subject to various laws relating to the protection of the environment. South Africa s Constitution grants the people of South Africa the right to an environment that is not harmful to human health or well-being and to protection of that environment for the benefit of present and future generations through reasonable legislative and other measures. The Constitution and the National Environmental Management Act 107 of 1988 grant legal standing to a wide range of people and interest groups to bring legal proceedings to enforce their environmental rights, which are enforceable against private entities as well as the South African government.

Environmental legislation in South Africa has become increasingly more onerous while enforcement of environmental requirements in South Africa is now more rigorous than in the past. Specific environmental rules pertaining to prospecting and mining are set out in the Mineral and Petroleum Resources Development Act 28 of 2002, or the New Minerals Act and its regulations. The environmental obligations imposed by the New Minerals Act are significantly more stringent than the provisions of the former legislation. In particular, the New Minerals Act makes express provision for Directors   liability in circumstances when environmental harm arises pursuant to mining operations. See Mineral Rights.

South African environmental legislation commonly requires businesses whose operations may have an impact on the environment to obtain permits and authorizations for those operations. The applicable environmental legislation also imposes general compliance requirements and incorporates the   polluter pays   principle. All prospecting and mining operations are required by the New Minerals Act to be conducted according to an approved environmental management plan, which must be approved by the Department of Minerals and Energy.

South African mining companies are required by law to undertake rehabilitation works as part of their ongoing operations in accordance with an approved environmental management plan. In addition, during the operational life of the mine they must provide for the cost of mine closure and post-closure rehabilitation and monitoring once mining operations cease. Gold Fields funds these environmental rehabilitation costs by making contributions into an environmental trust fund. The trust fund system enables payments to be made in a tax efficient way, while providing comfort to the regulators that the operator has the means to restore any mine after operations have ceased. As of October 29, 2004, Gold Fields had contributed a total of approximately Rand 340.5 million, including accrued interest, to the fund.

Gold Fields has implemented environmental management systems in compliance with ISO 14001 throughout its operations in South Africa, and has received full certification under ISO 14000 for all surface portions of its South African operations. Gold Fields   non-South African operations received full ISO 14001 certification in fiscal 2003.

In addition, Gold Fields is in the process of devising programs to implement at its operations to become compliant with the International Cyanide Management Code.

Health and Safety

The principal objective of the Mine Health and Safety Act No. 29 of 1996, or the Mine Health and Safety Act, is to protect the health and safety of persons at mines. The Mine Health and Safety Act requires that employers and others ensure their operating and non-operating mines provide a safe and healthy working environment, determines penalties and a system of administrative fines for non-compliance and gives the Minister of Minerals and Energy the right to restrict or stop work at any mine and require an employer to take steps to minimize health and safety risks at any mine. The Mine Health and Safety Act further provides for employee participation by requiring the appointment of health and safety representatives, and through the establishment of health and safety committees. It also gives employees the right to refuse dangerous work. Finally, it describes the powers and functions of a mine health and safety inspectorate and the process of enforcement.

Under the Mine Health and Safety Act, an employer is obligated, among other things, to ensure, as far as reasonably practicable, that its mines are designed, constructed and equipped to provide conditions for safe operation and a healthy working environment and are commissioned, operated, maintained and decommissioned in such a way that employees can perform their work without endangering their health and safety or that of any other person. Every employer must ensure, as far as reasonably practicable, that persons who are not employees, but who may be directly affected by the activities at a mine, are not exposed to any hazards to their health and safety.

The Mine Health and Safety Act requires employers, among other things, to establish health and safety policies, to provide employees with health and safety training, assess and respond to risk and establish a system of medical surveillance.

The Occupational Diseases in Mines and Works Act 78 of 1973, or the Occupational Diseases Act, governs compensation and medical costs related to certain illnesses contracted by persons employed in mines or at sites where activities ancillary to mining are conducted. Occupational health care services are made available by Gold Fields to employees from its existing facilities. Pursuant to changes in the Occupational Diseases Act, Gold Fields may experience an increase in the cost of these services. See Key Information Risk Factors Gold Fields operations in South Africa are subject to health and safety regulations which could impose significant costs and burdens. This increased cost, should it transpire, is currently indeterminate.

Mineral Rights

The New Minerals Act. The New Minerals Act came into effect on May 1, 2004. The New Minerals Act vests the right to prospect and mine in the state (which includes the rights to grant prospecting and mining rights on behalf of the nation) to be administered by the government of South Africa in order to, among other things, promote equitable access to the nation s mineral resources by South Africans, expand opportunities for historically disadvantaged persons who wish to participate in the South African mining industry, and advance social and economic development as well as to create an internationally competitive and efficient administrative and regulatory regime, based on the universally accepted principle, and consistent with common international practice, that mineral resources are part of a nation s patrimony. Gold Fields currently owns substantially all of the mineral rights under the previous regime for the properties for which it has mining authorizations and will seek to convert these rights into mining rights under the New Minerals Act.

Under the former regulatory regime, mineral rights (which encompass the right to prospect and mine) in South Africa were held either privately or by the government of South Africa. Ownership of private mineral rights was held through title deeds and constituted real rights in land, which were enforceable against any third party. Prospecting and mining are now regulated by the provisions of the New Minerals Act including the transitional provisions included therein.

The transitional provisions of the New Minerals Act phase out existing rights to prospect and mine granted under the old legislation. The transitional provisions contemplate three scenarios: (1) mineral rights in respect of which no prospecting permit or mining authorization has been issued and/or no prospecting or mining activities are taking place; (2) mineral rights that are the subject of prospecting permits and prospecting is taking place; and (3) mineral rights in respect of which a mining authorization has been issued and mining is taking place. The rights described in the three categories are referred to as old order rights. Under category (1), the holders of privately-held mineral rights would need to apply for a prospecting or mining right in their

own names to replace their existing mineral rights. Application has to be made within one year of the relevant provision of the New Minerals Act becoming operational. Under categories (2) and (3), any prospecting permit or mining authorization granted under the old legislation would continue to be valid for the period granted under the old legislation, subject to a maximum period of two or five years, respectively. After the lapse of the one year period referred to in category (1) and the two and five year periods in categories (2) and (3) respectively, the mineral rights would cease to exist. Within these periods, in order to continue with its mining or prospecting operations, the holders of mineral rights and prospecting permits or mining authorizations would have to apply for a new prospecting right or mining right in respect of category (1) and for conversion to new prospecting or mining rights in respect of categories (2) and (3). Gold Fields is entitled to conversion of its existing old order rights provided that it complies with the requirements for conversion, some of which are of a discretionary nature.

Under the New Minerals Act prospecting rights are initially granted for a maximum period of five years, and can be renewed once upon application for a further period not exceeding three years. Mining rights are valid for a maximum period of 30 years, and can be renewed upon application for further periods each of which may not exceed 30 years. Provision is made for the grant of retention permits, which would have a maximum term of three years and could be renewed once upon application for a further two years. A wide range of factors and principles including proposals relating to black economic empowerment and social responsibility, the details of which are still being determined, will be considered by the Minister of Minerals and Energy, or the Minister, when exercising her discretion whether to grant these applications including, for example, evidence of an applicant s ability to conduct mining operations optimally. Gold Fields might not be successful in its applications for new prospecting rights or mining rights.

The provisions of the New Minerals Act provide that a mining or prospecting right granted under the New Minerals Act could be cancelled if the mineral to which such mining right relates is not mined at an optimal rate. Furthermore, royalties not payable under the old legislation may become payable to the State. See The Royalty Bill.

The Mining Titles Registration Amendment Act, or the Mining Titles Act, came into force on May 1, 2004. The Mining Titles Act provides for the registration of rights granted under the New Minerals Act. The Mining Titles Act repeals certain sections of the current legislation dealing with the registration of mineral rights, subject to the transitional provisions of the New Minerals Act. Until rights held under the previous regime are converted to rights under the New Minerals Act, rights held under the previous regime that become subject to a change in ownership during the transition period will not be able to be registered under the name of the new owner. See Risk Factors Gold Fields mineral rights in South Africa will become subject to new legislation which could impose significant costs and burdens The New Minerals Act.

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

The charter s stated objectives are to:

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

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

utilize the existing skills base for the empowerment of HDSAs;

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

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

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

The charter clarifies that it is not the government s intention to nationalize the mining industry.

To achieve these objectives, the charter requires that mining companies achieve a 15% HDSA ownership of mining assets within five years and a 26% HDSA ownership of mining assets within 10 years by each mining company. Ownership can comprise active involvement, through HDSA controlled companies (where HDSAs own at least 50% plus one share of the company and have management control), strategic joint ventures or partnerships (where HDSAs own at least 25% plus one vote and there is joint management and control) or collective investment vehicles, the majority ownership of which is HDSA based, or passive involvement, particularly through broad based vehicles like employee stock option plans. The charter envisages measuring progress on transformation of ownership by:

taking into account, among other things, attributable units of production controlled by HDSAs;

allowing flexibility by credits or offsets, so that, for example, where HDSA participation exceeds any set target in a particular operation, the excess may be offset against shortfalls in another operation;

taking into account previous empowerment deals in determining credits and offsets; and

considering special incentives to encourage the retention by HDSAs of newly acquired equity for a reasonable period.

It is envisaged that transactions will take place in a transparent manner and for fair market value with stakeholders meeting after five years to review progress in achieving the 26% target. Under the charter, the mining industry as a whole agrees to assist HDSA companies in securing finance to fund participation in an amount of Rand 100 billion over the first five years. Beyond the Rand 100 billion commitment, HDSA participation will be increased on a willing seller-willing buyer basis, at fair market value, where the mining companies are not at risk.

In addition, the charter requires, among other things, that mining companies:

offer every employee the opportunity to become functionally literate and numerate by the year 2005;

spell out plans for achieving employment equity at management level with a view to achieving a baseline of 40% HDSA participation in management and achieving a baseline of 10% participation by women in the mining industry, in each case within five years;

give HDSAs preferred supplier status, where possible, in the procurement of capital goods, services and consumables; and

identify current levels of beneficiation and indicate opportunities for growth.

When considering applications for the conversion of existing licenses, the government will take a scorecard approach to the different facets of promoting the objectives of the charter. In February 2003, the Department of Minerals and Energy, or DME, published the scorecard, which is intended to facilitate the application of the charter and measure compliance with the empowerment requirements of the New Minerals Act for the purpose of determining whether an application for conversion of old order rights to new order rights should be granted. The scorecard sets out the requirements of the charter in tabular form which allows the DME to tick off areas where a mining company is in compliance. The scorecard covers the following areas:

human resource development;

employment equity;

migrant labor;

mine community and rural development;

housing and living conditions;

ownership and joint ventures;

beneficiation; and

reporting.

The scorecard does not indicate the relative significance of each item, nor does it provide a particular score which an applicant must achieve in order to be in compliance with the charter and be granted new order rights. The charter, together with the scorecard, provides a system of credits or offsets with respect to measuring compliance with HDSA ownership targets. Offsets may be claimed for beneficiation activities undertaken or supported by a company above a predetermined base state , which has not yet been established for each mineral. Offsets may also be claimed for continuing effects of previous empowerment transactions.

The charter also requires mining companies to submit annual, audited reports on progress towards their commitments, as part of an ongoing review process.

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

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

The Royalty Bill proposes to impose a 3% revenue based royalty on the South African gold mining sector payable to the South African government. The royalty would be calculated on the basis of published tradable value or, where no published tradable value is available, on an imputed gross sales value of the relevant mineral. The royalty would be deductible as an expense for income tax purposes as opposed to a rebate against income tax. Under the terms of the proposed Royalty Bill, the royalty is to take effect when companies convert to new order mining rights in accordance with the New Minerals Act, although the Minister has indicated that the royalty is not expected to take effect until the transitional period for the conversion of mining rights under the New Minerals Act expires. The Minister of Finance in his Budget Speech in February 2004 indicated that the royalty will be based on revenues and will take effect in 2009. If adopted, in either its current or a revised form, the Royalty Bill could have an adverse effect on Gold Fields South African operations and therefore an adverse effect on its business, operating results and financial condition. See Key Information Risk Factors Gold Fields mineral rights in South Africa will become subject to new legislation which could impose significant costs and burdens The Royalty Bill.

Land Claims

Gold Fields privately held land and mineral rights could be subject to land restitution claims under the Restitution of Land Rights Act 1994, or the Land Claims Act. Under this Act, any person who was dispossessed of rights in land in South Africa as a result of past racially discriminatory laws or practices without the payment of just and equitable compensation is granted certain remedies including, but not limited to:

- restoration of the land claimed with or without compensation to the holder;
- granting of an appropriate right in alternative state-owned land to the claimant; or
- payment of compensation by the state to the claimant.

If land is restored without fair compensation it is possible that a constitutional challenge to the restoration could be successful. Once a notice of a land claim has been published in the Government Gazette the rights of any person in respect of such land are restricted in that he may not perform certain actions, including, but not limited to, selling, leasing or developing such land, unless the Regional Land Claims Commissioner has been given one month s written notice. The Commission is obligated to notify the owner of land in respect of which a claim has been lodged or any other party which might have an interest in a claim. All claims were required to be lodged with the Commission by December 31, 1998. Although this was the final date for filing claims, many claims lodged before the deadline are still being reviewed and not all parties who are subject to claims have yet been notified. However, new land claims may only be instituted after December 31, 1998, if an original claim was filed incorrectly. Gold Fields has not been notified under the Land Claims Act of any land claims against it but it may be notified of claims in the future. If Gold Fields is notified of land claims in the future, these claims could have a material adverse effect on Gold Fields right to the properties to which the land claims relate. See Key Information Risk Factors Gold Fields land and mineral rights in South Africa could be subject to land restitution claims which could impose significant costs and burdens.

The Restitution of Land Rights Amendment Act, or the Amendment Act, became law on February 4, 2004. Under the Land Claims Act, the Minister for Agriculture and Land Affairs, or the Land Minister, may not acquire ownership of land for restitution purposes without a court order unless an agreement has been reached between the affected parties. The Amendment Act, however, entitles the Land Minister to acquire ownership

of land by way of expropriation either for claimants who do not qualify for restitution or, in respect of land as to which no claim has been lodged but the acquisition of which is directly related to or affected by a claim, the acquisition of which would promote restitution to those entitled or would encourage alternative relief to those not entitled. See Key Information Risk Factors Gold Fields land and mineral rights in South Africa could be subject to land restitution claims which could impose significant costs and burdens.

Exchange controls

South African law provides for exchange control regulations, which restrict the export of capital from the Common Monetary Area, comprising South Africa, the Kingdoms of Lesotho and Swaziland and the Republic of Namibia. The exchange control regulations, which are administered by the SARB are applied throughout the Common Monetary Area and regulate transactions involving South African residents, including companies. The basic purpose of exchange controls is to mitigate the decline of foreign capital reserves in South Africa and the devaluation of the Rand against other currencies, in particular the U.S. dollar. It is anticipated that South African exchange controls will continue to operate for the foreseeable future. The South African government has, however, committed itself to gradually relaxing exchange controls and a significant relaxation has occurred in recent years. It is the stated objective of the authorities to achieve equality of treatment between residents and non-residents in relation to inflows and outflows of capital. The gradual approach to the abolition of exchange controls adopted by the South African government is designed to allow the economy to adjust more smoothly to the removal of controls that have been in place for a considerable period of time.

SARB approval is required for Gold Fields and its South African subsidiaries to receive loans from and repay loans to non-residents of the Common Monetary Area. Repayment of principal and interest on such loans will usually be approved where the payment is limited to the amount borrowed and a market related rate of interest.

Funds raised outside of the Common Monetary Area by Gold Fields non-South African resident subsidiaries (whether through debt or equity) can be used for overseas expansion, subject to any conditions imposed by the SARB. Gold Fields and its South African subsidiaries would, however, require SARB approval in order to provide guarantees for the obligations of any of Gold Fields subsidiaries with regard to funds obtained from non-residents of the Common Monetary Area. Debt raised outside the Common Monetary Area by Gold Fields non-South African subsidiaries must be repaid or serviced by those foreign subsidiaries. Absent SARB approval, income earned in South Africa by Gold Fields and its South African subsidiaries cannot be used to repay or service such foreign debts. Also, absent specific SARB approval, income earned by one of Gold Fields foreign subsidiaries cannot be used to finance the operations of another foreign subsidiary.

Transfers of funds from South Africa for the purchase of shares in existing offshore entities or for the expansion of existing business ventures offshore require Exchange Control approval. Under the exchange control regulations, Gold Fields and its South African subsidiaries can invest overseas only if the investment meets certain tests including one of national interest , as determined by the SARB. However, consideration will be given to applications submitted to the SARB to transfer funds from South Africa for the purpose of initial foreign expansion and expansion of existing projects.

South African companies will be allowed to retain outside South Africa foreign dividends declared after

October 26, 2004. Foreign dividends repatriated to South Africa after that date may be retransferred abroad at any time and be used for any purpose.

A listing by a South African company on any stock exchange other than the JSE in connection with raising capital needs permission from the SARB. Any such listing which would result in a South African company being redomiciled also needs approval from the Minister of Finance.

Under South African exchange control regulations, Gold Fields must obtain approval from the SARB regarding any capital raising involving a currency other than the Rand. In connection with its approval, it is possible that the SARB may impose conditions on Gold Fields use of the proceeds of any such capital raising, such as limits on Gold Fields ability to retain the proceeds of the capital raising outside South Africa or requirements that Gold Fields seek further SARB approval prior to applying any such funds to a specific use. Any limitations imposed by the SARB on Gold Fields use of the proceeds of a capital raising could adversely affect Gold Fields financial and strategic flexibility. See Key Information Gold Fields financial flexibility, including its ability to utilize the proceeds of this offer outside South Africa, could be materially constrained by South African exchange control regulations.

In his speech to Parliament towards at the end of October 2004, the Minister of Finance outlined the South African Treasury s medium term budget policy statement and repeated that it was the government s eventual goal to replace all remaining exchange controls with prudential benchmarks. He also announced the abolition of exchange control limits on new outward foreign direct investments by South African corporations and the lifting of their obligation to repatriate foreign dividends.

Ghana

Environmental

The laws and regulations relating to the environment in Ghana have their roots in the 1992 Constitution which charges both the state and individuals with a duty to take appropriate measures to protect and safeguard the natural environment. Mining companies are also required under the Minerals and Mining Law, 1986 (P.N.D.C. Law 153) to have due regard to the effect of their operations on the environment and to take steps to prevent pollution of the environment.

The principal legislation regulating activities which affect the environment is the Environmental Protection Act, 1994 (Act 490) and the Environmental Assessment Regulations (LI 1652) and related guidelines. Mining operations are required by these laws to undergo an environmental impact assessment process, to obtain approval for an environmental permit prior to commencing operations and subsequently, after a period of operation, to submit an environmental management plan for the operations to obtain an environmental certificate. The laws also require mining operations to rehabilitate land disturbed as a result of mining operations pursuant to an environmental reclamation plan agreed with the Ghanaian environmental authorities. This obligation is included in a reclamation security agreement signed by the mining company and negotiated with the Environmental Protection Agency, or EPA, and is secured by posting reclamation bonds and a cash deposit, which serve as a security deposit against default.

In Ghana, environmental management plans are submitted every three years and include details regarding the likely impact of the operation on the environment, including local communities, as well as a comprehensive plan and timetable for actions to lessen and remediate adverse impacts. Updated reclamation plans are submitted to the EPA every two years with readjustment of the calculated bond. Gold Fields Ghana has posted a reclamation bond of $6.1 million representing 50% of the liability estimated at December 2001. The bond is expected to be increased in the second quarter of fiscal 2005 to $7.4 million. Estimated rehabilitation costs totaling $26.6 million are forecast over the life of Tarkwa and Teberebie. Reclamation bonds are assessed based on 50% of the agreed estimated rehabilitation costs for the two year period after the date of the last reclamation plan.

Gold Fields Ghana has an environmental permit for both the Teberebie and the Tarkwa properties. Gold Fields Ghana has been issued an environmental certificate for the two properties as a single unit dated October 27, 2003 which expires on October 26, 2006 and Teberebie is now treated as part of Tarkwa for purposes of this certificate. As part of the process of obtaining an environmental certificate, Gold Fields Ghana has posted a reclamation bond for Tarkwa and Teberebie and has submitted an environmental management plan covering both properties. In Ghana, environmental management plans are submitted biannually and include details regarding the likely impact of the operation on the environment, including local communities, as well as a comprehensive plan and timetable for actions to lessen and remediate adverse impacts. Reclamation bonds are assessed based on agreed estimated rehabilitation costs incurred to date and expected to be incurred during the two years until the next reclamation plan is submitted to the EPA. Estimated rehabilitation costs totaling $26.6 million are forecast over the life of Tarkwa and Teberebie.

On October 16, 2001, a cyanide solution spill was discovered at the Tarkwa property. Gold Fields has identified and corrected the cause of the spill. On October 19, 2001, Gold Fields reported the leak to the EPA. In consultation with Ghanaian government authorities, including the EPA, Gold Fields created a fund to pay for any costs incurred as a result of the spill in the amount of approximately $130,000 (Cedi 1.0 billion at an exchange rate of approximately Cedi 7,692 per $1.00). A writ was filed against Gold Fields by the chief and principal members of a nearby community on behalf of that community claiming compensation in respect of the spill. An agreement has been reached with this community and this legal action has been settled. However, it is possible that others could issue writs or make claims in connection with this incident. Management is not able at present to predict the final outcome of any such claims, if any, although it does not expect the final amount of the claims to be material to Gold Fields.

Gold Fields is in the process of devising programs to implement at its operations to become compliant with the International Cyanide Management Code.

Abosso submitted its first environmental impact assessment statement in 1991, but soon discovered the Damang orebody which necessitated revision of the statement. An amended and updated environmental impact assessment statement was submitted, and Abosso was then issued an environmental permit on November 21, 1995. This permit was amended in November 1996. Since then, Abosso has submitted the required environmental management plans and reclamation plans and is in compliance with all permit, certificate and reclamation requirements. An environmental certificate for the Damang mine was issued on October 9, 2003 for a two year period to October 8, 2005. Abosso was the first mining company in Ghana to sign a reclamation security agreement, in May 2001. This agreement was re-negotiated to include rehabilitation cost estimates in respect of additional expansion areas of the mine and to take account of a reduction in its reclamation liability after achieving certain prescribed reclamation criteria for a portion of the mining area covered by its lease. An amended and restated reclamation security agreement for Damang was signed in March 2003. Abosso has posted a reclamation bond of $2.0 million and deposited $200,000 cash to secure the agreement. Estimated rehabilitation costs totaling $6.3 million are forecast over the life of Damang.

Health and Safety

A mine owner is statutorily obligated to, among other things, take steps to ensure that the mine is managed and worked in accordance with the provisions of the Mining Regulations, 1970 L.I. 665 which provide for the safety and proper discipline of the mine workers. The regulations prescribe the measures to be taken at every mining operation to ensure the safety and health of mine workers. Additionally, Gold Fields is required under the terms of its mining leases to comply with the reasonable instructions of the Chief Inspector of Mines regarding health and safety on the mine. A violation of the provisions of the health and safety regulations or failure to comply with the reasonable instructions of the Chief Inspector of Mines could lead to, among other things, a shut down of all or a portion of the mine or the imposition of costly compliance procedures, and, in the case of a violation of the regulations relating to health and safety, constitutes an offence. Gold Fields, as the holder of the mining lease, has potential liability arising from injuries to, or deaths of, workers, including, in some cases, workers employed by its contractors. Although Ghanaian law provides statutory workers compensation for injuries or fatalities to workers, it is not the exclusive means for workers to claim compensation. Gold Fields insurance for health and safety claims or the relevant workers compensation may not be adequate to meet the costs which may arise upon any future health and safety claims. As a result, Gold Fields may suffer adverse consequences. See Key Information Risk Factors Gold Fields operations in Ghana are subject to health and safety regulations which could impose significant costs and burdens.

On September 12, 2003, the National Health Insurance Act, 2003 (Act 650) came into effect. The act requires every person resident in Ghana to belong to either a public or private health insurance scheme. To fund the National Health Insurance Fund, the act imposes a levy of 2.5% on goods and services produced or provided in, or imported into, Ghana. By the National Health Insurance (Commencement of Levy) Instrument, 2004 (L.I. 1973) the imposition of the levy came into force on August 1, 2004. Certain types of machinery used in mining, as well as water and certain types of fuel are exempt from the levy. Employers who establish or contribute to a private health insurance scheme are not exempt from payment of the levy. As a result, the imposition of the levy could increase Gold Fields costs with respect to goods and services utilized in Ghana, including labor costs. See Key Information Risk Factors Gold Field s operations in Ghana are subject to health and safety regulations which could impose significant costs and burdens.

Mineral Rights

Under the Minerals and Mining Law 1986, neither a landowner nor any other person may search for minerals or mine on any land without having been granted a mineral right by the Minister responsible for mines.

Gold Fields Ghana holds five mining leases in respect of its operations at the Tarkwa property, each dated April 18, 1997, and two mining leases dated February 2, 1988 and June 18, 1992, respectively, for its operations at the Teberebie property. The Tarkwa property mining leases all expire in 2027 and the Teberebie property mining leases both expire in 2018. Under the provisions of the Minerals and Mining Law and the terms of the mining leases, all of the Tarkwa property and Teberebie property mining leases are renewable by agreement between Gold Fields Ghana and the government of Ghana.

Abosso holds a mining lease in respect of the Damang mine dated April 19, 1995, as amended by an agreement dated April 4, 1996. This lease expires in 2025. As with the Tarkwa and Teberebie mining leases, this lease is renewable under its terms and the provisions of the Minerals and Mining Law by agreement between Abosso and the government of Ghana.

In addition, under Ghanaian law, the Tarkwa property mining leases are subject to the ratification of parliament. The Minerals Commission, the statutory corporation overseeing the mining operations on behalf of the government of Ghana, has submitted the Tarkwa property leases for parliamentary ratification, but they have not yet been ratified. See Key Information Risk Factors Gold Fields mineral rights in Ghana are subject to regulations which could impose significant costs and burdens.

A license is required for the export, sale or other disposal of minerals and the permission of the Chief Inspector of Mines is required to remove minerals obtained by the holder of a mineral right. Under the Project Development Agreement between, among others, Gold Fields Guernsey Limited and the government of Ghana, Gold Fields is entitled to export and sell its entire production of gold and by-products. However, under Ghanaian law, the government has a right to compel the sale to it of all minerals obtained in Ghana and all products derived from the refining or treatment of minerals. In respect of Abosso, the government has agreed pursuant to a deed of warranty dated April 26, 1996, not to exercise these pre-emption rights for as long as Abosso follows the procedure for marketing its products as may be approved by the Bank of Ghana acting on the advice of the Minerals Commission.

Under the provisions of the Minerals and Mining Law, the size of an area in respect of which a mining lease may be granted cannot exceed 50 square kilometers for any single grant or 150 square kilometers in the aggregate for any company. Gold Fields Ghana s mining leases cover approximately 207 square kilometers and Abosso s mining lease covers approximately 52 square kilometers. Gold Fields has identified land at the Tarkwa and Damang sites which is not viable for Gold Fields desired use and plans to give up that land so as to come within the prescribed limits prior to the end of calendar 2004.

Recent Fiscal Measures

The Ghanaian elections of 2000 resulted in the principal opposition party winning and therefore forming the present government. Since this government came into power it has passed legislation imposing a national reconstruction levy for the calendar years 2001 and 2002 which in the case of mining companies is 2.5% of operating profit. This levy has been extended for the calendar years 2003, 2004 and 2005. Additionally the current Ghana government has introduced measures imposing levies on mining equipment previously exempt from customs duty. The Ghana Chamber of Mines has made formal representation to the government expressing concern that these legislative measures have eroded the competitiveness of the fiscal regime in Ghana.

Government Option to Acquire Shares of Mining Companies

Under Ghanaian law, the government is entitled to a 10% interest in any Ghanaian company which holds mineral rights in Ghana without the payment of compensation. The government of Ghana has already received this 10% interest in each of Gold Fields Ghana and Abosso. The government also has the option of acquiring an additional 20% interest in the share capital of mining companies at a price agreed upon by the parties, at the fair market value at the time the option is exercised, or as may be determined by international arbitration. The government of Ghana exercised this option for Gold Fields Ghana, and subsequently transferred the interest, which now forms part of the IAMGold interest in Gold Fields Ghana. The Government of Ghana retains this option to purchase an additional 20% of the share capital of Abosso. As far as management is aware, the government of Ghana has not exercised this option for any other gold mining company in the past.

Under the Minerals and Mining Law, the government has a further option to acquire a special share in a mining company for no consideration or in exchange for such consideration as the government and that company shall agree. This interest, when acquired, constitutes a special share which gives the government the right to attend and speak at any general meeting of shareholders, but does not entitle the government to any voting rights. The special share does not entitle the government to distributions of profits of the company which issues it to the government. The written consent of the government is required to make any amendment to a company s articles of incorporation relating to the government s option to acquire a special share. Although the government of Ghana has agreed not to exercise this option for Gold Fields Ghana, it has retained this option for Abosso.

Exchange Controls

Ghana s exchange control laws require permission from the Ghanaian authorities for transactions involving foreign currency. Under a foreign exchange retention account agreement with the government of Ghana, Gold Fields Ghana is required to repatriate 20% of its revenues derived from the Tarkwa mine to Ghana and use the repatriated revenues in Ghana or maintain them in a Ghanaian bank account. Abosso is currently obligated to repatriate 25% of its revenue to Ghana, although the level of repatriation under the deed of warranty between Abosso and the government of Ghana is subject to renegotiation every two years. The most recent negotiations were concluded in February 2003. While management has no reason to believe that the repatriation level will increase as a result of the next set of negotiations, there is no agreed ceiling on the repatriation level, and it could be increased. Any increase could adversely affect Gold Fields ability to use the cash flow from the Damang mine outside Ghana, including to fund working costs and capital expenditures at other operations, to provide funds for acquisitions and to repay principal and interest on indebtedness.

During the first half of 2000 the central bank, or the Bank of Ghana, requested mining companies, including Gold Fields Ghana and Abosso, to repatriate an additional 25% of their revenues to foreign currency accounts with local banks. Gold Fields Ghana and Abosso were specifically asked to do so by letter from the then Minister of Finance. Gold Fields Ghana responded that it was at the time repatriating more than its required percentage of revenues to Ghana and expected to continue to, although it could not guarantee that it would, do so for the foreseeable future. Neither Gold Fields Ghana nor Abosso has heard anything further from either the Bank of Ghana or the Minister of Finance. Because of its need to fund operating costs for the Ghana operation, Gold Fields currently repatriates approximately 40% of revenues from the Ghana operation to Ghana. The Bank of Ghana or the Ministry of Finance may in the future request or direct Gold Fields to repatriate higher amounts to Ghana. Management believes that Gold Fields Ghana is entitled to rely on the provisions of the foreign exchange retention account agreement for the duration of the Tarkwa mining leases.

Australia

Environmental

While Australia s national government retains the power to regulate activities which impact upon matters of national environmental significance, the Constitution vests the power to legislate environmental matters principally in the states. Gold Fields gold operations in Australia are primarily subject to the environmental laws and regulations of the State of Western Australia. The Western Australia Environmental Protection Act 1986 and Mining Act require, among other things, that Gold Fields obtain environmental licenses, work approvals and mining licenses to begin mining operations.

During the operational life of its mines, Gold Fields is required by law to make provisions for the ongoing rehabilitation of its mines and to provide for the cost of post-closure rehabilitation and monitoring once mining operations cease. Gold Fields guarantees its environmental obligations by providing the Western Australian government with unconditional bank-guaranteed performance bonds. However, these bonds would not cover any environmental events requiring remediation that were unforeseen at the time the bonds were issued or which occur as a result of a breach of Gold Fields environmental licensing conditions.

The Contaminated Site Act 2003 is expected to come into effect in late 2004. This legislation will require Gold Fields to report known or suspected contaminated sites. Gold Fields may also be required to remediate an affected site if there is contamination that is likely to cause harm to human health or the environment. The government of Western Australia recently amended the Environmental Protection Act 1986 to create new offences in relation to environmental harm (some of which provide for strict liability) and other obligations with which Gold Fields must comply. One of the purposes for these amendments is to broaden the Department of Environmental Protection s power to prosecute for environmental harms. As a result, Gold Fields exposure to prosecution for environmental harms may be increased. Further, as a result of these changes, Gold Fields environmental duties and responsibilities will be increased which could impose significant costs and burdens. See Key Information Risk Factors Gold Fields operations in Australia are subject to environmental regulations which could impose significant costs and burdens.

Gold Fields is in the process of devising programs to implement at its operations to become compliant with the International Cyanide Management Code.

Health and Safety

The Western Australia Mines Safety and Inspection Act 1994 (WA), or the Safety and Inspection Act, regulates the duties of employers and employees in the mining industry with regard to occupational health and safety and outlines offences and penalties for breach. The regulations prescribe specific measures and provide for inspectors to review the work site for hazards and violations of the health and safety requirements. A violation of the health and safety laws or failure to comply with the instructions of the relevant health and safety authorities could lead to, among other things, a temporary shut down of all or a portion of the mine, a loss of the right to mine or the imposition of costly compliance procedures. However, mine owner liability for contractors employees under the Safety and Inspection Act extends only to matters which the employer can reasonably control. See Key Information Risk Factors Gold Fields operations in Australia are subject to health and safety regulations which could impose significant costs and burdens.

A bill to reform laws with respect to health and safety in Western Australia s mining industry was introduced in the Western Australia parliament in August 2004 but has not, as yet, been passed. The proposed reforms will increase penalties for breaches of the health and safety law, including imprisonment of persons found liable for the breaches and introduce new offenses, including gross negligence causing death or serious injury. In addition, there will be broader powers for inspectors to impose improvement or prohibition notices on machinery and work practices, and a new duty of care imposed on employers with respect to residential accommodation supplied in connection with employment. If these changes are enacted, Gold Fields exposure to prosecution will be increased, as will be the costs of health and safety compliance of Gold Fields mining operations in Australia.

Mineral Rights

In Australia, the ownership of land is separate from the ownership of most minerals, which are the property of the states and are thus regulated by the state governments. The Western Australian Mining Act 1978 (WA), or the Mining Act, is the principal piece of legislation governing exploration and mining on land in Western Australia. Licenses and leases for, among other things, prospecting, exploration and mining must be obtained pursuant to the requirements of the Mining Act before the relevant activity can begin. Application fees and rental payments are payable in respect of each mining tenement.

Prospecting licenses, exploration licenses and mining leases are subject to prescribed minimum annual expenditure commitments. Royalties are payable to the state based on the amount of ore produced or obtained from a mining tenement. A monthly production report must be filed and royalties are calculated accordingly.

Ministerial consent is required with respect to assignment or sale of a mining lease and certain other leases and tenements. Gold Fields has obtained ministerial consent for the transfer of all material mining leases and other tenements acquired from WMC.

Land Claims

In 1992, the High Court of Australia recognized a form of native title which protects the rights of indigenous people in relation to land in certain circumstances. As a result of this decision, the Native Title Act 1993 (Cth), or Native Title Act, was enacted to recognize and protect existing native title by providing a mechanism for the determination of native title claims and a statutory right for Aboriginal groups or persons to negotiate, object, and/or be consulted when, among other things, there is an expansion of, or change to, the rights and interests in the land which affects native title and constitutes a future act under the Native Title Act. The existence of these claims does not necessarily prevent continued mining under existing tenements. Certain of Gold Fields tenements are currently subject to native title claims.

Mining leases do not necessarily extinguish all native title, but do extinguish the native title rights with which they conflict. The right of native title holders to control access to land is extinguished by a mining lease in Western Australia. However, mining leases may not extinguish other native title rights. Therefore, some native title rights may co-exist with the rights granted under a mining lease. Compensation could be payable for rights lost by native title holders on the grant of a mining lease. In addition, negotiations with native title applicants are generally necessary before a new mining lease will be granted by the state and these can be time consuming and costly.

It is possible that land comprised in seven of Gold Fields existing tenements could be at risk due to native title claims, because those particular tenements may have been granted by the State of Western Australia in a manner contrary to the Native Title Act. Although the validity of those seven tenements is in question, Gold Fields management does not believe those tenements are material to its Australian operation.

The Aboriginal heritage laws protect sites of significance to Aboriginal people which have ongoing ethnographic, archaeological or historic significance. Gold Fields is aware of several Aboriginal heritage sites on its tenements. However, it does not believe that the protected status of these sites will materially affect its current operations in Australia. See Key Information Risk Factors Gold Fields tenements in Australia are subject to native title claims and Aboriginal heritage sites which could impose significant costs and burdens.

Property

Gold Fields operations as of June 30, 2004 comprised the following:

Gold Fields operative mining areas as of June 30, 2004

Operation	**Size**
Driefontein	8,591 hectares
Kloof	20,086 hectares
Beatrix	16,821 hectares
Ghana	
Tarkwa	20,700 hectares
Damang	5,239 hectares
Australia	
St. Ives	91,078 hectares
Agnew	58,868 hectares

Gold Fields leases its corporate headquarters in Johannesburg.

The New Minerals Act came into operation on May 1, 2004. The New Minerals Act vests the right to prospect and mine in the state (which includes the rights to grant prospecting and mining rights on behalf of the nation) to be administered by the government of South Africa. Under the former regulatory regime, mineral rights (which encompass the right to prospect and mine) in South Africa were held either privately or by the government of South Africa. Ownership of private mineral rights was held through title deeds and constituted real rights in land, which were enforceable against any third party. Prospecting and mining are now regulated by the provisions of the New Minerals Act including the transitional provisions included therein.

The transitional provisions of the New Minerals Act phase out existing rights to prospect and mine granted under the old legislation. Gold Fields owned substantially all of the mineral rights under the previous regime for which it has mining authorizations under that regime. Gold Fields will seek to convert those rights into mining rights under the New Minerals Act. Gold Fields is in the process of preparing its application for conversion of its rights into mining rights under the New Minerals Act. Gold Fields also owns most of the surface rights with respect to its South African mining properties. Where Gold Fields conducts surface operations on land the surface rights of which it does not own, it does so in accordance with applicable mining and property laws. In addition, Gold Fields owns various mineral, under the previous regime, and surface rights contiguous to its operations in South Africa. As required under the New Minerals Act, Gold Field intends to register its surface rights utilized for mining purposes before April 30, 2005. Gold Fields has received mining rights on properties which it has identified as being able to contribute, now or in the future, to its business and will similarly seek to convert those mining rights to mining rights under the New Minerals Act. See Regulatory and Environmental Matters South Africa Mineral Rights.

Gold Fields Ghana obtained the mining rights for the Tarkwa property from the government of Ghana in 1993. In August 2000, with the consent of the government of Ghana, Gold Fields Ghana was assigned the mining rights for the northern portion of the Teberebie property. The Tarkwa rights expire in 2027, while the Teberebie rights expire in 2018. Abosso holds the right to mine at the Damang property under a mining lease from the government of Ghana which expires in 2025. Gold Fields may exploit all surface and underground gold at all three sites until the rights expire, provided that Gold Fields pays the government of Ghana a royalty which is calculated on the basis of a formula which ranges from 3% to 12% of revenues derived from mining at the sites. For fiscal 2004, this formula resulted in Gold Fields paying royalties equivalent to approximately 3% of the revenues from gold produced at the Tarkwa and Teberebie properties, and Abosso paying approximately 3% of the revenues from gold produced at the Damang property.

In Australia, mining rights and property are leased from the state. Australian mining leases have an initial term of 21 years with one automatic 21-year renewal period and thereafter an indefinite number of 21-year renewals with government approval. Gold Fields pays a royalty to the state of 2.5% of revenues from gold produced at St. Ives and Agnew.

Gold Fields also holds exploration tenements covering a total of approximately 26.2 million hectares (excluding mining leases and the Cerro Corona exploration leases) in various countries, including China, Indonesia, Finland, South Africa, Ghana and Australia. Gold Fields ownership interests in these sites vary with its participation interests in the relevant exploration projects. See Exploration.

Gold Fields holds title to numerous non-mining properties in South Africa, including buildings, shops, farmland and hospitals. In addition, Gold Fields controls, directly and indirectly, approximately 66,000 hectares of land in the West Wits region, including, among other things, a nature reserve, wetlands and a golf course.

Research and Development

Gold Fields undertakes various research and development projects relating to gold production technology and potential uses of gold. In particular, Gold Fields has developed a patented technology called Biox® through its wholly-owned Swiss subsidiary Biomin Technologies S.A. Biox® involves a process by which bacteria releases gold from sulfide bearing gold ore to permit more economical recovery of the gold. During fiscal 2004, Gold Fields reevaluated the potential future income arising from existing and possible new contracts for Biox®, and as a result reduced the carrying value of the patent. See Operating and Financial review and Prospects Years ended June 20, 2004 and 2003 Impairment of assets.

Gold Fields is also participating, along with AngloGold Limited and Mintek, as well as other partners, in Project AuTek. Project AuTek involves research into and development of new industrial applications for gold and gold alloys. Gold Fields is also involved in a project called Future Mine with a consortium of other mining companies. The project is focused on researching and developing advanced technologies with applications for underground mining.

Legal Proceedings

On May 6, 2003 a lawsuit was filed by Zalumzi Singleton Mtwesi against Gold Fields Limited in the State of New York. Mr Mtwesi alleges, among other things, that during the apartheid era, he was subjected to human rights violations while employed at Kloof Gold Mining Company Limited, which at the time was a subsidiary of a predecessor of Gold Fields. Mr Mtwesi filed the lawsuit on behalf of himself and as representative of all other victims and all other persons similarly situated. In summary, Mr Mtwesi and the plaintiffs class demand an order certifying the plaintiffs class and compensatory damages from Gold Fields Limited in the amount of $7 billion. A complaint has not been served on Gold Fields. If and when service of the complaint takes place it will be vigorously contested.

On July 9, 2004, a lawsuit was filed in a federal district court in New York by six individuals against Gold Fields and a number of other defendants including IBM Corporation, Anglo American PLC, UBS AG, Union Bank of Switzerland, Fluor Corporation, Strategic Minerals Corporation, the Republic of South Africa and President Thabo Mbeki. The lawsuit alleges, among other things, that one of the plaintiffs was a victim of apartheid by virtue of acts committed at facilities in Randfontein, South Africa, that were allegedly owned by one or more predecessors of Gold Fields and that Gold Fields is liable for various wrongful acts and property expropriation, as well as violations of international law, allegedly committed during the apartheid era in South Africa. The plaintiffs are jointly and severally seeking, on each of two counts, unspecified compensatory damages and punitive damages in the amount of $10 billion with interests and costs, against the various defendants. A complaint has not been served on Gold Fields.

See Risk Factors Gold Field is a named defendant in two lawsuits filed in the United States alleging human rights violations during the apartheid era which could impose significant costs and burdens.

Glossary of Mining Terms

The following explanations are not intended as technical definitions, but rather are intended to assist the reader in understanding some of the terms used in this annual report.

Absorption, desorption and recovery (AD&R): a treatment process involving the extraction of gold in solution using activated carbon, followed by removal of the gold from the carbon.

Agglomeration: a method of concentrating gold based on its adhesive characteristics.

Backfill: material, generally sourced from tailings or waste rock, used to refill mined-out areas to increase the long term stability of mines and mitigate the effects of seismicity.

Call option: a contract which provides the owner with the right, but not the obligation, to purchase an asset at a specified price on or before a specified date.

Carbon absorption: a treatment process which uses activated carbon to remove gold in solution.

Carbon in leach (CIL): a process similar to CIP (described below) except that the ore slurries are not leached with cyanide prior to carbon loading. Instead, the leaching and carbon loading occur simultaneously.

Carbon in pulp (CIP): a common process used to extract gold from cyanide leach slurries. The process consists of carbon granules suspended in the slurry and flowing counter-current to the process slurry in multiple-staged agitated tanks. The process slurry, which has been leached with cyanide prior to the CIP process, contains soluble gold. The soluble gold is absorbed onto the carbon granules which are subsequently separated from the slurry by screening. The gold is then recovered from the carbon by electrowinning onto steel wool cathodes or by a similar process.

Cleaning: the process of removing broken rock from a mine.

Closely spaced dip pillar mining method: a mining method where support pillars are left in place at relatively close intervals to increase the stability of the mine. Mining is conducted using conventional drilling and blasting techniques.

Comminution: the breaking, crushing or grinding of ore by mechanical means.

Crosscut: a mine working driven horizontally and at right angles to a level.

Cut-off grade: the grade which distinguishes the material within the orebody that is to be extracted and treated from the remainder. See also Paylimit.

Decline or Incline: a sloping underground opening for machine access from the surface to an underground mine or from level to level in a mine. Declines and inclines are often driven in a spiral to access different elevations in the mine.

Depletion: the decrease in quantity of ore in a deposit or property resulting from extraction or production.

Development: activities (including shaft sinking and on-reef and off-reef tunneling) required to prepare for mining activities and maintain a planned production level and those costs incurred to enable the conversion of mineralization to reserves.

Development end: the end of an underground excavation or tunnel.

Dilution: the mixing of waste rock with ore, resulting in a decrease in the overall grade.

Dissolution: the process whereby a metal is dissolved and becomes amenable to separation from the gangue material.

Electrowinning: the process of removing gold from solution by the action of electric currents.

Elution: removal of the gold from the activated carbon.

Exploration: activities associated with ascertaining the existence, location, extent or quality of mineralization, including economic and technical evaluations of mineralization.

Flotation: the process whereby certain chemicals are added to the material fed to the leach circuit in order to float the desired minerals to produce a concentrate of the mineral to be processed. This process can be carried out in column floatation cells.

Footwall: the area below a geological feature.

Forward sale contract: the sale of a specified quantity of an asset at a future specified date at a fixed price.

Gangue: commercially valueless material remaining after ore extraction from rock.

Gold in process: gold in the processing circuit that is expected to be recovered during or after operations.

Gold reserves: the gold contained within proven and probable reserves on the basis of recoverable material (reported as mill delivered tonnes and head grade).

Grade: the quantity of metal per unit mass of ore expressed as a percentage or, for gold, as grams of gold per tonne of ore.

Greenfield: a potential mining site of unknown quality.

Grinding: reducing rock to the consistency of fine sand by crushing and abrading in a rotating steel grinding mill.

Head grade: the grade of the ore as delivered to the metallurgical plant.

Heap leaching: a relatively low cost technique for extracting metals from ore by percolating leaching solutions through heaps of ore placed on impervious pads. Generally used on low-grade ores.

In situ: within unbroken rock or still in the ground.

Jig: a rock drill mounted on a bar which can be moved up and down quickly. Used in the stope for drilling holes parallel to each other.

Jumbo cut and mullock fill mining method: a mining method using a Jumbo multi-head drilling rig and waste rock, or mullock, as opposed to tailings, as backfill.

Leaching: dissolution of gold from the crushed and milled material, including reclaimed slime, for absorption and concentration on to the activated carbon.

Level: the workings or tunnels of an underground mine which are on the same horizontal plane.

Life of mine, or LoM: the expected remaining years of production, based on production rates and ore reserves.

London afternoon fixing price: the afternoon session open fixing of the gold price which takes place daily in London and is set by a board comprising five financial institutions.

London morning fixing price: the morning session open fixing of the gold price which takes place daily in London and is set by a board comprising five financial institutions.

Longwall mining method: a mining method involving mining over large continuous spans without the use of pillars.

Mark-to-market: the current fair value of a derivative based on current market prices, or to calculate the current fair value of a derivative based on current market prices, as the case may be.

Measures: conversion factors from metric units to U.S. units are provided below.

Metric unit		U.S. equivalent
1 tonne	= 1 t	= 1.10231 short tons
1 gram	= 1 g	= 0.03215 ounces
1 gram per tonne	= 1 g/t	= 0.02917 ounces per short ton
1 kilogram per tonne	= 1 kg/t	= 29.16642 ounces per short ton
1 kilometer	= 1 km	= 0.62137 miles
1 meter	= 1 m	= 3.28084 feet
1 centimeter	= 1 cm	= 0.39370 inches
1 millimeter	= 1 mm	= 0.03937 inches
1 hectare	= 1 ha	= 2.47104 acres

Metallurgical plant: a processing plant used to treat ore and extract the contained gold.

Metallurgical recovery factor: the proportion of metal in the one delivered to the mill, that is recovered by the metallurgical process or processes.

Metallurgy: in the context of this document, the science of extracting metals from ores and preparing them for sale.

Mill delivered tonnes: a quantity, expressed in tonnes, of ore delivered to the metallurgical plant.

Milling/mill: the comminution of the ore, although the term has come to cover the broad range of machinery inside the treatment plant where the gold is separated from the ore.

Mine call factor: the ratio, expressed as a percentage, of the specific product recovered at the mill (plus residue) to the specific product contained in an orebody calculated based on an operation s measuring and valuation methods.

Mineralization: the presence of a target mineral in a mass of host rock.

Net smelter return: the volume of refined gold sold during the relevant period multiplied by the average spot gold price and the average exchange rate for the period, less refining, transport and insurance costs.

Open pit/open cut: mining in which the ore is extracted from a pit. The geometry of the pit may vary with the characteristics of the orebody.

Ore: a mixture of material containing minerals from which at least one of the minerals can be mined and processed at an economic profit.

Orebody: a well defined mass of material of sufficient mineral content to make extraction economically viable.

Ore grade: the average amount of gold contained in a tonne of gold bearing ore expressed in grams per tonne.

Ore reserves or reserves: that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.

Ounce: one Troy ounce, which equals 31.1035 grams.

Overburden: the soil and rock that must be removed in order to expose an ore deposit.

Paylimit: the value at which the orebody can be mined without profit or loss, calculated using an appropriate gold price, production costs and recovery factors. See also Cut-off grade.

Payshoot: a linear to sub-linear zone within a reef for which gold grades or accumulations are predominantly above the cut-off grade.

Paytrend: an ore zone which occurs in a specific direction and which has a concentration of minerals that is above the average concentration of minerals in the orebody.

Probable reserves: reserves for which quantity and grade and/or quality are computed from information similar to that used for proven reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.

Production stockpile: the selective accumulation of low grade material which is actively managed as part of the current mining operations.

Prospect: to investigate a site with insufficient data available on mineralization to determine if minerals are economically recoverable.

Prospecting permit or right: permission to explore an area for minerals.

Proven reserves: reserves for which: (1) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling; and (2) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.

Pumpcell: a carbon absorption process whereby gold in solution is absorbed onto activated carbon.

Reef: a gold-bearing sedimentary horizon, normally a conglomerate band, that may contain economic levels of gold.

Refining: the final stage of metal production in which final impurities are removed from the molten metal by introducing air and fluxes. The impurities are removed as gases or slag.

Rehabilitation: the process of restoring mined land to a condition approximating its original state.

Remnant pillar mining: the removal of blocks of ground previously left behind for various reasons during the normal course of mining.

Rock burst: an event caused by seismicity which results in damage to underground workings and/or loss of life and equipment.

Rock dump: the historical accumulation of low grade material derived in the course of mining which is processed in order to take advantage of spare processing capacity.

Run of Mine (RoM): a loose term to describe ore of average grade.

Sampling: taking small pieces of rock at intervals along exposed mineralization for assay (to determine the mineral content).

Scattered mining method: conventional mining which is applied in a non-systematic configuration.

Seismicity: a sudden movement within a given volume of rock that radiates detectable seismic waves. The amplitude and frequency of seismic waves radiated from such a source depend, in general, on the strength and state of stress of the rock, the size of the source of seismic radiation, and the magnitude and the rate at which the rock moves during the fracturing process. Rock bursts, as defined above, involve seismicity.

SAG ball crushing (SABC) mill: a comminution process in which a SAG mill is used in conjunction with a ball mill and a crushing circuit.

Semi-autogenous grinding (SAG) mill: a piece of machinery used to crush and grind ore which uses a mixture of steel balls and the ore itself to achieve comminution. The mill is shaped like a cylinder causing the grinding media and the ore itself to impact upon the ore.

Shaft: a shaft provides principal access to the underground workings for transporting personnel, equipment, supplies, ore and waste. A shaft is also used for ventilation and as an auxiliary exit. It may be equipped with a surface hoist system that lowers and raises conveyances for men, materials and ore in the shaft. A shaft generally has more than one conveyancing compartment.

Slimes: the finer fraction of tailings discharged from a processing plant after the valuable minerals have been recovered.

Slurry: a fluid comprising fine solids suspended in a solution (generally water containing additives).

Smelting: thermal processing whereby molten metal is liberated from beneficiated ore or concentrate with impurities separating as lighter slag.

Spot price: the current price of a metal for immediate delivery.

Stockpile: a store of unprocessed ore.

Stope: the underground excavation within the orebody where the main gold production takes place.

Stripping: the process of removing overburden to mine ore.

Stripping ratio: the number of units of overburden which must be removed in order to mine one unit of ore.

Sulfide: a mineral characterized by the linkages of sulfur with a metal or semi-metal, such as pyrite (iron sulfide). Also a zone in which sulfide minerals occur.

Sweeping: the clean-up of residual ore in a mine left behind during the normal cleaning operations.

Tailings: finely ground rock from which valuable minerals have been extracted by milling.

Tailings dam/slimes dam: dams or dumps created from tailings or slimes.

Tonnage: quantities where the ton or tonne is an appropriate unit of measure. Typically used to measure reserves of gold-bearing material in situ or quantities of ore and waste material mined, transported or milled.

Tonne: one tonne is equal to 1,000 kilograms (also known as a metric ton).

Total cash costs per ounce: a measure of the average cost of producing an ounce of gold, calculated by dividing the total cash costs in a period by the total gold production over the same period. Total cash costs represent production costs as recorded in the statement of operations less offsite (i.e., central) general and administrative expenses (including head office costs charged to the mines, central training expenses, industry association fees, refinery charges and social development costs), rehabilitation costs, plus royalties and employee termination costs. In determining the total cash cost of different elements of the operations, production overheads are allocated pro rata.

Total production costs per ounce: a measure of the average cost of producing an ounce of gold, calculated by dividing the total production costs in a period by the total gold production over the same period. Total production costs represent total cash costs, plus amortization, depreciation and rehabilitation costs.

Uphole bench and fill mining method: a mining method where a section of ore is drilled from the level below the section to the level above the section, blasted and removed. The void is then filled with waste rock or tailings to form a working platform for removing the next section of ore.

Uphole open stoping mining method: a mining method where a section of ore is drilled from the level below the section to the level above the section. Then, vertical slices of the section are blasted and removed in succession. The void is not filled at the production stage, but may be filled with waste rock or tailings once production has ceased.

Waste: rock mined with an insufficient gold content to justify processing.

Yield: the actual grade of ore realized after the mining and treatment process.

Zinc precipitation: a chemical reaction using zinc dust that converts gold solution to a solid form for smelting into unrefined gold bars.

Table of Contents

Item 5: OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis together with Gold Fields consolidated financial statements including the notes, appearing elsewhere in this annual report. Certain information contained in the discussion and analysis set forth below and elsewhere in this annual report includes forward-looking statements that involve risks and uncertainties. See Additional Information Forward-Looking Statements and Key Information Risk Factors for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in this annual report.

Overview

General

Gold Fields is a significant producer of gold and major holder of gold reserves in South Africa, Ghana and Australia. Gold Fields is primarily involved in underground and surface gold mining and related activities, including exploration, extraction, processing and smelting. Gold Fields is currently the second largest gold producer in South Africa, on the basis of annual production, and one of the largest gold producers in the world. Gold Fields is also currently engaged in exploration activities for platinum group metals primarily in Finland. In the year ended June 30, 2004, Gold Fields produced 4.4 million ounces of gold, 4.2 million ounces of which were attributable to Gold Fields, and the remainder of which were attributable to minority shareholders in Gold Fields Ghana Limited, or Gold Fields Ghana, and Abosso Gold Fields Limited, or Abosso. Gold Fields had attributable reserves of 75.4 million ounces of gold as of June 30, 2004.

The Gold Fields group holdings evolved through a series of transactions, principally in 1998 and 1999. With effect from January 1, 1998, a company formed on November 21, 1997 and referred to in this discussion as Original Gold Fields acquired substantially all of the gold mining assets and interests previously held by Gold Fields of South Africa Limited, or GFSA, Gencor Limited, New Wits Limited and certain other shareholders in the companies owning the assets and interests. These assets and interests included all of the Beatrix, Oryx and Kloof mines, a 70.0% interest in the Tarkwa mine (which was increased to 71.1% through dilution of some of the other shareholders in 1999), a 54.2% interest in the St. Helena mine and a 37.3% interest in the Driefontein mine. The transaction involved a purchase of the assets and interests held by the three selling companies, as well as offers to the minority shareholders of the three companies holding the Beatrix, Oryx and Kloof mines to acquire their shares in exchange for Original Gold Fields shares. Original Gold Fields accounted for the transaction as a purchase. Because Original Gold Fields was formed as a subsidiary of GFSA, the assets acquired from GFSA were accounted for at the value they had been carried at on GFSA s books. The assets acquired from Gencor Limited, New Wits Limited and the minority shareholders were accounted for at fair value.

With legal effect from January 1, 1999, Original Gold Fields was acquired by the company that is today Gold Fields. For accounting purposes, Original Gold Fields was fully consolidated with effect from June 1, 1999. Although for legal purposes Gold Fields acquired Original Gold Fields, for accounting purposes, Original Gold Fields was considered the acquiror because the Original Gold Fields shareholders obtained the majority interest in the enlarged company. As part of this transaction, the remaining interest in the Driefontein mine came into the Gold Fields group.

With effect from July 1, 1999, Gold Fields acquired the remaining interest in the St. Helena mine and reorganized the group to simplify its holding structure. For further details of the evolution of the Gold Fields group structure, see Information on the Company History.

Total gold production was 4.307 million ounces in fiscal 2002 including gold production from Kloof Shaft No. 4, which was capitalized until the end of fiscal 2002 while the shaft was at the development stage, (4.109 million ounces of which were attributable to Gold Fields with the remainder attributable to minority shareholders in Gold Fields Ghana and Abosso. Total gold production increased to 4.577 million ounces in fiscal 2003 (4.334 million ounces of which were attributable to Gold Fields with the remainder attributable to minority shareholders in Gold Fields Ghana and Abosso). This was mainly due to the St. Ives and Agnew mines in Australia and the Damang mine in Ghana being accounted for the full twelve months in fiscal 2003 compared to seven months and five months, respectively, in fiscal 2002. This was slightly offset by St Helena only being accounted for four months in fiscal 2003, compared to the full twelve months in fiscal 2002, due to the sale of St Helena effective October 30, 2002. Total gold production decreased to 4.406 million ounces in fiscal 2004 (4.158 million ounces which were attributable to Gold Fields with the remainder attributable to minority shareholders in Gold Fields Ghana and Abosso). This decrease was due to the closure of two loss making shafts, Kloof Shaft No. 9 and Driefontein Shaft No. 10 and the planned reduction of marginal mining at the South African operations. This strategy was due to the sharp reduction in the rand gold price in the latter half of the year.

Australian Acquisition

On November 5, 2001, Gold Fields and two newly-established Australian subsidiaries of Gold Fields entered into an agreement with WMC to acquire the St. Ives and Agnew gold mining operations from WMC. The transaction was completed on November 30, 2001. The consideration for the transaction was $233.1 million, comprising $180.0 million in cash and 12,000,000 Gold Fields ordinary shares valued at $53.1 million. Of the cash amount, a total of $169.6 million was paid on November 30, 2001. The remainder was comprising principally of amounts in respect of transfer taxes and was paid in full by June 2002. Pursuant to the agreement with WMC, Gold Fields was obligated to issue to WMC ordinary shares with a value of $52.0 million based on the trading price of Gold Fields ADSs, subject to a minimum of 12,000,000 ordinary shares being issued. The higher value of $53.1 million assigned to the ordinary shares by Gold Fields is due to the method of determining that value under U.S. GAAP. On November 30, 2001, Gold Fields issued 12,000,000 ordinary shares to WMC. The market value of those ordinary shares, based on the closing price of Gold Fields ADSs of $4.60 on November 29, 2001, was $55.2 million. Gold Fields has also agreed to make certain future royalty payments if the future gold price and St. Ives and Agnew s cumulative future gold production exceed specified amounts. On June 26, 2002 WMC agreed to give up its right to receive royalties from the Agnew operation in exchange for a payment of A$3.6 million ($2.0 million at an exchange rate of A$1.80 to $1.00), which was paid on July 11, 2002. On November 30, 2001, Gold Fields drew down the full amount of a $160.0 million term loan facility and $5.0 million of a $90.0 million revolving credit facility to finance, in part, the acquisition. Gold Fields made the first repayment of $16.0 million on the term loan facility in May 2002. During fiscal 2003, Gold Fields repaid $114.5 million on the term loan facility and the full $5 million on the revolving credit facility. During fiscal 2004 the balance of the loan was repaid. See Liquidity and Capital Resources Credit facilities. Gold Fields assumed operational control of St. Ives and Agnew upon the completion of the acquisition on November 30, 2001.

Damang Acquisition

On January 23, 2002, Gold Fields and Repadre Capital Corporation, or Repadre (now IAMGold Corporation, or IAMGold), completed the acquisition from Ranger Minerals Limited, or Ranger, of Ranger s 90% beneficial interest in Abosso and shareholder loans from Ranger to Abosso totaling A$75.7 million ($39.4 million at an exchange rate of A$1.92 per $1.00, which was the noon buying rate on the date of the transaction). Abosso is a Ghanaian company which owns the Damang mine in Ghana. The consideration for the purchase was A$63.3 million ($32.9 million at an exchange rate of A$1.92 per $1.00) contributed by Gold Fields and 4,000,000 Repadre shares contributed by Repadre. On January 23, 2002, Gold Fields drew down the full amount of $50.0 million available under two credit facilities to provide funds for the acquisition,

refinance a letter of credit which acts as an environmental performance bond for the Damang mine, refinance Abosso s existing indebtedness and provide funds for general corporate purposes. By June 2002, Gold Fields repaid in full the $15.0 million amount of one of these facilities and during fiscal 2003 Gold Fields repaid $20.9 million on the other facility. During fiscal 2004 the balance of the loan was repaid. See Liquidity and Capital Resources Credit facilities. Gold Fields assumed operational control of Damang upon the completion of the acquisition of Abosso on January 23, 2002.

St. Helena Disposal

On October 30, 2002, Gold Fields disposed of the St. Helena gold mining operation to the ARMgold/Harmony Freegold Joint Venture Company (Proprietary) Limited, or Freegold, for a gross consideration of Rand 120.0 million and a monthly 1% royalty payment to Gold Fields on the net revenues from gold sales from the St. Helena mine for a period of four years after October 30, 2002.

Driefontein Mining Area Disposal

On September 18, 2003, Gold Fields and AngloGold Limited, or AngloGold, announced that an agreement has been reached on the sale of a portion of the Driefontein mining area to AngloGold for cash consideration of Rand 315 million. The transaction related to the mining area Block 1C11, which covers an area of 280,000 square meters and is located on the western boundary of the Driefontein mine. The mining area can be accessed from the adjacent TauTona mining operation of AngloGold. The sale, which was conditional upon approval by the South African Competition Commission, was finalized in January 2004.

Mvelaphanda Transaction

On March 8, 2004, the shareholders of Gold Fields approved a series of transactions, referred to in this discussion as the Mvela Transaction, involving the acquisition by Mvelaphanda Resources Limited, or Mvela Resources, of a 15% beneficial interest in the South African gold mining assets of Gold Fields for cash consideration of Rand 4,139 million.

The Mvela Transaction was preceded by an internal restructuring of Gold Fields, whereby each of the Driefontein, Kloof and Beatrix mining operations, as well as certain ancillary assets and operations, were transferred to a new, wholly-owned subsidiary of Gold Fields, GFI Mining South Africa (Proprietary) Limited, or GFIMSA.

On November 26, 2003, Gold Fields, Mvela Resources, Mvelaphanda Gold (Proprietary) Limited, or Mvela Gold, a wholly owned subsidiary of Mvela Resources, and GFIMSA entered into a covenants agreement, or the Covenants Agreement, regulating their rights and obligations with respect to GFIMSA. This agreement became effective following the advance by Mvela Gold of the loan to GFIMSA described below, which is referred to in this discussion as the Mvela Loan, and, among other things, provides for Mvela Gold to nominate two members of GFIMSA s board of directors and two members of each of GFIMSA s Operations Committee and Transformation Committee, the latter of which has been established to monitor compliance with the mining charter promulgated under the Mineral and Petroleum Resources Development Act 2002. See Information on the Company Regulatory and Environmental Matters Mineral Rights. Under the Covenants Agreement, GFIMSA cannot dispose of any material assets, enter into, cancel or alter any material transaction between GFIMSA and any related party or make any material amendment to its constitutive documents without the prior written consent of Mvela Gold. In addition, if Gold Fields or GFIMSA wants to increase the interest of black empowerment entities in GFIMSA or in any business or assets of GFIMSA, other than pursuant to an employee share incentive scheme, Gold Fields must offer to Mvela Gold the opportunity to increase its interest in GFIMSA. By its terms, the Covenants Agreement remains in force for so long as Gold Fields remains a shareholder in GFIMSA and Mvela Gold holds the right to subscribe for 15% of the shares in, or is a shareholder of, GFIMSA,

provided that it terminates if the shares of GFIMSA are listed on the JSE Securities Exchange South Africa.

On December 11, 2003, Gold Fields, GFIMSA, and Mvela Gold entered into a subscription and share exchange agreement, or the Subscription and Share Exchange Agreement, pursuant to which, upon repayment of the Mvela Loan, Mvela Gold must subscribe for shares equal to 15% of GFIMSA s outstanding share capital, including the newly issued shares, for consideration of Rand 4,139 million. In addition, for a period of one year after the subscription by Mvela Gold of the GFIMSA shares, each of Gold Fields and Mvela Gold will be entitled to require the exchange of Mvela Gold s GFIMSA shares for ordinary shares of Gold Fields of an equivalent value based on an exchange ratio equal to 15% of a discounted cash flow calculation as applied to GFIMSA s operations divided by the same calculation as applied to Gold Fields operations, with certain adjustments. In the event that the parties do not agree on the number of Gold Fields ordinary shares to be issued to Mvela Gold in such exchange, then the exchange ratio will be determined by an independent merchant bank or investment bank appointed by the parties. Mvela Gold has ceded its rights under the Subscription and Share Exchange Agreement to secure its obligations under certain mezzanine financing it incurred to fund, in part, the Mvela Loan. Mvela Gold is entitled to dispose of the GFIMSA shares and any Gold Fields ordinary shares it may hold only in accordance with the terms of a pre-emptive rights agreement entered into by the parties whereby if Mvela Gold receives an offer for, or otherwise wishes to sell, any GFIMSA or Gold Fields shares, it must first offer to sell them to Gold Fields. The Subscription and Share Exchange Agreement became unconditional following the advance of the Mvela Loan to GFIMSA on March 17, 2004.

On December 11, 2003, Gold Fields, GFIMSA, Mvela Gold, First Rand Bank Limited, Gold Fields Australia Pty Limited, or Gold Fields Australia, and Gold Fields Guernsey Limited, or Gold Fields Guernsey, entered into a loan agreement, or the Mvela Loan Agreement, pursuant to which Mvela Gold advanced a loan of Rand 4,139 million, or the Mvela Loan, to GFIMSA on March 17, 2004. GFIMSA applied the loan toward funding its acquisition of Gold Fields South African mining operations and certain ancillary assets and operations as part of the internal restructuring of Gold Fields. The Mvela Loan has a term of five years, bears interest at a rate of 10.57% per annum and is guaranteed by Gold Fields, Gold Fields Australia and Gold Fields Guernsey. GFIMSA may elect to repay the Mvela Loan, together with the present value of the then outstanding interest payment obligations and the tax payable by Mvela Gold as a result of such repayment, at any time starting 12 months after the Mvela Loan was advanced. While the Mvela Loan is outstanding, Gold Fields and any of its material subsidiaries, which is defined as any subsidiary whose gross turnover in the most recently ended financial year represents more than 5% of the consolidated gross turnover of Gold Fields and its subsidiaries, may not, subject to certain exceptions, (i) sell, lease, transfer or otherwise dispose of any assets, (ii) enter into any merger or similar transaction, or (iii) encumber its assets. The Mvela Loan will become immediately due and payable upon the occurrence of any event of default, which includes, among other things:

failure to make payments of interest or principal;

breach of the covenants in the agreement or of any material provision of the documents relating to the Mvelaphanda Transaction;

any representation or statement of GFIMSA or any guarantor in the documents relating to the Mvela Loan being incorrect or misleading in a material and adverse way;

default under other indebtedness of Gold Fields or any of its material subsidiaries in excess of Rand 75 million;

insolvency of Gold Fields or any of its material subsidiaries;

failure of Gold Fields or any of its material subsidiaries to pay any judgment in excess of Rand 75 million within five days of it becoming due;

government expropriation of Gold Fields or any of its material subsidiaries or their respective material assets;

a change in the business, condition or prospects of any guarantor or Gold Fields and its subsidiaries taken as a whole that is reasonably likely to have a material adverse effect on the ability of GFIMSA or of any guarantor to perform its obligations or on the validity or enforceability of any document relating to the Mvela Loan;

any litigation, arbitration, administrative proceedings or governmental or regulatory investigations or proceedings against Gold Fields or any of its material subsidiaries that is reasonably likely to be adversely determined and if so determined, could reasonably be expected to have a material adverse effect on the ability of GFIMSA or any guarantor to perform its obligations or on the validity or enforceability of any document relating to the Mvela Loan;

any change in control of Gold Fields that occurs without the written consent of the agent of the providers of the commercial bank debt that funded, in part, the Mvela Loan, or the Senior Agent, where the change in control could reasonably be expected to have a material adverse effect on the ability of any guarantor to perform its obligations or on the validity or enforceability of any document relating to the Mvela Loan; and

GFIMSA ceasing to be a wholly owned subsidiary of Gold Fields.

The Mvela Loan was funded by way of commercial bank debt of approximately Rand 1,300 million and mezzanine finance of approximately Rand 1,100 million, with the balance of approximately Rand 1,700 million being raised by way of an international private placement of shares of Mvela Resources. In connection with the mezzanine finance, Gold Fields subscribed for preference shares in an amount of Rand 200 million in Micawber 325 (Proprietary) Limited, or Micawber, a special purpose entity established by the mezzanine lenders. Further, Gold Fields subscribed for Rand 100 million of the shares issued by Mvela Resources in the private placement. In addition, pursuant to an agreement entered into on February 13, 2004, or the PIC Agreement, Gold Fields has effectively guaranteed a loan of Rand 150 million made by the PIC to Micawber, or the PIC Loan. Interest on the PIC Loan accrues at the rate of 14.25%, is compounded semi-annually and is payable in one lump sum at the end of the term of the loan. Under the terms of the PIC Agreement, the PIC has the right to require Gold Fields to assume all its rights and obligations under the PIC Loan, together with its underlying security, which consists of the PIC s proportionate share of Mvela Gold s rights under the Subscription and Share Exchange Agreement and a guarantee of Rand 200 million from Mvela Resources, at a price equal to the value of the principal and interest of the PIC Loan, net of a guarantee fee equal to 3.75% per annum of the value of the principal and interest of the loan, if, at the time the PIC Loan is due for repayment, Micawber does not repay the loan in full. Whether or not the PIC requires Gold Fields to assume its rights and obligations under the PIC Loan, the PIC is obligated to pay the guarantee fee to Gold Fields on the date on which the PIC Loan is repaid to the PIC. See Operating and Financial Review and Prospects Liquidity and Capital Resources-Cash Resources-Investing and Credit Facilities-Mvela Loan.

On February 13, 2004, the Mvela Loan Agreement was amended, principally in order to add and clarify certain definitions.

On November 17, 2004, GFL Mining Services Limited, or GFLMSL, Gold Fields, Mvela Gold, Mvela Resources and GFIMSA entered into an agreement, referred to in this discussion as the Amendment Agreement, amending the existing agreements relating to the Mvelaphanda Transaction, including the Subscription and Share Exchange Agreement and the Covenants Agreement. The Amendment Agreement provides for, among other things, changes in connection with the proposed IAMGold transaction, including that GFIMSA is precluded from providing any type of financial support to other Gold Fields subsidiaries. These changes are conditional on the proposed IAMGold transaction being implemented. In addition, and irrespective of whether or not the proposed IAMGold transaction is implemented, (i) GFIMSA agrees not to repay any debt owing, as at the date on which the Mvela Loan was advanced, to Gold Fields or any subsidiary of Gold Fields that is not a subsidiary of GFIMSA prior to the time Mvela Gold may exchange its shares in GFIMSA for Gold Fields ordinary shares, pursuant to the Subscription and Share Exchange Agreement, (ii) GFIMSA must utilize 50% of its free cash flow to pay certain intra-group indebtedness and (iii) Mvela Gold will be entitled to not less than 45,000,000 or more than 55,000,000 Gold Fields ordinary shares in the event that

GFIMSA shares are exchanged for Gold Fields shares pursuant to the Subscription and Share Exchange Agreement. These minimum and maximum numbers of ordinary shares are subject to adjustment to take account of changes to Gold Fields capital structure and certain corporate activities of Gold Fields. The amendments are stated to be subject to approval by Senior Agent and by the lenders who provided the commercial bank debt and mezzanine finance to Mvela Gold to fund, in part, the Mvela Loan. In addition, each of Mvela Resources and Gold Fields is entitled to require that the Amendment Agreement, with the exception of those amendments relating purely to the proposed IAMGold transaction, be approved by the Gold Fields shareholders at a meeting to be held not later than June 30, 2005.

Also on November 17, 2004, Gold Fields, Mvela Gold, Gold Fields Australia, Gold Fields Guernsey, First Rand Bank Limited, and GFIMSA entered into a second addendum to the Mvela Loan Agreement. Pursuant to this addendum, various amendments are to be made to the Mvela Loan Agreement, provided that all the conditions to the proposed IAMGold transaction are satisfied. See Information on the Company Recent Developments Proposed IAMGold Transaction. These amendments include:

the release of Gold Fields Australia Pty Ltd. and Gold Fields Guernsey Limited from their obligations under the Mvela Loan Agreement;

GFIMSA will not provide any guarantees, indemnities or other financial support, or allow its assets to be encumbered, for the benefit of any subsidiaries of Gold Fields that are not subsidiaries of GFIMSA;

GFIMSA must satisfy the Senior Agent that it and its subsidiaries have released any existing guarantees, indemnities, financial support or encumbrances created for the benefit of any subsidiaries of Gold Fields that are not subsidiaries of GFIMSA;

amendments to the covenants under the Mvela Loan Agreement in respect of certain financial ratios and certain activities of Gold Fields International, or GFI, which is the proposed new name for IAMGold Corporation following completion of the proposed IAMGold transaction;

Gold Fields may not, without consent of the Senior Agent, make distributions to its shareholders from the proceeds of any disposal of the capital or fixed assets of GFI or any shares in GFI held by Gold Fields or its subsidiaries; and

certain amendments to the events of default, including establishing a new event of default should there be any change in control of GFI without the prior written consent of the Senior Agent.

Strategy

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

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

improving returns by optimizing existing assets and diversification, through reducing costs and growing assets through inward investment and diversifying its geographical, technical and product risk by acquiring and developing additional long-life assets;

developing the people of Gold Fields;

- earning and maintaining its license to operate in those countries and regions in which it operates through a commitment to those communities and an ability to deal with issues related to sustainable development; and

- developing the gold market.

See Information on the Company Strategy.

Revenues

Substantially all of Gold Fields   revenues are derived from the sale of gold. As a result, Gold Fields   revenues are directly related to the price of gold. Historically, the price of gold has fluctuated widely. The gold price is affected by numerous factors over which Gold Fields does not have control. See   Key information Risk Factors Changes in the market price for gold, which in the past has fluctuated widely, affect the profitability of Gold Fields   operations, and the cash flows generated by those operations.

The volatility of gold prices is illustrated in the following table, which shows the annual high, low and average of the afternoon London afternoon fixing price of gold in U.S. dollars for the past 12 calendar years and to date in calendar year 2004:

	Price per ounce		
Year	**High**	**Low**	**Average**
	($)	**($)**	**($)**
1992	360	330	344
1993	406	326	360
1994	396	370	384
1995	396	372	384
1996	415	367	388
1997	367	283	331
1998	313	273	294
1999	326	253	279
2000	313	264	282
2001	293	256	270
2002	349	278	310
2003	416	320	363
2004 (through October 29)	429	375	403

Source: Bloomberg

On October 29, 2004, the London afternoon fixing price of gold was $426 per ounce.

As a general rule, Gold Fields sells the gold it produces at market prices to obtain the maximum benefit from prevailing gold prices and does not enter into hedging arrangements such as forward sales or derivatives which establish a price in advance for the sale of its future gold production. However, commodity hedges are sometimes undertaken on a project specific basis as follows: to protect cashflows at times of significant expenditure; for specific debt servicing requirements; and to safeguard the viability of higher cost operations. See   Quantitative and Qualitative Disclosure About Market Risk Commodity Price Sensitivity Commodity Hedging Policy.

Significant changes in the price of gold over a sustained period of time may lead Gold Fields to increase or decrease its production in the near-term, which could have a material impact on Gold Fields   revenues.

Gold Fields realized gold price

The following table sets out the average, the high and the low London afternoon fixing price of gold and Gold Fields average U.S. dollar realized gold price during the past three fiscal years:

Year	2002	2003	2004
	($/oz)	($/oz)	($/oz)
Average	289	334	389
High	328	382	427
Low	265	302	342
Gold Fields average realized gold price	292	333	387

Note:

(1) Gold Fields average realized gold price differs from the average gold price due to the timing of its sales of gold within each year.

Costs

Over the last three fiscal years, total cash costs have typically made up approximately 84% of total costs. Total cash costs consist primarily of labor and, where applicable, contractor costs, and consumable stores, which include explosives, timber and other consumables. Gold Fields South African operations are labor intensive due to the use of deep level underground mining methods. As a result, over the last three fiscal years, labor has represented on average just below 50% of total cash costs at the South African operations. At the Ghana operations, mining operations have been conducted by an outside contractor. Over the last three fiscal years, contractor costs represent on average 52% of total cash costs at Tarkwa and 43% at Damang. As from fiscal 2005, outside contractors will no longer be used at Tarkwa, which has been converted to owner mining. Over the last three fiscal years, direct labor costs have represented on average a further 9% of total cash costs at Tarkwa and 8% at Damang. At the Australian operation, mining operations are conducted by outside contractors. Over the last three fiscal years, including the period prior to Gold Fields acquisition of St. Ives and Agnew, total contractor costs have represented on average 63% at Agnew and 84% at St. Ives of total cash costs and direct labor costs represent on average a further 25% at Agnew and 12% at St. Ives of total cash costs. For open-pit operations, such as those at the Ghana and Australia operations, cash costs tend to vary over the life of the open pit. Initially, cash costs are relatively high because the proportion of waste rock to ore, or stripping ratio, is higher when operations first commence. As an open pit evolves, the stripping ratio and cash cost per ounce tend to decrease.

The remainder of Gold Fields total costs consist primarily of amortization and depreciation, exploration costs, and selling, administration and general, or corporate, charges.

Income and Mining Taxes

South Africa

Gold Fields pays taxes on mining income and non-mining income. As a result of the consolidation of the South African assets into GFI Mining South Africa (Proprietary) Limited, or GFIMSA, the mines are no longer separate tax entities but are treated as a single tax entity except in respect of capital expenditure, which is ring fenced for each mine separately. The amount of Gold Fields mining income tax is calculated on the basis of a formula, which takes into account total revenues, and profits from, and capital expenditures on, mining operations. Five percent of total mining revenue is exempt from taxation. The amount of revenue subject to taxation is calculated by subtracting capital expenditures from operating profit, and making certain other minor adjustments to derive taxable income. The amount by which the adjusted profit figure exceeds 5% of total mining revenue constitutes taxable mining income. Gold Fields Limited and GFIMSA are taxed as separate entities, and therefore each calculates its own taxable income.

The tax rate applicable to the mining and non-mining income of a gold mining company depends on whether the company has elected to be exempt from the Secondary Tax on Companies, or STC. STC is a tax on dividends declared, and at present the STC tax rate is 12.5%. In 1993, all existing gold mining companies had the option of electing to be exempt from STC. If the election was made, a higher tax rate would apply for both mining and non-mining income. In each of fiscal 2004, 2003, 2002 and 2001 the tax rates for taxable mining and non-mining income for companies that elected the STC exemption were 46%, compared to 37% if the STC exemption election was not made. All of Gold Fields operating subsidiaries in South Africa have elected the STC exemption. However, Gold Fields itself, as a holding company without its own gold mining operations, is not eligible to be exempt from STC. To the extent Gold Fields receives dividends from any of its South African gold mining subsidiaries, such received dividends are offset against the amount of dividends paid by Gold Fields for purposes of calculating the amount subject to the 12.5% STC tax.

During fiscal 2000, Gold Fields obtained a tax ruling allowing the Beatrix and Oryx (now called Beatrix Shaft No. 4) mines to be treated as one mine for income tax purposes, with effect from July 1, 1999. As a result of this arrangement, assessed losses and unredeemed capital allowances at the Oryx mine can be utilized against the Beatrix mine s income, resulting in no mining tax being paid by the combined Beatrix and Oryx tax entity. As a result of the sale of assets and liabilities of the St. Helena mine, Beatrix Mining Ventures Company was liable for excess recoupments tax on the difference between the proceeds on the disposal and the assessed losses and unredeemed capital allowances brought forward.

Ghana

Ghanaian resident companies are subject to tax on the basis of income derived from, accruing in or brought into Ghana. The standard corporate income tax rate is currently 32.5% and there is also a reconstruction and development levy, introduced on January 1, 2001, of 2.5% on operating profit. The Tarkwa and Damang operations are also subject to a 3% gold royalty, which came into effect from July 4, 1986, because the mineral rights are owned by the state. This royalty is included in Gold Fields income and mining taxes line item in the consolidated statement of operations.

Tax depreciation of capital equipment operates under a capital allowance regime. The capital allowances consist of an initial allowance of 80% of the cost of the asset and the balance depreciated at a rate of 50% per year on a declining balance basis. For the purposes of computing depreciation for the year following its acquisition, 5% of the cost of the asset is included in the balance. Under the project development agreement entered into between the Ghanaian government and Gold Fields Ghana and the deed of warranty entered into between the Ghanaian government and Abosso, the government has agreed that no withholding tax shall be payable on any dividend or capital repayment declared by Gold Fields Ghana or Abosso which is due and payable to any shareholder not normally resident in Ghana. Gold Fields Ghana and Abosso do not currently incur tax liabilities due to capital allowances carried forward.

Australia

Generally, Australia will impose tax on the worldwide income (including capital gains) of all of Gold Fields Australian incorporated and tax resident entities. The current income tax rate for companies is 30%. Exploration costs and the depreciation of capital expenditure may be deducted from income. In addition, other expenditures, such as export market development, mine closure costs and the defense of native title claims, may be deducted from income. The St. Ives and Agnew operations are also subject to a 2.5% gold royalty, which came into effect from July 1, 1998, because the mineral rights are owned by the state. This royalty is included in Gold Fields   income and mining taxes line item in the consolidated statement of operations.

With effect from July 1, 2001 the Australian legislature introduced a Uniform Capital Allowance, which allows tax deductions for:

- depreciation attributable to assets; and
- certain other capital expenditures.

Under current Australian tax law, certain grouping concessions are available to companies with the same ultimate head entities. These concessions include the ability to group losses and obtain capital gains tax roll over relief from the transfer of assets. Gold Fields subsidiaries in Australia will therefore also qualify to transfer losses from one entity to another in the event that a loss is made in any one entity and a profit is generated in another.

Withholding tax is payable on dividends, interest and royalties paid by Australian residents to non-residents. In the case of dividend payments to non-residents, withholding tax at a rate of 30% will apply. However, where the recipient of the dividend is a resident of a country with which Australia has concluded a double taxation agreement, the rate of withholding tax is generally limited to 15% (or 10% where the dividend is paid to a company s parent company). Where dividends are paid out of profits that have been subject to Australian corporate tax there is no withholding tax, regardless of whether a double taxation agreement is in place.

Exchange Rates

Gold Fields revenues and costs are very sensitive to the Rand/U.S. dollar exchange rate because revenues are generated using a gold price denominated in U.S. dollars, while the costs of the South African operations are incurred principally in Rand. Depreciation of the Rand against the U.S. dollar reduces Gold Fields average costs when they are translated into U.S. dollars, thereby increasing the operating margin of the South African operations. Similarly, appreciation of the Rand results in South African operating costs being translated into U.S. dollars at a higher Rand/U.S. dollar exchange rate, resulting in lower operating margins. Accordingly, the impact on profitability of any change in the value of the Rand against the U.S. dollar can be substantial. Furthermore, the exchange rates obtained when converting U.S. dollars to Rand are set by foreign exchange markets, over which Gold Fields has no control. For more information regarding fluctuations in the value of the Rand against the U.S. dollar, see Key Information Exchange Rates .

With respect to its operations in Ghana, a substantial portion of Gold Fields operating costs (including wages) are either directly incurred in U.S. dollars or are determined according to a formula by which costs are indexed to the U.S. dollar. Accordingly, fluctuations in the Cedi do not materially impact operating results for the Ghana operation.

With respect to the Australian operations, the effect of fluctuations in the value of the Australian dollar against the U.S. dollar is similar to that for the Rand, with weakness in the Australian dollar resulting in improved earnings for Gold Fields and strength in the Australian dollar producing the opposite result. Gold Fields agreed with the lenders providing the loans for the acquisition of St. Ives and Agnew to manage its exposure to fluctuations in the value of the Australian dollar against the U.S. dollar by entering into financial instruments to fix the exchange rates for a portion of the expected future revenues from the operations. See Quantitative and Qualitative Disclosures About Market Risk Foreign Currency Hedging Experience St. Ives and Agnew Australian Dollar Instruments. Gold Fields accounted for these financial instruments on a mark-to-market basis, and revalued the loans, using exchange rates prevailing at the end of the relevant accounting period. These loans were repaid, and the related financial instruments were effectively closed out, during fiscal 2004. Gold Fields has obtained a significant benefit from the overall rise in the value of the Australian dollar against the U.S. dollar from the time it entered into the loan and related financial instruments until it repaid the loans and closed out the financial instruments. Subsequent to closing out the financial instruments, Gold Fields entered into a series of quarterly maturing Australian dollar/U.S. dollar call

options. See Quantitative and Qualitative Disclosures About Market Risk Foreign Currency Hedging Experience Australian Dollar Call Options .

Inflation

It is possible that a period of significant inflation in South Africa could adversely affect Gold Fields results and financial condition. However, because the majority of Gold Fields costs at the South African operations are in Rand while its revenues from gold sales are in U.S. dollars, the extent to which the Rand devalues against the U.S. dollar will offset the impact of South African inflation. In Ghana, Gold Fields operations are not significantly impacted by Ghanaian inflation because a substantial portion of Gold Fields costs are either incurred directly in U.S. dollars or are determined according to a formula by which U.S. dollar amounts are converted into Cedi. Gold Fields expects that the impact of Australian inflation will be similar to that of South Africa.

South African and Ghanaian Economic and Political Environment

Gold Fields is a South African company and a substantial portion of its operations, based on gold production, are in South Africa. As a result, Gold Fields is subject to various economic, fiscal, monetary and political policies and factors that affect South African companies generally. See Key Information Risk Factors Political or economic instability in South Africa or regionally may have an adverse effect on Gold Fields operations and profits.

South African companies are subject to exchange control restrictions, including, for Gold Fields, the requirement to repatriate some or all of its offshore profits. While exchange controls have been relaxed in recent years, South African companies remain subject to restrictions on their ability to deploy capital outside of the Southern African Common Monetary Area. In particular, in his speech to Parliament towards at the end of October 2004, the Minister of Finance outlined the South African Treasury s medium term budget policy statement and repeated that it was the government s eventual goal to replace all remaining exchange controls with prudential benchmarks. He also announced the abolition of exchange control limits on new outward foreign direct investments by South African corporations and the lifting of their obligation to repatriate foreign dividends. An exchange control circular from the South African Reserve Bank detailing and regulating the above relaxations is expected shortly. See Information on the Company Regulatory and Environmental Matters South Africa Exchange Controls .

Gold Fields also has significant operations in Ghana and is therefore subject to various economic, fiscal, monetary and political policies and factors that affect companies operating in Ghana. See Key Information Risk Factors Political or economic instability in Ghana may have an adverse effect on Gold Fields operations and profits. In addition, pursuant to an agreement which it has entered into with the Ghanaian government with respect to the Tarkwa mine, Gold Fields is required to repatriate at least 20% of the revenues derived from the Tarkwa mine to Ghana and either use such amounts in Ghana or maintain them in a Ghanaian bank account. Abosso is currently obligated to repatriate 25% of its revenue to Ghana, although the level of repatriation under the deed of warranty between Abosso and the government of Ghana is subject to renegotiation every two years. Although it has been more than two years since the last set of negotiations with the Bank of Ghana regarding the Damang mine s level of repatriation, the next set of negotiations has not yet been scheduled. While management has no reason to believe that the repatriation level will increase as a result of the next set of negotiations, there is no agreed ceiling on the repatriation level, and it could be increased. Any increase could adversely affect Gold Fields ability to use the cash flow from the Damang mine outside Ghana, including to fund working costs and capital expenditures at other operations, to provide funds for acquisitions and to repay principal and interest on indebtedness.

Table of Contents

Significant Accounting Policies

The preparation of Gold Fields financial statements requires management to make estimates and assumptions that affect the reported results of its operations. Actual results may differ from those estimates. Gold Fields has identified the most significant accounting policies upon which its financial status depends. Some of Gold Fields accounting policies require the application of significant judgments and estimates by management in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty and are based on Gold Fields historical experience, terms of existing contracts, management s view on trends in the gold mining industry and information from outside sources.

Gold Fields significant accounting policies are described in more detail in note 2 to the consolidated financial statements. This discussion and analysis should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this annual report. Gold Fields management has identified the following as critical accounting policies because estimates used in applying these policies are subject to material risks and uncertainties.

Management believes the following significant accounting policies, among others, affect its more significant judgments and estimates used in the preparation of Gold Fields consolidated financial statements and could potentially impact Gold Fields financial results and future financial performance.

Business combinations

Management accounts for its business acquisitions under the purchase method of accounting. The total value of consideration paid for acquisitions is allocated to the underlying net assets acquired, based on their respective estimated fair values determined by using internal or external valuations. Management uses a number of valuation methods to determine the fair value of assets and liabilities acquired including discounted cash flows, external market values, valuations on recent transactions or a combination thereof and others and believes that it uses the most appropriate measure or a combination of measures to value each asset or liability. In addition, management believes that it uses the most appropriate valuation assumptions underlying each of those valuation methods based on current information available including discounted rates, market risk rates, entity risk rates, cash flow assumptions and others. The accounting policy for valuation of business acquisitions is considered critical because judgments made in determining the estimated fair value and expected useful lives assigned to each class of assets and liabilities acquired can significantly impact the value of the asset or liability, including the impact on deferred taxes, the respective amortization periods and ultimately net profit. Therefore the use of other valuation methods, as well as other assumptions underlying these valuation methods, could significantly impact the determination of financial position and the results of operations.

Amortization of mining assets

Amortization charges are calculated using the units of production method and are based on Gold Fields current gold production as a percentage of total expected gold production over the lives of Gold Fields mines. The lives of the mines are estimated by Gold Fields geology department using interpretations of mineral reserves, as determined in accordance with the SEC s Industry Guide Number 7. The estimate of the total expected future lives of Gold Fields mines could be materially different from the actual amount of gold mined in the future and the actual lives of the mines due to changes in the factors used in determining Gold Fields mineral reserves, such as the gold price, foreign currency exchange rates and production costs. Any change in management s estimate of the total expected future lives of Gold Fields mines would impact the amortization charge recorded in Gold Fields consolidated financial statements.

Valuation of long-lived assets

Management annually reviews the carrying value of Gold Fields long-lived mining assets to determine whether their carrying values, as recorded in Gold Fields consolidated financial statements, are appropriate.

These reviews are based on projections of anticipated future cash flows to be generated by utilizing the long-lived assets. While management believes that these estimates of future cash flows are reasonable, different assumptions regarding projected gold prices, production costs and foreign currency exchange rates could materially affect the anticipated cash flows to be generated by the long-lived assets, thereby affecting the evaluations of the carrying values of the long-lived assets.

Deferred taxation

When determining deferred taxation, management makes estimates as to the future recoverability of deferred tax assets. If management determines that a deferred tax asset will not be realized, a valuation allowance is recorded for that portion of the deferred tax asset which is not considered more likely than not recoverable. These determinations are based on the projected taxable income and realization of tax allowances and tax losses. In the event that these tax assets are not realized, an adjustment to the valuation allowance would be required, which would be charged to income in the period that the determination was made. Likewise, should management determine that Gold Fields would be able to realize tax assets in the future in excess of the recorded amount, an adjustment to reduce the valuation allowance would be recorded generally as a credit to income in the period that the determination is made.

Financial derivatives

The determination of the fair value of financial derivatives, when marked-to-market, takes into account estimates such as interest rates and foreign currency exchange rates under prevailing market conditions, depending on the nature of the financial derivatives. These estimates may differ materially from actual interest rates and foreign currency exchange rates prevailing at the maturity dates of the financial derivatives and, therefore, may materially influence the values assigned to the financial derivatives, which may result in a charge to or an increase in Gold Fields earnings through maturity of the financial derivatives.

Environmental rehabilitation costs

Gold Fields mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In August 2001, the FASB issued Statement of Financial Accounting Standards, or SFAS, No. 143, Accounting for Asset Retirement Obligations, which established a uniform methodology for accounting for estimated reclamation and abandonment costs. The statement was adopted on July 1, 2002 when Gold Fields recorded the estimated present value of reclamation liabilities and increased the carrying amount of the related asset, which resulted in a cumulative effect of a change in accounting principles of $1.3 million. The reclamation costs will be allocated to expense over the life of the related assets and will be adjusted for changes resulting from the passage of time and revisions to either the timing or amount of the original present value estimate.

Prior to adoption of SFAS 143, estimated future reclamation costs were based principally on legal and regulatory requirements. The costs related to active mines were accrued and charged over the expected operating lives of the mines using the units of production method based on proven and probable reserves. Future remediation costs for inactive mines were accrued based on management s best estimate at the end of the period of the undiscounted costs expected to be incurred at a site. Such cost estimates included, where applicable, ongoing care, maintenance and monitoring costs. Changes in estimate were reflected in earnings in the period an estimate was revised.

Accounting for reclamation and remediation obligations requires management to make estimates unique to each mining operation of the future costs Gold Fields will incur to complete the reclamation and remediation work required to comply with existing laws and regulations. Actual costs incurred in future periods could differ from amounts estimated. Additionally, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by Gold Fields. Any such increases in future costs could materially impact the amounts charged to operations for reclamation and remediation.

Employee benefits

Management s determination of Gold Fields obligation and expense for pension and provident funds, as well as post-retirement health care liabilities, depends on the selection of certain assumptions used by actuaries to calculate the amounts. These assumptions are described in notes 16 and 17 to Gold Fields consolidated financial statements and include, among others, the discount rate, the expected long term rate of return of plan assets, health care inflation costs and rates of increase in compensation costs. Actual results that differ from management s assumptions are accumulated and charged over future periods, which will generally affect Gold Fields recognized expense and recorded obligation in future periods. While management believes that these assumptions are appropriate, significant changes in the assumptions may materially affect Gold Fields pension and other post retirement obligations as well as future expenses, which will result in an impact on earnings in the periods that the changes in the assumptions occur.

Recent Accounting Pronouncements

In January 2003, the Financial Accounting Standards Board, or FASB, issued interpretation No. 46, or FIN 46, Consolidation of Variable Interest Entities, or FIN 46. FIN 46 requires the primary beneficiary of a variable interest entity to consolidate that entity. A variable interest entity is created when (i) the equity investment at risk is not sufficient to permit the entity from financing its activities without additional subordinated financial support from other parties, or (ii) equity holders either (a) lack direct or indirect ability to make decisions about the entity, (b) are not obliged to absorb expected losses of the entity or (c) do not have the right to receive expected residual returns of the entity if they occur. The primary beneficiary of a variable interest entity is the party that absorbs a majority of the variable interest entity s expected losses, receives a majority of the entity s expected residual returns, or both, as a result of ownership, contractual or other financial interests in the entity. Expected losses are the expected negative variability of an entity s net assets exclusive of its variable interest, and expected residual returns are the expected positive variability in the fair value of an entity s assets, exclusive of variable interests. Prior to the issuance of FIN 46, an enterprise generally consolidated an entity when the enterprise had a controlling financial interest in the entity through ownership of a majority voting interest.

In December 2003, the FASB issued a revision of FIN 46, or FIN 46-R, clarifying certain provisions of FIN 46. Gold Fields adopted the provisions of FIN 46-R on February 1, 2003 to the extent that they related to variable interest entities created on or after that date. For variable interest entities created before January 31, 2003, FIN 46-R was deferred to the end of the first interim or annual period ending after March 15, 2004. Gold Fields fully adopted FIN 46-R effective June 30, 2004. Gold Fields completed its evaluation of FIN 46-R and has determined that the adoption of this interpretation did not have a material impact on its financial position at June 30, 2004 and did not identify any variable interest entities that would be subject to consolidation under FIN 46-R.

The Emerging Issues Task Force, or EITF, formed a committee to evaluate certain mining industry accounting issues, including issues arising from the application of SFAS, No. 141, Business Combinations , or SFAS No. 141, and SFAS No. 142, Goodwill and other Intangible Assets , or SFAS No. 142, to business combinations within the mining industry, accounting for goodwill and other intangibles and the capitalization of costs after the commencement of production, including deferred stripping. The issues discussed also included whether mineral interests conveyed by leases represent tangible or intangible assets and the amortization of such assets. In March 2004, the EITF reached a consensus, subject to ratification by the FASB that mineral interests conveyed by leases should be considered tangible assets. The EITF also reached a consensus, subject to the ratification by the FASB, on other mining related issues involving impairment and business combinations.

On March 31, 2004, the FASB ratified the consensus of the EITF on other mining related issues involving impairment and business combinations. This did not have an impact on Gold Fields financial statements since it did not change Gold Fields accounting. The FASB also ratified the consensus of the EITF that

mineral interests conveyed by leases should be considered tangible assets subject to the finalization of a FASB Staff Position, or FSP, in this regard.

On April 30, 2004, the FASB issued an FSP amending SFAS No. 141 and SFAS No. 142 to provide that certain mineral use rights are considered tangible assets and that mineral use rights should be accounted for based on their substance. The FSP is effective for the first reporting period beginning after April 29, 2004, with early adoption permitted. As a result, Gold Fields has reclassified all of its mineral interests from mineral interests and other intangible assets to property, plant and equipment, net, in its balance sheets and ceased amortization on exploration stage mineral interests effective July 1, 2003. See note 2(d)(iii) to Gold Fields consolidated financial statements included elsewhere in this annual report.

The committee of the EITF is continuing its evaluation of mining industry accounting issues, which may have an impact on Gold Fields in the future.

Results of Operations

Years Ended June 30, 2004 and 2003

Revenues

Product sales increased by $168.0 million, or 10.9%, from $1,538.2 million in fiscal 2003 to $1,706.2 million in fiscal 2004. The increase in product sales was due to an increase in the average realized gold price of 16.2% from $333 per ounce in fiscal 2003 to $387 per ounce in fiscal 2004 partially offset by a net decrease of approximately 0.196 million ounces, or 4.3%, of total gold sold from 4.62 million ounces in fiscal 2003 to 4.41 million ounces in fiscal 2004. The decrease in sales resulted from a reduction at the South African operations from 3.081 million ounces to 2.804 million ounces offset in part by increases at the Ghanaian and Australian operations. The decline at the South African operations was due primarily to lower grades as well as the absence of St. Helena for the entire year, following its sale on October 30, 2002. Gold output from Kloof and Driefontein decreased by 120,000 ounces and 105,000 ounces, respectively. Production at the international operations increased by 8.1% from 1.253 million ounces in fiscal 2003 to 1.354 million ounces in fiscal 2004. Differences between total gold sold and total gold produced are mainly due to timing differences between gold production and gold sales.

Interest and dividends decreased by $1.9 million or 8.9%, from $21.3 million in fiscal 2003 to $19.4 million in fiscal 2004. Interest received on cash and cash equivalents was $17.1 million in fiscal 2004 as compared to $19.1 million in fiscal 2003, due to lower average cash balances during fiscal 2004 compared to fiscal 2003, including a depletion of cash balances at the South African operation for several months of the year, as well as lower interest rates. Dividends received were $2.3 million in fiscal 2004 as compared to $2.2 million in fiscal 2003.

Other income represents miscellaneous revenue items such as scrap sales and rental income, net of miscellaneous corporate expenditure not allocated to the operations and therefore not included in the corporate expenditure line item. Other income decreased by $3.0 million, from $4.7 million in fiscal 2003 to $1.7 million in fiscal 2004. Other income in fiscal 2004 consisted of $6.8 million in revenues, comprised principally of mineral right sales, rent, net of $5.1 million in expenses. Other income in fiscal 2003 consisted of $4.7 million in revenues, comprised principally of rent, proceeds from insurance claims and scrap sales, net of $0.1 million in expenses.

Costs and expenses

The following table sets out Gold Fields total ounces produced, weighted average total cash costs and total production costs per ounce for fiscal 2003 and fiscal 2004.

	Fiscal 2003			Fiscal 2004				
	Gold Production	Total cash costs(1)	Total production costs(2)	Gold production	Total cash costs(1)	Total production costs(2)	Percentage increase/ (decrease) in unit total cash costs	Percentage increase/ (decrease) in unit total production costs
	(00oz)	($/oz)		(00oz)	($/oz)		%	
South Africa								
Driefontein	1,238	202	233	1.141	311	355	54.0	52.4
Kloof	1,140	215	246	1,038	341	388	58.6	57.7
Free State								
Beatrix	659	229	260	625	356	393	55.5	51.2
St Helena	44	289	289					
Ghana								
Tarkwa(3)	540	194	225	550	230	258	18.6	14.7
Darnang(4)	299	243	260	308	222	245	(8.6)	(5.8)
Australia(5)								
St. Ives	513	198	295	543	300	377	51.5	27.8
Agnew	144	219	396	202	221	303	0.9	(23.5)
Total(6)(7)	4,577			4,406				
Weighted average		212	254		302	349	42.5	37.4

Notes:
Except for gold production, all statistics are based on gold sold.

(1) Gold Fields has calculated total cash costs per ounce by dividing total cash casts, as determined using the Gold Institute industry standard, by gold ounces sold for all periods presented. The Gold Institute was a non-profit international industry association of miners, refiners, bullion suppliers and manufacturers of gold products that ceased operation in 2002, which developed a uniform format for reporting production costs on a per ounce basis. The standard was first adopted in 1996 and revised in November 1999. Total cash costs, as defined in the Gold Institute industry standard, are production costs as recorded in the statement of operations, less offsite (i.e., central) general and administrative expenses (including head office costs charged to the mines, central training expenses, industry association fees and social development costs), rehabilitation costs, amortization, reclamation, capital development and exploration costs plus royalties and employee termination costs. Under U.S. GAAP, production costs do not include amortization, reclamation, capital development or certain exploration costs. Changes in total cash costs per ounce are affected by operational performance, as well as changes in the currency

exchange rate between the Rand and Australian dollar compared to the U.S. dollar. Management, however, believes that total cash costs per ounce provides a measure for comparing Gold Fields operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. Total cash costs per ounce is not a U.S. GAAP measure. An investor should not consider total cash costs per ounce in isolation or as an alternative to net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the Gold Institute has provided a definition for the calculation of total cash costs, the adoption of the standard is voluntary and thus the calculation of total cash costs per ounce may vary significantly among gold mining companies, and by itself does not necessarily provide a basis for comparison with other gold mining companies, See Information on the Company Glossary of Mining Terms Total cash costs per ounce

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

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

(4) In fiscal 2003 and 2004, 0.213 million ounces and 0.219 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Damang operation.

(5) The consideration paid for the Australian operations in excess of the book value of the underlying net assets was allocated pro rata to the value of the underlying assets, which affected the allocation of amortization between St. Ives and Agnew.

(6) In fiscal 2003, and 2004, 4.334 million ounces and 4.158 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operations.

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

The following tables set out a reconciliation of Gold Fields production costs to its total cash costs and total production costs for fiscal 2004 and fiscal 2003.

	For the year ended June 30, 2004								
	Driefontein	**Kloof**	**Beatrix**	**Tarkwa**	**Damang**	**St. Ives**	**Agnew**	**Corporate**	**Group**
	(in $ millions except as otherwise noted)[1]								
Production Costs	356.1	354.7	223.7	126.5	66.7	182.2	45.3		1,355.2
Less:									
G&A other than corporate costs	(5.6)	(4.8)	(4.0)	(6.5)	(1.8)	(4.9)	(0.6)		(28.2)
GIP adjustment							(1.2)		(1.2)
Exploration						(19.9)	(1.0)		(20.9)
Plus:									
Employment termination cost	4.0	3.9	2.5			0.1			10.5
Royalty				6.4	3.6	5.1	2.0		17.1

Total cash costs	354.5	353.8	222.2	126.4	68.5	162.6	44.5		1,332.5
Plus:									
Amortization[2]	49.5	46.0	22.8	15.2	6.8	41.8	16.5	1.2	199.8
Rehabilitation	1.6	3.2	0.5	0.1	0.2	0.3	0.1		6.0
Total production costs	405.6	403.0	245.5	141.7	75.5	204.7	61.1	1.2	1,538.3
Gold produced (000 oz)[3]	1,141.2	1,037.6	624.9	550.0	308.3	542.6	201.5		4,406.1

	For the year ended June 30, 2004								
	Driefontein	**Kloof**	**Beatrix**	**Tarkwa**	**Damang**	**St. Ives**	**Agnew**	**Corporate**	**Group**
	(in $ millions except as otherwise noted)[1]								
Total cash cost ($/oz)[4]	311	341	356	230	222	300	221		302
Total production cost ($/oz)[5]	355	388	393	258	245	377	303		349

Notes:
All statistics are based on gold sold.

[1] Calculated using an exchange rate of R6.90 per $1.00.

[2] Includes non-cash portion of GIP adjustments.

[3] In fiscal 2004, 0.610 million ounces of production were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operations.

[4] Gold Fields has calculated total cash costs per ounce by dividing total cash casts, as determined using the Gold Institute industry standard, by gold ounces sold for all periods presented. The Gold Institute was a non-profit international industry association of miners, refiners, bullion suppliers and manufacturers of gold products that ceased operation in 2002, which developed a uniform format for reporting production costs on a per ounce basis. The standard was first adopted in 1996 and revised in November 1999. Total cash costs, as defined in the Gold Institute industry standard, are production costs as recorded in the statement of operations, less offsite (i.e., central) general and administrative expenses (including head office costs charged to the mines, central training expenses, industry association fees and social development costs), rehabilitation costs, amortization, reclamation, capital, development and exploration costs plus royalties and employee termination costs. Under U.S. GAAP, production costs do not include amortization, reclamation, capital development or certain exploration costs. Changes in total cash costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and Australian dollar compared to the U.S. dollar. Management, however, believes that total cash costs per ounce provides a measure for comparing Gold Fields operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. Total cash costs per ounce is not a U.S. GAAP measure. An investor should not consider total cash costs per ounce in isolation or as an alternative to net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the Gold Institute has provided a definition for the calculation of total cash costs, the adoption of the standard is voluntary and thus the calculation of total cash costs per ounce may vary significantly among gold mining companies, and by itself does not necessarily provide a basis for comparison with other gold mining companies See Information on the Company Glossary of Mining Terms Total cash costs per ounce

[5] Gold Fields has calculated total production costs per ounce by dividing total production costs, as determined using the Gold Institute industry standard, by gold ounces sold for all periods presented. Total production costs, as

defined by the Gold Institute industry standard, are total cash costs, as calculated using the Gold Institute industry standard, plus amortization, depreciation and rehabilitation costs. Changes in total production costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and Australian dollar compared to the U.S. dollar. Management, however, believes that total production costs per ounce provides a measure for comparing Gold Fields operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. Total production costs per ounce is not a U.S. GAAP measure. An investor should not consider total production costs per ounce in isolation or as an alternative to net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the Gold Institute has provided a definition for the calculation of total production costs, the adoption of the standard is voluntary and thus the calculation of total production costs per ounce may vary significantly among gold mining companies, and by itself does not necessarily provide a basis for comparison with other gold mining companies. See Information on the Company Glossary of Mining Terms Total production costs per ounce,

Table of Contents

The following table sets out a reconciliation of Gold Fields production costs to its total cash costs and total production costs for fiscal 2003.

For the year ended June 30, 2003

(in $ millions except as otherwise noted)[1]

	Driefontein	**Kloof**	**Beatrix**	**St. Helena**	**Tarkwa**	**Damang**	**St. Ives**	**Agnew**	**Corporate**	**Group**
Production costs	260.3	250.5	155.0	12.6	105.1	71.2	118.2	42.1		1,015.0
Less:										
G&A other than corporate cost	(7.5)	(6.1)	(3.9)		(5.5)	(1.6)	(3.6)	(0.8)		(28.2)
GIP adjustments	(0.4)						(1.1)	(5.1)		(6.6)
Exploration							(16.6)	(5.8)		(22.42)
Plus:										
Employment termination cost	2.3	1.5								3.8
Royalty					5.4	3.0	4.6	1.1		14.1
Total cash costs	254.7	245.9	151.1	12.6	105.0	72.6	101.5	31.5		863.4
Plus:										
Amortization[2]	37.2	34.2	19.5		16.0	5.0	49.4	25.3	1.5	188.1
Rehabilitation	1.8	1.3	0.9		0.5	0.3	0.4	0.1		5.3
Total production costs	293.7	281.4	171.5	12.6	121.5	77.9	151.3	56.9	1.5	1,168.3
Gold produced (000 oz)[3]	1,238.3	1,140.1	658.7	43.7	539.9	299.2	513.3	143.6		4,576.8
Gold inventory (000 oz)	23.2	2.0								25.2
Gold sales (000 oz)	1,261.5	1,142.1	658.7	43.7	539.9	299.2	513.3	143.6		4,602.0

Gold sold per production cost (000 oz	1,261.5	1,142.1	658.7	43.7	539.9	299.2	513.3	143.6		4,602.0
Total cash costs(4) ($/oz)	202	215	229	289	195	243	198	219		212
Total production costs(5) ($/oz)	233	246	260	289	225	260	295	396		254

Notes:
All statistics are based on gold sold

(1) Calculated using an exchange rate of R9.07 per $1.00.

(2) Includes non-cash portion of GIP adjustments.

(3) In fiscal 2003, 0.597 million ounces of production were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operations.

(4) Gold Fields has calculated total cash costs per ounce by dividing total cash casts, as determined using the Gold Institute industry standard, by gold ounces sold for all periods presented. The Gold Institute was a non-profit international industry association of miners, refiners, bullion suppliers and manufacturers of gold products that ceased operation in 2002, which developed a uniform format for reporting production costs on a per ounce basis. The standard was first adopted in 1996 and revised in November 1999. Total cash costs, as defined in the Gold Institute industry standard, are production costs as recorded in the statement of operations, less offsite (i.e., central) general and administrative expenses (including head office costs charged to the mines, central training expenses, industry association fees and social development costs), rehabilitation costs, amortization, reclamation, capital development and exploration costs plus royalties and employee termination costs. Under U.S. GAAP, production costs do not include amortization, reclamation, capital development or certain exploration costs. Changes in total cash costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and Australian dollar compared to the U.S. dollar. Management, however, believes that total cash costs per ounce provides a measure for comparing Gold Fields operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. Total cash costs per ounce is not a U.S. GAAP measure. An investor should not consider total cash costs per ounce in isolation or as an alternative to net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the Gold Institute has provided a definition for the calculation of total cash costs, the adoption of the standard is voluntary and thus the calculation of total cash costs per ounce may vary significantly among gold mining companies, and by itself does not necessarily provide a basis for comparison with other gold mining companies See Information on the Company Glossary of Mining Terms Total cash costs per ounce For a reconciliation of Gold Fields production costs toils total cash costs for fiscal 2004, 2003, 2002 and 2001, see Operating and Financial Review and Prospects Results of Operations Years Ended June 30, 2003 and 2004 and Years Ended June 30, 2002 and 2003.

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

Gold Fields weighted average total cash costs per ounce increased $90 per ounce, or 42.5%, from $212 per ounce in fiscal 2003 to $302 per ounce in fiscal 2004. The principal reason was the strengthening of the Rand against the U.S. dollar, which had a 23.9% negative impact on costs converted from the South African operations. In Rand terms, average total cash costs per ounce at the South African operations were affected by a decrease in mining volumes and a 12% decrease in yields during fiscal 2004 as compared to fiscal 2003, as well as wage increases above inflation. Total cash costs per ounce in Rand terms at the international operations were similar to fiscal 2003 with lower unit costs at Damang, Agnew and Tarkwa offsetting the increase at St. Ives, as the appreciation of the Rand against the U.S. dollar contributed to the lower total cash costs per ounce in Rand terms in fiscal 2004.

Production costs.

Production costs increased by $340.2 million, or 33.5%, from $1,015.0 million in fiscal 2003 to $1,355.2 million in fiscal 2004, primarily due to increased production from all the international operations, inflationary increases at the South African operations, and the appreciation of the South African rand and the Australian dollar against the U.S. dollar. Increased operating costs at the South African operations were due to wage increases above inflation and increases in the amount and cost of stoping and development, during fiscal 2004 as compared to fiscal 2003 . In addition the Rand appreciated on average by 23.9% and the Australian dollar appreciated 22.3% against the U.S. dollar during fiscal 2004 compared to fiscal 2003, resulting in increased costs in U.S. dollar terms. In Australia, production costs increased primarily due to increased volumes mined and a shift towards underground mining. In Ghana, production costs increased primarily due to increased waste tonnage.

Corporate expenditure.

Corporate expenditure was $20.3 million in fiscal 2004 compared to $16.6 million in fiscal 2003, an increase of 22.3%. Corporate expenditure consists primarily of general corporate overhead and corporate service department costs, primarily in the areas of technical services, human resources and finance, which are used by the operations. Corporate expenditure also includes business development costs. The increase was due to the appreciation of the Rand against the U.S. dollar as Rand costs decreased from R150.8 million in fiscal 2003 to R140.0 million in fiscal 2004 due to higher profits generated by the Treasury Department which are reflected as a credit against these costs.

Depreciation and Amortization.

Depreciation and amortization charges increased $10.5 million, or 5.6%, from $188.1 million in fiscal 2003 to $198.6 million in fiscal 2004. Depreciation and amortization is calculated on the units of production method and is based on current gold production as a percentage of total expected gold production over the lives of the mines. The principal reasons for this increase was the increase in production at the international operations compounded by the appreciation of the Rand against the U.S. dollar.

The table below depicts the changes from June 30, 2002 to June 30, 2003 for proven and probable reserves and for the life of mine for each operation, and the resulting impact on the amortization charge in fiscal 2003 and 2004. The life of mine numbers below are taken from the operations strategic plans, adjusted for proven and probable reserve balances. In basic terms, amortization is calculated using the life of mine for each operation, which is based on: (1) the proven and probable reserves above infrastructure for the operation at the start of the relevant year (which are taken to be the same as at the end of the prior fiscal year and using only above infrastructure reserves) and (2) the amount of gold produced by the operation during the year.

	Proven and probable reserves as of June 30		**Life of mine as of June 30**		**Amortization for fiscal**	
	2002	**2003**	**2002**	**2003**	**2003**	**2004**
	(000 oz)		**(years)**		**($m)**	
Driefontein	16,400	16,000	19	17	37.2	49.5
Kloof[1]	15,300	15,900	20	18	34.2	46.0
Free State						
Beatrix[2][3]	11,800	11,800	20	20	19.5	22.8
St Helena	370					
Ghana						
Tarkwa[4]	6.500	9,800	13	14	16.0	15.2
Damang[5]	1,190	900	4	3	5.0	6.8
Australia						
St. Ives[6]	2,340	3,000	6	5	49.4	41.8
Agnew[6]	600	500	4	3	25.3	15.3
Corporate and other					1.5	1.2
Total	54,500	57,900			188.1	198.6
Reserves below infrastructure[7]	26,600	26,600				

Total reserves[8]	81,100	84,500

Table of Contents

Notes:

(1) A mineral resource study at Kloof during fiscal 2001 resulted in adjustments to grade zones, exclusions of certain mining blocks due to lack of adequate ventilation, a reduction in extraction from shaft pillars amongst other adjustments. The net effect on total reserves was insignificant but resulted in a movement from above infrastructure reserves to below infrastructure reserves at the end of fiscal 2002. As amortization is calculated using the above infrastructure reserves as its denominator (the numerator being the produced ounces) the amortization charge for fiscal 2003 increased accordingly.

(2) The Beatrix operation, formerly called the Free State operation, was renamed following the sale of the St. Helena mine to Freegold on October 30, 2002.

(3) Includes the former Oryx mine, now designated as Beatrix Shaft No. 4.

(4) As of June 30, 2002 and 2003, reserves of 4.620 million ounces and 6.970 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Tarkwa operation.

(5) As of June 30, 2002 and 2003, reserves of 0.850 million ounces and 0.640 million ounces were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Damang operation.

(6) The consideration paid for the Australian operations in excess of the book value of the underlying net assets was allocated pro rata to the value of the underlying assets, which affected the allocation of amortization between St. Ives and Agnew.

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

(8) As of June 30, 2002 and 2003, reserves of 78.900 million ounces and 81.500 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operation.

Exploration expenditure.

Exploration expenditure was $39.9 million in fiscal 2004, an increase of 34.8% from $29.6 million in fiscal 2003. The increase was as a result of a deliberate effort to step up exploration activities, with $6.2 million spent in South and Latin America in fiscal 2004, compared to $1.9 million in fiscal 2003. Exploration expenditure in fiscal 2004 also included $11.4 million incurred at APP compared to $6.2 million in fiscal 2003. See Information on the Company Exploration.

Impairment of assets.

During fiscal 2004, following a geological study at Beatrix Shaft No. 4 and an associated revision of the ore reserve, the latest life-of-mine plans indicated that future production of gold should be based on 2.0 million ounces as opposed to 2.8 million ounces as previously estimated. At this level of extraction and at a gold price of $350 per ounce, the life-of-mine plans did not support the carrying value of the shaft on an undiscounted cash flow basis. Accordingly, an asset impairment of $61.8 million was charged against income, which reduced the carrying value of the Beatrix Shaft No. 4 to $11.9 million.

During fiscal 2004,the potential future income arising from existing and possible new contracts for Biox® was reevaluated. See Information on the Company Research and Development. This reevaluation did not support the patent carrying value and accordingly, an impairment write-down of $5.0 million was recorded, to reflect the fair value of the Biox patent of $15.0 million.

During fiscal 2004, new regulations were enacted in South Africa that will result in mining companies forfeiting those mineral rights not likely to be mined or explored. GFL Mining Services held certain mineral rights to which this new regulation applies. The carrying value of these mineral rights was $5.9 million. Accordingly, an impairment write-off of $5.9 million was recorded for those minerals that would be forfeited as a result of this new regulation.

The allocation of the purchase price to the Agnew and St. Ives mines was based upon geological and other information available to Gold Fields at the purchase date. During fiscal 2003, Gold Fields revised the Agnew life of mine plan based on the latest reserves and mineralized material. The life of mine plan was revised because the results of the Agnew mine following the acquisition had been below those anticipated due to lower recovered gold content and certain events which rendered certain mineralized material unexploitable. The revised life of mine plan did not support the original allocation of the purchase price to the Agnew mine orebody, mining tenements and undeveloped properties. U.S. GAAP does not permit a company to reallocate the purchase price more than a year beyond the acquisition date, when sufficient data was available to make the initial purchase price allocation. Accordingly, an impairment write down of $29.6 million was recorded to reflect the Agnew mine assets at their fair value.

Decrease in post-retirement health care provision.

In South Africa, Gold Fields provides medical benefits to employees in its operations through the Medisense Medical Scheme.

Under the medical plan which covers certain of its former employees, Gold Fields remains liable for 50% of the employees medical contribution to the medical schemes after their retirement. During fiscal 2004 and fiscal 2003, 6% and 61%, respectively, of these former employees and dependants were bought out of the scheme at a 15% premium to the actuarial valuation. At June 30, 2004, approximately 510 (fiscal 2003: 850) former employees were covered under this plan, which has not been available to employees of the Free State operations who retired after August 31, 1997 and members of Medisense who retired after January 31, 1999. See Directors, Senior Management and Employees Employees Benefits.

In fiscal 2004 an amount of $5.1 million was credited to earnings, compared to $5.0 million in fiscal 2003, in respect of Gold Fields obligations under this medical plan, a 2% increase. The $5.1 million credit was the result of a reversal of $6.2 million relating to the release of the cross subsidization liability as a result of the buyout and a $2.6 million release as a result of benefits forfeited offset in part by the annual interest and service charge of $3.0 million, and a $0.7 million charge relating to the 15% premium mentioned above. In fiscal 2003, the credit was the result of a $13.5 million reversal relating to the release of the cross subsidization liability as a result of the buyout, offset in part by the annual interest and service charge of $5.5 million and a $3.0 million charge related to the 15% premium. The post-retirement health care provision is updated annually based on actuarial calculations, with any increase in the provision reflected in the statement of operations.

Increase in provision for environmental rehabilitation.

For its South African operations, Gold Fields contributes to environmental trust funds it has established to provide for any environmental rehabilitation obligations and expected closure costs relating to its mining operations. The amounts invested in the trust funds are classified as non-current assets and any income earned on these assets is accounted for as interest income. For the Ghana and Australia operations Gold Fields does not contribute to a trust fund, but does make provision for estimated environmental rehabilitation costs. Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the balance sheet date. The rehabilitation charge for fiscal 2004 was $8.4 million compared to $5.3 million in fiscal 2003 principally because of the appreciation of the Rand against the U.S. dollar.

Finance income/(expense).

Gold Fields recognized a net finance expense of $12.2 million in fiscal 2004 as compared to finance income of $4.2 million in fiscal 2003. Net finance expense in fiscal 2004 consisted of interest payments of $27.2 million, comprising $18.2 million on the Mvelaphanda loan and $9.0 million on the loans used to acquire St. Ives, Agnew and Damang in Australia and Ghana , offset in part by a $3.6 million unrealized exchange gain on certain offshore funds denominated in Euros and a $11.4 million realized exchange gain on the Australian loan.

Net finance income in fiscal 2003 consisted of a $4.0 million unrealized exchange gain on the revaluation of the U.S. dollar loan incurred in connection with the acquisition of the Australian operations and a realized exchange gain of $11.5 million on the repayment of $119.5 million of the Australian loans, offset in part by interest payments of

$4.8 million and realized loss of $6.5 million on certain other U.S. dollar denominated accounts in Australia.

Unrealized gain on financial instruments.

Gold Fields recognized an unrealized gain of $39.2 million in fiscal 2004 compared to an unrealized gain of $35.7 million in fiscal 2003 relating to financial instruments.

Of the $39.2 million unrealized gain in fiscal 2004, $40.2 million related to an unrealized gain on the Australian dollar/U.S. dollar currency financial instruments purchased at the time of the acquisition of St. Ives and Agnew, offset by a $1.0 million negative mark-to-market valuation as at June 30, 2004 of the $50.0 million U.S. dollar/Rand currency financial instruments purchased to protect the Group s commitment of $159.0 million in respect of the Tarkwa mill project and the conversion to owner mining. See Quantitative and Qualitative Disclosures About Market Risk Foreign Currency Hedging Experience.

Of the $35.7 million unrealized gain in fiscal 2003, $36.7 million related to the positive mark-to-market valuation as at June 30, 2003 of the then remaining Australian dollar/U.S. dollar currency instruments offset by $1.0 million negative mark-to-market valuation as at June 30, 2003 of the $36.0 million U.S. dollar/Rand currency financial instruments purchased to protect the Group s commitment in respect of the Tarkwa mill project and the shift to owner mining projects, of $159.0 million.

Realized gain on financial instruments.

Gold Fields recognized a realized loss of $8.7 million in fiscal 2004 compared to a realized gain of $15.1 million in fiscal 2003 relating to financial instruments.

Of the $8.7 million realized loss in fiscal 2004, a loss of $13.0 million was realized on the settlement of the U.S. dollar/Rand forward purchases offset in part by a $4.3 million gain on the U.S. dollar/Australian dollar financial instruments purchased at the time of the acquisition of St. Ives and Agnew.

Of the $15.1 million realized gain in fiscal 2003, $10.5 million was realized on the close-out of $175.0 million of the Australian dollar/U.S. dollar currency financial instruments purchased at the time of the acquisition of St. Ives and Agnew during fiscal 2004. The balance of $4.6 million relates to the amortization of deferred hedging gains relating to Abosso Goldfields forward sales contracts that Gold Fields acquired in connection with the purchase of Abosso.

Employee termination costs.

In fiscal 2004, Gold Fields incurred termination costs of $10.5 million as compared to $3.8 million in fiscal 2003. The increase in employee terminations costs is as a result of higher retrenchments during fiscal 2004.

Profit on sale of investments

During fiscal 2004, Gold Fields continued to liquidate certain non-current investments in order to fund foreign debt repayments. The profit on the sale of these investments amounted to $13.9 million resulting from the following sales:

$7.7 million from the sale of 1.2 million shares in Harmony Gold Mining Company Limited and African Rainbow Minerals Limited,

$2.1 million from the sale of 0.9 million shares in Chesapeake Gold Corporation,

$1.0 million from the sale of 0.1 million shares in Glamis Gold Limited,

$1.5 million from the sale of 2.5 million shares in Orezone Resources Inc, and

$1.6 million from the sale of 1.3 million shares in Committee Bay.

During fiscal 2003, the profit on the sale of non-current investments amounted to $57.2 million resulting from the following sales:

$42.4 million from the sale of 30.5 million shares in Eldorado Gold Corporation,

$13.1 million from the sale of 1.5 million shares in Glamis Gold Limited,

$1.5 million from the sale of 0.4 million shares in African Rainbow Minerals Limited, and

$0.2 million from the sale of 73,000 shares in Chesapeake Gold Corporation.

Profit on sale of mineral rights

During fiscal 2004, mineral rights and associated assets relating to a portion of Driefontein were sold for $45.7 million to AngloGold, resulting in a profit of $27.1 million.

Write-down of Mineral Rights

During fiscal 2004, mineral rights classified as inventories to the value of $3.6 million were written-off. This is in line with new regulations in South Africa that will result in mining companies forfeiting those mineral rights not likely to be mined or explored.

Income and Mining Tax Expense

The table below indicates Gold Fields effective tax rate for fiscal 2003 and fiscal 2004, including normal and deferred tax.

	Year ended 30 June	
	2003	**2004**
	(%)	
Income and mining tax		
Effective tax expense rate	32.9	14.3

In fiscal 2004, the effective tax expense rate of 14.3% differed from the maximum mining statutory tax rate of 46% for Gold Fields and the subsidiaries as a whole, primarily due to the effect of the mining tax formula of $7.0 million (representing the tax-free status of the first 5% of mining revenue) on the South African mining operations taxable income and $15.1 million of non-taxable income primarily related to the profit on sale of certain investments. In addition, the tax expense rate is lower due to a credit of $17.6 million relating to income from Australia and Ghana being taxed at a lower rate. The effect of these items was partially offset by an amount of $19.8 million relating to foreign levies and royalties, which is included in the tax charge.

In fiscal 2003, the effective tax rate expense of 32.9% differed from the maximum mining statutory tax rate of 46% for Gold Fields and its subsidiaries as a whole, primarily due to the effect of the mining tax formula of $18.4 million (representing the tax-free status of the first 5% of mining revenue) on the South African mining operations taxable income, the utilization of assessed losses of $13.7 million mainly related to the disposal of the St. Helena mine not previously recognized and $30.6 million of non taxable income related primarily to the profit on the sale of certain investments. The effect of these items was offset in part by an amount of $16.1 million relating to foreign levies and royalties, which is included in the tax charge.

Minority Interests

Minority interests represented a cost of $21.8 million in fiscal 2004, compared to a cost of $14.4 million in fiscal 2003. The increase is due to the higher net income of the Ghanaian operations in fiscal 2004 compared to fiscal 2003. These amounts reflect the portion of the net income of Gold Fields Ghana, and Abosso attributable to their minority shareholders. The minority shareholders interest was 28.9% in Gold Fields Ghana and Abosso in fiscal 2004 and fiscal 2003.

Table of Contents

Net income

As a result of the factors discussed above, Gold Fields net income was $48.9 million in fiscal 2004 compared with net income of $257.0 million in fiscal 2003.

Years Ended June 30, 2003 and 2002

Revenues

Product sales increased by $328.2 million, or 27.1 %, from $1,210.0 million in fiscal 2002 to $1,538.2 million in fiscal 2003. The increase in product sales was due to a net increase of approximately 0.41 million ounces, or 9.7%, of total gold sold from 4.21 million ounces in fiscal 2002 to 4.62 million ounces in fiscal 2003, combined with an increase in the average realized gold price of 14.0% from $292 per ounce in fiscal 2002 to $333 per ounce in fiscal 2003. The increase in total gold sold resulted primarily from the inclusion of a full year s production at Damang, St. Ives and Agnew. Damang produced 229,000 ounces in fiscal 2003 compared to 141,000 for the period from January 23, 2002 to June 30, 2002, while St. Ives and Agnew produced 513,000 ounces and 144,000 ounces, respectively in fiscal 2003 compared to 314,000 ounces and 83,000 ounces, respectively, for the seven months ended June 30, 2002. This was slightly offset by the inclusion of only 44,000 ounces from St. Helena prior to its disposal on October 30, 2002, compared with 116,000 ounces in fiscal 2002. Driefontein sold 42,000 ounces less than in fiscal 2002, mainly due to lower yields, offset by an increase of 43,000 ounces at Kloof due to higher tonnes mined offsetting a slight decline in yields. Production at Beatrix and Tarkwa remained virtually unchanged year on year although somewhat higher tonnes mined at Beatrix were offset by somewhat lower yields. The difference between total gold sold and total gold produced is due to: (1) timing differences between gold production and gold sales and (2) the fact that the gold sales figure for fiscal 2002 excludes gold produced at Kloof Shaft No. 4, which was capitalized because the shaft was at the development stage. This capitalization ceased at the beginning of fiscal 2003.

Interest and dividends increased by $12.4 million or 139.3%, from $8.9 million in fiscal 2002 to $21.3 million in fiscal 2003. This increase was mainly due to higher interest received in line with higher cash balances. Dividends received was $2.2 million in fiscal 2003 as compared to $0.2 million in fiscal 2002, mainly as a result of a special dividend comprised of shares and debentures received with respect to Gold Fields shareholding in Western Areas Gold Mining Company. Interest received on cash and cash equivalents was $19.1 million in fiscal 2003 as compared to $8.7 million in fiscal 2002, due to higher average cash balances during fiscal 2003 compared to fiscal 2002.

Other income increased by $4.2 million, from $0.5 million in fiscal 2002 to $4.7 million in fiscal 2003. Other income in fiscal 2003 consisted of $4.8 million in revenues, comprised principally of rent, proceeds from insurance claims and scrap sales, net of $0.1 million in expenses. Other income in fiscal 2002 consisted of $4.4 million in revenues, comprised principally of asset sales, rent and exchange differences, net of $3.9 million in expenses.

Costs and expenses

The following table sets out Gold Fields total ounces produced, weighted average total cash costs and total production costs per ounce for fiscal 2002 and fiscal 2003.

	Fiscal 2002			Fiscal 2003				
	Gold Production	Total cash costs(1)	Total production costs(2)	Gold production	Total cash costs(1)	Total production costs(2)	Percentage increase/(decrease) in unit total cash costs	Percentage increase/(decrease) in unit total production costs
	(000oz)	($/oz)	($/oz)	(000oz)	($/oz)	($/oz)	%	%
Driefontein	1,327	154	180	1,238	202	233	31.2	29.4
Kloof(3)	1,101	175	195	1,140	215	246	22.9	26.2
Free State								
Beatrix	655	169	191	659	229	260	35.5	36.1
St Helena	116	252	252	44	289	289	13.9	14.7
Ghana								
Tarkwa(4)	544	165	193	540	194	225	18.2	16.6
Darnang(5)	141	211	233	299	243	260	15.2	11.6
Australia(6)								
St. Ives	341	165	221	513	198	295	20.0	34.5
Agnew	83	218	351	144	219	396	0.9	12.8
Total(7)(8)	4,307			4,577				
Weighted average		170	198		212	254	24.7	28.3

Notes: Except for gold production information, all statistics are based on gold sold.

(1) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined using the Gold Institute industry standard, by gold ounces sold for all periods presented. The Gold Institute was a non-profit international industry association of miners, refiners, bullion suppliers and manufacturers of gold products that ceased operation in 2002, which developed a uniform format for reporting production costs on a per ounce basis. The standard was first adopted in 1996 and revised in November 1999. Total cash costs, as defined in the Gold Institute industry standard, are production costs as recorded in the statement of operations, less offsite (i.e., central) general and administrative expenses (including head office costs charged to the mines, central training expenses, industry association fees and social development costs), rehabilitation costs, amortization, reclamation, capital development and exploration costs plus royalties and employee termination costs. Under U.S. GAAP, production costs do not include amortization, reclamation, capital development or certain exploration costs. Changes in total cash costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and Australian dollar compared to the U.S. dollar. Management, however, believes that total cash costs per ounce provides a measure for comparing Gold Fields operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. Total cash costs per ounce is not a U.S. GAAP measure. An investor should not consider total cash costs per ounce in isolation or

as an alternative to net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the Gold Institute has provided a definition for the calculation of total cash costs, the adoption of the standard is voluntary and thus the calculation of total cash costs per ounce may vary significantly among gold mining companies, and by itself does not necessarily provide a basis for comparison with other gold mining companies, See Information on the Company Glossary of Mining Terms Total cash costs per ounce

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

(3) Includes gold production at Kloof Shaft No. 4, which is capitalized (fiscal 2002: 75,000 ounces; fiscal 2003: nil ounces).

(4) In fiscal 2002 and 2003, 0.387 million ounces and 0.384 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Tarkwa operation.

(5) In fiscal 2002 and 2003, 0.100 million ounces and 0.213 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Damang operation.

(6) The consideration paid for the Australian operations in excess of the book value of the underlying net assets was allocated pro rata to the value of the underlying assets, which affected the allocation of amortization between St. Ives and Agnew.

(7) In fiscal 2002, and 2003, 4.109 million ounces and 4.334 million ounces of production, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operations.

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

The following tables set out a reconciliation of Gold Fields   production costs to its total cash costs and total production costs for fiscal 2003 and fiscal 2002.

	For the year ended June 30, 2003									
	Driefontein	**Kloof**	**Beatrix**	**St. Helena**	**Tarkwa**	**Damang**	**St. Ives**	**Agnew**	**Corporate**	**Group**
	(in $ millions except as otherwise noted)[1]									
Production costs	260.3	250.5	155.0	12.6	105.1	71.2	118.2	42.1		1,015.0
Less:										
G&A other than corporate cost	(7.5)	(6.1)	(3.9)		(5.5)	(1.6)	(3.6)	(0.8)		(28.2)
GIP adjustments	(0.4)						(1.1)	(5.1)		(6.6)
Exploration							(16.6)	(5.8)		(22.42)
Plus:										
Employment termination cost	2.3	1.5								3.8
Royalty					5.4	3.0	4.6	1.1		14.1
Total cash cost	254.7	245.9	151.1	12.6	105.0	72.6	101.5	31.5		863.4
Plus:										
Amortization[2]	37.2	34.2	19.5		16.0	5.0	49.4	25.3	1.5	188.1
Rehabilitation	1.8	1.3	0.9		0.5	0.3	0.4	0.1		5.3
Total production cost	293.7	281.4	171.5	12.6	121.5	77.9	151.3	56.9	1.5	1,168.3
Gold produced (000 oz)[3]	1,238.3	1,140.1	658.7	43.7	539.9	299.2	513.3	143.6		4,576.8
Gold inventory (000 oz)	23.2	2.0								25.2
Gold sales (000 oz)	1,261.5	1,142.1	658.7	43.7	539.9	299.2	513.3	143.6		4,602.0

Gold sold per production cost (000 oz)	1,261.5	1,142.1	658.7	43.7	539.9	299.2	513.3	143.6		4,602.0
Total cash costs[4] ($/oz)	202	215	229	289	195	243	198	219		212
Total production costs[5] ($/oz)	233	246	260	289	225	260	295	396		254

Notes:
All statistics are based on gold sold.

(1) Calculated using an exchange rate of R9.07 per $1.00.

(2) Includes non-cash portion of GIP adjustments.

(3) In fiscal 2003, 0.597 million ounces of production were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operations.

(4) Gold Fields has calculated total cash costs per ounce by dividing total cash costs, as determined using the Gold Institute industry standard, by gold ounces sold for all periods presented. The Gold Institute was a non-profit international industry association of miners, refiners, bullion suppliers and manufacturers of gold products that ceased operation in 2002, which developed a uniform format for reporting production costs on a per ounce basis. The standard was first adopted in 1996 and revised in November 1999. Total cash costs, as defined in the Gold Institute industry standard, are production costs as recorded in the statement of operations, less offsite (i.e., central) general and administrative expenses (including head office costs charged to the mines, central training expenses, industry association fees and social development costs), rehabilitation costs, amortization, reclamation, capital, development and exploration costs plus royalties and employee termination costs. Under U.S. GAAP, production costs do not include amortization, reclamation, capital development or certain exploration costs. Changes in total cash costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and Australian dollar compared to the U.S. dollar. Management, however, believes that total cash costs per ounce provides a measure for comparing Gold Fields operational performance against that of its peer group, both for Gold Fields as a whole, and for its individual operations. Total cash costs per ounce is not a U.S. GAAP measure. An investor should not consider total cash costs per ounce in isolation or as an alternative to net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented in accordance with U.S. GAAP. While the Gold Institute has provided a definition for the calculation of total cash costs, the adoption of the standard is voluntary and thus the calculation of total cash costs per ounce may vary significantly among gold mining companies, and by itself does not necessarily provide a basis for comparison with other gold mining companies See Information on the Company Glossary of Mining Terms Total cash costs per ounce .

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

	For the year ended June 30, 2002									
	Driefontein	**Kloof**	**Beatrix**	**St Helena**	**Tarkwa**	**Damang**	**St. Ives**	**Agnew**	**Corporate**	**Group**
					(in $ millions except as otherwise noted)(1)					
Production costs	205.8	181.6	113.3	28.8	85.5	28.5	55.8	17.8	(7.1)	710.0
Less:										
G&A other than corporate cost	(7.6)	(5.5)	(3.0)	(0.3)	(0.4)		(1.9)	(0.5)		(19.2)

Management costs									7.1	7.1
Plus:										
Employment termination costs	2.7	2.7	0.2	0.8						6.4
Royalty					4.6	1.4	2.4	0.7		9.1
Total cash costs	200.9	178.8	110.5	29.3	89.7	29.9	56.3	18.0		713.4
Plus:										
Amortization(2)	32.7	19.2	14.3		13.8	2.5	18.8	10.9	1.1	113.3
Rehabilitation	0.6	1.3	0.5		1.5	0.5	0.2	0.1		4.7
Total production costs	234.2	199.3	125.3	29.3	105.0	32.9	75.3	29.0	1.1	831.4
Gold produced (000 oz)	1,326.6	1,100.7	654.8	116.4	544.0	141.4	340.9	82.6		4,307.4
Gold inventory (000 oz)	(23.2)	(2.0)								(25.2)

	For the year ended June 30, 2002									
	Driefontein	Kloof	Beatrix	St Helena	Tarkwa	Damang	St. Ives	Agnew	Corporate	Group
					(in $ millions except as otherwise noted)[1]					
Gold sales (000 oz)	1,303.4	1,098.7	654.8	116.4	544.0	141.4	340.9	82.6		4,282.2
Less capitalized production of Kloof No. 4 Shaft (000 oz)[6]		(74.6)								(74.6)
Gold sold per production cost	1,303.4	1,024.1	654.8	116.4	544.0	141.4	340.9	82.6		4,207.6
Total cash cost[3]($/oz)	154	175	169	252	165	211	165	218		170
Total production cost[4]($/oz)	180	195	191	252	193	233	221	351		198

Notes:

(1) Calculated using an exchange rate of R10.30 per $1.00.

(2) Includes non-cash portion of GIP adjustments.

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

calculation of total cash costs, the adoption of the standard is voluntary and thus the calculation of total cash costs per ounce may vary significantly among gold mining companies, and by itself does not necessarily provide a basis for comparison with other gold mining companies, See Information on the Company Glossary of Mining Terms Total cash costs per ounce

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

Gold Fields weighted average total cash costs per ounce increased $42 per ounce, or 24.7%, from $170 per ounce in fiscal 2002 to $212 per ounce in fiscal 2003. The principal reason was the strengthening of the Rand against the U.S. dollar, which had an 11% negative impact on costs converted from the South African operations. Average total cash costs at the South African operations were further affected by an increase in mining volumes to counter the 9% decrease in yields during fiscal 2003 as compared to fiscal 2002 as well as normal inflationary increases. In addition, costs at Kloof increased due to the increased production at No. 4 shaft. In Rand terms, weighted average total cash costs per kilogram increased by 10.0%, principally due to South African inflation and related wage increases. Total cash costs per ounce in Rand terms at the international operations were similar to fiscal 2002 with lower unit costs at Damang and Agnew offsetting the increases at Tarkwa and St. Ives, as the appreciation of the Rand against the U.S. dollar contributed to the lower total cash costs per ounce in Rand terms in fiscal 2003.

Production costs

Production costs increased by $305.0 million, or 43.0%, from $710.0 million in fiscal 2002 to $1,015.0 million in fiscal 2003, primarily due to the inclusion of production from Damang, St. Ives and Agnew for the full year, which accounted for 37.9% of this increase. The balance of the increase was mainly due to increased operating costs at the South African operations and the appreciation of the South African Rand and the Australian dollar against the U.S. dollar. Increased operating costs at the South African operations were due to inflationary wage increases and increases during fiscal 2003 compared to fiscal 2002 of 10% and 19% in stoping and development costs, respectively, as well as an increase of $31.0 million in operating costs at Kloof Shaft No. 4, due to increased production, as this shaft builds up to full production. Production at Kloof Shaft No. 4 was capitalized until the end of fiscal 2002, while the shaft was at the development stage. In addition, the Rand appreciated on average by 13.6% and the Australian dollar appreciated 14.8% against the U.S. dollar during fiscal 2003 compared to fiscal 2002, resulting in increased costs in U.S. dollar terms.

Corporate expenditure

Corporate expenditure was $16.6 million in fiscal 2003 compared to $12.3 million in fiscal 2002, an increase of 35.0%. This increase was mainly due to the appreciation of the Rand against the U.S. dollar and increased salary costs as a result of the employment of additional corporate staff. Rand costs increased from R127.0 million in fiscal 2002 to R150.8 million in fiscal 2003.

Depreciation and amortization

Depreciation and amortization charges increased $74.8 million, or 66.0%, from $113.3 million in fiscal 2002 to $188.1 million in fiscal 2003. The principal reason for the increase was the inclusion of amortization and depreciation of the Australian and Damang operations for twelve months, compared to seven and five months respectively in fiscal 2002. The increase was compounded by the appreciation of the Rand against the U.S. dollar.

The table below depicts the changes from June 30, 2001 to June 30, 2002 for proven and probable reserves and for the life of mine for each operation, and the resulting impact on the amortization charge in fiscal 2002 and 2003. In basic terms, amortization is calculated using the life of mine for each operation, which is based on: (1) the proven and probable reserves above infrastructure for the operation at the start of the relevant year (which are taken to be the same as at the end of the prior fiscal year and using only above infrastructure reserves in both fiscal 2002 and 2003) and (2) the amount of gold produced by the operation during the year.

	Proven and probable reserves as of June 30,		**Life of mine as of June 30,**		**Amortization for fiscal**	
	2001	**2002**	**2001**	**2002**	**2002**	**2003**
	(000 oz)		**(years)**		**($ million)**	
Driefontein	18,800	16,400	15	19	32.7	37.2
Kloof[1]	19,200	15,300	21	20	19.2	34.2
Free State						
Beatrix[2]	14,200	11,800	18	20	14.3	19.5
St Helena	320	370				

Ghana						
Tarkwa[3]	6,900	6,500	14	13	13.8	16.0
Damang[4][5]	1,240	1,190	6	4	2.5	5.0
Australia	3,150	2,340	10	5.5	18.8	49.4
St. Ives[5][6]	3,150	2,340	10	5.5	18.8	49.4
Agnew[5][6]	690	600	7	4	10.9	25.3

	Proven and probable reserves as of June 30,		Life of mine as of June 30,		Amortization for fiscal	
	2001	2002	2001	2002	2002	2003
Corporate and other					1.1	1.5
Total	64,500	54,500			113.3	188.1
Reserves below infrastructure[7]	21,400	26,600				
Total reserves[8]	85,900	81,100				

Notes:

(1) A mineral resource study at Kloof during fiscal 2001 resulted in adjustments to grade zones, exclusions of certain mining blocks due to lack of adequate ventilation, a reduction in extraction from shaft pillars amongst other adjustments. The net effect on total reserves was insignificant but resulted in a movement from above infrastructure reserves to below infrastructure reserves at the end of fiscal 2002. As amortization is calculated using the above infrastructure reserves as its denominator (the numerator being the produced ounces) the amortization charge for fiscal 2003 increased accordingly.

(2) The Beatrix operation, formerly called the Free State operation, was renamed following the sale of St.Helena mine on October 30, 2002. Includes the former Oryx mine, now designated as Beatrix Shaft No. 4.

(3) As of June 30, 2001 and 2002, reserves of 4.900 million ounces and 4.620 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Tarkwa operation.

(4) As of June 30, 2001 and 2002, reserves of 0.880 million ounces and 0.850 million ounces were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Damang operation.

(5) Reserves and life of mine calculated as of the date Gold Fields acquired the operation.

(6) The consideration paid for the Australian operations in excess of the book value of the underlying net assets was allocated pro rata to the value of the underlying assets, which affected the allocation of amortization between St. Ives and Agnew.

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

(8) As of June 30, 2001 and 2002, reserves of 83.540 million ounces and 78.900 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to minority shareholders in the Ghana operation.

Exploration expenditure

Exploration expenditure was $29.6 million in fiscal 2003, an increase of 79.4% from $16.5 million in fiscal 2002. The increase was as a result of a deliberate effort to step up exploration activities, with $5.6 million being spent in Australia on exploration projects in fiscal 2003, compared to $0.2 million in fiscal 2002 and $1.9 million being spent in South and Latin America in fiscal 2003, compared to $0.6 million in fiscal 2002. Exploration expenditure in fiscal 2003 also included $6.2 million incurred at APP compared to $7.5 million in fiscal 2002 and $6.6 million in respect of a write off of all expenditure incurred during fiscal 2003 on farm in projects, in which an ownership interest will vest only once a predetermined level of investment is achieved. See Information on the Company Exploration.

Impairment of assets

The allocation of the purchase price to the Agnew and St. Ives mines was based upon geological and other information available to the Company at the purchase date. During fiscal 2003, the Company revised the Agnew life of mine plan based upon the latest estimates of reserves and mineralized material. The life of mine plan was revised because the results of the Agnew mine following the acquisition had been below those anticipated due to a lower recovered gold content and certain events which rendered certain mineralized material unexploitable. The revised life of mine plan did not support the original allocation of the purchase price to the Agnew mine orebody, mining tenements and undeveloped properties. For management reporting purposes, Gold Fields reallocated part of the initial purchase price from the Agnew mine orebody, mining tenements and undeveloped properties to the St. Ives mine orebody, mining tenements and undeveloped properties. U.S. GAAP does not permit a company to reallocate the purchase price more than a year beyond the acquisition date, when sufficient data was available to make the initial purchase price allocation. Accordingly, an impairment write down of $29.6 million was recorded to reflect the Agnew mine assets at their fair value.

Decrease in post-retirement health care provision

Under the medical plan which covers certain of its former employees, Gold Fields remains liable for 50% of the employees medical contribution to the medical schemes after their retirement. As of June 30, 2003, 61% of these former employees and dependants were bought out of the scheme at a 15% premium. At June 30, 2003, approximately 850 (fiscal 2002: 2,300) former employees were still covered under this plan, which has not been available to active members of Aumed who retired after August 31, 1997 and members of Medisense who retired after January 31, 1999. See Directors, Senior Management and Employees Employees Benefits. In fiscal 2003 an amount of $5.0 million was credited to earnings, compared to a charge of $6.6 million in fiscal 2002, in respect of Gold Fields obligations under this medical plan, a 176% decrease. The $5.0 million credit is the result of the annual interest and service charge of $5.5 million, a $3.0 million charge relating to the 15% premium mentioned above and a reversal of $13.5 million relating to the release of the cross subsidization liability as a result of the buyout. The post-retirement health care provision is updated annually based on actuarial valuations, with any increase in the provision reflected in the statement of operations.

Increase in provision for environmental rehabilitation

As from July 1, 2002, the company adopted FAS 143 for accounting for its environmental rehabilitation costs. Under this method the rehabilitation charge for fiscal 2003 was $5.3 million compared to $4.7 million in fiscal 2002, which was under the old standard. Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the balance sheet date. Previously Gold Fields provided for its obligations over the life of mine for each operation using principally the units-of-production method based on estimated proven and probable reserves above infrastructure.

Finance income/(expense)

Gold Fields recognized finance income of $4.2 million in fiscal 2003 as compared to $8.3 million in fiscal 2002. Finance income in fiscal 2003 consisted of a $4.0 million unrealized exchange gain on the revaluation of the U.S. dollar loan incurred in connection with the acquisition of the Australian operations and a realized exchange gain of $11.5 million on the repayment of $119.5 million of the Australian loans, offset in part by interest payments of $4.8 million and a realized loss of $6.5 million on certain other U.S. dollar denominated accounts in Australia. Finance income in fiscal 2002 consisted of a $14.5 million unrealized exchange gain on the revaluation on the U.S. dollar loan and a $1.2 million realized exchange gain on the first $16.0 million repayment installment on the loan, offset in part by interest payments of $5.2 million, including fees of $2.9 million, and a realized loss of $2.2 million on certain other U.S. dollar accounts in Australia.

Unrealized gain on financial instruments

Gold Fields recognized an unrealized gain of $35.7 million in fiscal 2003 compared to an unrealized gain of $45.9 million in fiscal 2002 relating to financial instruments.

Of the $35.7 million unrealized gain in fiscal 2003, $36.7 million related to the positive mark-to-market valuation as at June 30, 2003 of the then remaining Australian dollar/U.S. dollar currency instruments offset by a $1.0 million negative mark-to-market valuation as at June 30, 2003 of the $36.0 million U.S. dollar/Rand currency financial instruments purchased to protect the Group s commitment in respect of the Tarkwa mill project and the shift to owner mining of $159.0 million.

Of the $45.9 million unrealized gain in fiscal 2002, $42.7 million related to the positive mark-to-market valuation as of June 30, 2002 of the remaining Australian dollar/U.S. dollar currency financial instruments and $3.2 million related to the positive mark-to-market valuation as of June 30, 2002 of the then remaining U.S. dollar/Rand currency financial instruments which Gold Fields entered into in December 2001.

Realized gain on financial instruments

Gold Fields recognized a realized gain of $15.1 million in fiscal 2003 compared to a realized gain of $4.7 million in fiscal 2002 relating to financial instruments.

Of the $15.1 million realized gain in fiscal 2003, $10.5 million was realized on the close-out of $175.0 million of the Australian dollar/U.S. dollar currency financial instruments during the year. The balance of $4.6 million relates to the amortization of deferred hedging gains relating to Abosso Goldfields forward sales contracts that Gold Fields acquired in connection with the purchase of Abosso.

Of the $4.7 million realized gain in fiscal 2002, a gain of $1.2 million was realized on the close out of $25.0 million of the Australian dollar/U.S. dollar currency financial instruments in March 2002. Gold Fields closed out $48.0 million of the U.S. Dollar/Rand currency financial instruments during March and April 2002, realizing a profit of $4.9 million. As a result of the acquisition of Abosso, Gold Fields succeeded to a number of gold forward contracts which were closed out in February 2002 and realized an accounting loss of $6.1 million. This loss was partly offset by the amortization of deferred hedging gains of $4.0 million relating to Abosso Goldfields forward sales contracts that Gold Fields acquired in connection with the purchase of Abosso. The balance of the $4.7 million realized gain related primarily to the recognition of the balance of the deferred gain from the previous repurchase by Gold Fields of gold forward sales commitments. See Quantitative and Qualitative Disclosures About Market Risk Foreign Currency Hedging Experience.

Employee termination costs

In fiscal 2003, Gold Fields incurred termination costs of $3.8 million as compared to $6.4 million in fiscal 2002. The decrease in employee termination costs was as a result of lower retrenchments during fiscal 2003.

Profit on sale of non-current investments

During fiscal 2003, Gold Fields decided to liquidate certain non-current investments in order to fund foreign debt repayments. The profit on the sale of these investments amounted to $57.2 million resulting from the following sales:

$42.4 million from the sale of 30.5 million shares in Eldorado Gold Corporation,

$13.1 million from the sale of 1.5 million shares in Glamis Gold Limited,

$1.5 million from the sale of 0.4 million shares in African Rainbow Minerals Limited, and

$0.2 million from the sale of 73,000 shares in Chesapeake Gold Corporation.

Gain on disposal of St. Helena

On October 30, 2002 Gold Fields disposed of the St. Helena gold mining operation to Freegold for a gross consideration of $11.9 million and a monthly royalty payment to Gold Fields equal to 1% of the net revenues from gold sales from the St. Helena mine for a period of four years after October 30, 2002. This disposal resulted in a gain of $13.4 million.

Income and mining tax expense

The table below indicates that Gold Fields effective tax rate for fiscal 2002 and fiscal 2003, including normal and deferred tax.

Year ended June 30,	**2002**	**2003**
Income and mining tax		
Effective tax expense rate	36.9%	32.9%

In fiscal 2003, the effective tax expense rate of 32.9% differed from the maximum mining statutory tax rate of 46% for Gold Fields and its subsidiaries as a whole, primarily due to the effect of the mining tax formula of $18.4 million (representing the tax-free status of the first 5% of mining revenue) on the South African mining operations taxable income, the utilization of assessed losses of $13.7 million mainly related to the disposal of the St. Helena mine not previously recognized and $31.6 million of non taxable income related primarily to the profit on the sale of certain investments. The effect of these items was offset in part by an amount of $16.1 million relating to foreign levies and royalties, which is included in the tax charge.

In fiscal 2002, the effective tax expense rate of 36.9% differed from the maximum mining statutory tax rate of 46% for Gold Fields and its subsidiaries as a whole primarily due to the effect of the mining tax formula of $15.9 million (representing the tax-free status of the first 5% of mining revenue) on the South African mining operations taxable income, and the utilization of assessed losses of $11.5 million not previously recognized. In addition, the tax expense rate is lower due to a credit of $23.6 million relating to income from Australia and Ghana taxed at a lower rate, partially offset by an amount of $9.9 million relating to foreign levies and royalties, which is included in the tax charge.

Minority interests

Minority interests represented a cost of $14.4 million in fiscal 2003, compared to a cost of $12.2 million in fiscal 2002. These amounts reflect the portion of the net income of Gold Fields Ghana and Abosso attributable to their minority shareholders. The minority shareholders interest was 28.9% in Gold Fields Ghana and Abosso in both fiscal 2003 and fiscal 2002.

Cumulative effect of change in accounting principles, net of tax

With effect from July 1, 2002, the Company adopted FAS 143 . The adoption of FAS 143 resulted in Gold Fields recording a $1.3 million debit cumulative effect of a change in accounting principle, net of tax in fiscal 2003.

Net income

As a result of the factors discussed above, Gold Fields net income was $257.0 million in fiscal 2003 compared with net income of $239.1 million in fiscal 2002.

Liquidity and Capital Resources

Cash resources

Operations

Net cash provided by operations was $198.4 million in fiscal 2004 compared to $411.4 million in fiscal 2003. In fiscal 2004, Gold Fields realized gold price increased to an average of $387 per ounce compared to $333 per ounce in fiscal 2003. Sales in fiscal 2004 decreased by 0.2 million ounces but the increase in the realized price resulted in revenues from product sales increasing by $168.0 million in fiscal 2004 to $1,706.2 million compared to $1,538.2 million in fiscal 2003. The increased revenues were more than offset by a $340.2 million increase in production costs, which increased from $1,015.0 million in fiscal 2003 to $1,355.2 million in fiscal 2004. The net effect was a decrease in cash flow provided by operations before taxation and working capital changes. The decrease in cash provided by operations was partly offset by an increase in working capital changes of $21.8 million.

Net cash provided by operations in fiscal 2003 was $411.4 million compared to $424.7 million in fiscal 2002. In fiscal 2003, Gold Fields realized gold price increased to an average of $333 per ounce compared to $292 per ounce in fiscal 2002. In addition, sales in fiscal 2003 increased by 0.41 million ounces, which together with the increase in the realized price, resulted in revenues from product sales increasing by $328.2 million in fiscal 2003 to $1,538.2 million compared to $1,210.0 million in fiscal 2002. The increased revenues improved profitability and were the main reason for the increase in cash flow from operations before taxation and working capital changes. The increase in working capital changes of $14.9 million added to the increase in cash provided by operations, but these were offset by an increase in taxes paid of $43.1 million.

Although revenues from Gold Fields South African operations are denominated in U.S. dollars, Gold Fields receives them in Rand, which are then subject to South African exchange control limitations. See Information on the Company Regulatory and Environmental Matters South Africa Exchange Controls. As a result, those revenues are generally not available to service Gold Fields non-Rand debt obligations or to make investments outside South Africa without the approval of the South African Reserve Bank.

Revenues from Gold Fields Ghanaian and Australian operations are also denominated in U.S. dollars, but unlike in South Africa, Gold Fields receives them in U.S. dollars or is freely able to convert them into U.S. dollars. These U.S. dollar amounts can be used by Gold Fields to service its U.S. dollar-denominated debt and to make investments in its non-South African operations.

Investing

Net cash utilized in investing activities was $400.2 million in fiscal 2004 compared to $150.6 million in fiscal 2003. The increase in net cash utilized of $249.6 million was primarily due to an increase in capital expenditure of $153.6 million and an increase in investments purchased of $72.4 million. This was partially offset by the $55.0 million increase in the proceeds on the disposal of property, plant and equipment from $1.8 million in fiscal 2003 to $56.8 million in fiscal 2004. This amount included the $45.7 million received from the sale of Driefontein block 1C11 to AngloGold with the balance of $11.1 million related mainly to the sale of shares received in exchange for the sale of various nickel mineral rights at the Australian operations.

Proceeds from the sale of investments decreased from $72.1 million in fiscal 2003 to $29.3 million in fiscal 2004. The $29.3 million in fiscal 2004 comprises the following sales:

- $19.6 million from the sale of 1.2 million shares in Harmony Gold Mining Company Limited and African Rainbow Minerals Limited;

- $2.1 million from the sale of 0.9 million shares in Chesapeake Gold Corporation;

- $1.1 million from the sale of 0.1 million shares in Glamis Gold Limited;

- $1.9 million from the sale of 2.5 million shares in Orezone Resources Inc., and

- $2.0 million from the sale of 1.3 million shares in Committee Bay;

- $2.6 million from the sale of various other shares;

The $72.1 million in fiscal 2003 comprised the following sales:

- $49.3 million from the sale of 30.5 million shares in Eldorado Gold Corporation;

- $18.6 million from the sale of 1.5 million shares in Glamis Gold Limited;

- $4.0 million from the sale of 0.4 million shares in African Rainbow Minerals Limited; and

$0.2 million from the sale of 73,000 shares in Chesapeake Gold Corporation.

Net cash utilized in investing activities was $150.6 million in fiscal 2003 compared to $375.4 million in fiscal 2002. The decrease in net cash utilized of $224.8 million was primarily due to the acquisition of the Australian operations for $180.0 million and Abosso Goldfields for $32.9 million in fiscal 2002.

Capital expenditure increased $153.6 million to $377.9 million in fiscal 2004 compared to $224.3 million in fiscal 2003. Capital expenditure was $144.5 million in fiscal 2002. In Rand terms, capital expenditure increased to R2,607.6 million in fiscal 2004 from R2,035.5 million in fiscal 2003 and R1,489,3 million in fiscal 2002. The increase in capital expenditure was mainly due to growth projects at Tarkwa in Ghana and St. Ives in Australia.

Expenditure on Gold Fields major capital projects in fiscal 2004, included:

$24.7 million on the Beatrix Shaft No. 3 expansion project, as compared to $23.9 million in fiscal 2003 and $14.3 million in fiscal 2002;

$20.1 million on the Shaft No. 1 and Shaft No. 5 projects at Driefontein, as compared to $38.1 million in fiscal 2003 and $26.9 million in fiscal 2002;

$7.5 million on the Driefontein No. 1 and 2 metallurgical mill installation as compared to $14.3 million in fiscal 2003 and $9.2 million in fiscal 2002;

$25.0 million on the Shaft No. 4 project at Kloof as compared to $24.6 million in fiscal 2003 and $15.4 million in fiscal 2002, which in fiscal 2002 was inclusive of capitalized revenue and development costs;

$45.7 million on the St. Ives mill expansion project, compared to $nil in fiscal 2003 and fiscal 2002;

$75.9 million on the Tarkwa CIL process plant, as compared to $2.0 million in fiscal 2003 and $nil in fiscal 2002; and

$55.3 million on the Tarkwa owner mining project, as compared to $nil in fiscal 2003 and fiscal 2002.

Purchase of investments totaled $79.4 million in fiscal 2004 and consisted of:

$14.5 million of shares in Mvela Resources;

$29.0 million of redeemable preference shares in Micawber (Proprietary) Limited;

$12.6 million of shares in Bolivar Gold Corporation;

$7.7 million of shares in Zijin Mining Group Company Limited;

$2.8 million of shares in CMQ Resources Inc.; and

$12.8 million on numerous other investments.

Gold Fields also paid $23.0 million as part payment for the buyout of the 49% minority interest in APP. See Information on the Company Exploration Gold Fields Exploration Projects Arctic Platinum Project. This amount is reflected as acquisition of subsidiaries on Gold Fields Consolidated Statements of Cash Flows included elsewhere in this annual report.

Financing

Net cash provided by financing activities was $682.2 million in fiscal 2004 as compared to net cash utilized in financing activities of $335.8 million in fiscal 2003. The increase in cash provided from financing activities was due primarily to the loan of $586.7 million ($591.3 million less costs of $4.6 million) raised as a result of the Mvelaphanda transaction. See Overview Mvelaphanda Transaction In addition, Gold Fields received $219.7 million from ordinary shares issued mainly as a result of an international private placement of Gold Fields shares in November 2003 which raised $215.9 million. Also, in fiscal 2004, $3.8 million was received as a result of share options exercised, as compared to $4.5 million in fiscal 2003.

In addition, during fiscal 2004 Gold Fields repaid the remaining $28.6 million balance on the $165.0 million drawdown on the $250.0 million credit facility entered into in connection with the purchase of the St. Ives and Agnew operations. It also repaid the $12.2 million balance remaining on the $35.0 million two-year facility used to finance, in part, the acquisition of 71.1% of Abosso. In fiscal 2003, the amounts repaid were $119.5 million and $20.9 million, respectively.

Dividends paid amounted to $92.6 million in fiscal 2004 as compared to $184.3 million in fiscal 2003. The amount of dividends paid was lower than in fiscal 2003 principally due to lower net income, partially offset by the stronger Rand/U.S. dollar exchange rate. Dividend payments amounted to Rand 669.1 million or 140 Rand cents per ordinary share in fiscal 2004 as compared to Rand 1,746.4 million or 370 Rand cents per ordinary share in fiscal 2003.

Net cash utilized in financing activities was $335.8 million in fiscal 2003 as compared to net cash provided by financing activities of $127.9 million in fiscal 2002. This increase in cash utilized in financing activities was largely due to the repayments of loans in fiscal 2003, compared to the drawing down of loans in fiscal 2002.

In fiscal 2003, Gold Fields repaid $119.5 million of the $149.0 million remaining on the $165.0 million drawdown on the $250.0 million credit facility entered into in connection with the purchase of the St. Ives and Agnew operations. In addition, $20.9 million was repaid of the $35.0 million remaining on the $50.0 million two-year facility to finance the acquisition of 71.1% of Abosso. As a result of share options exercised, $4.5 million was received for ordinary shares issued in fiscal 2003 as compared to $5.6 million in fiscal 2002.

Dividends paid amounted to $184.3 million in fiscal 2003 compared to $59.2 million in fiscal 2002. The amount of dividends paid was higher than in fiscal 2002 due to dividends of 370 SA cents per ordinary share being paid in fiscal 2003, compared to 130 SA cents in fiscal 2002, as well as the impact of the stronger Rand/U.S. dollar exchange rate. Dividend payments amounted to Rand 1,746.4 million as compared to Rand 634.3 million in fiscal 2002. During fiscal 2003, Tarkwa paid dividends for the first time and the minority shareholders share of this payment was $5.8 million.

Credit Facilities

Australia Acquisitions

On November 26, 2001, Gold Fields and several of its subsidiaries, including two newly-established Australian subsidiaries, entered into a $250.0 million syndicated credit facility. Barclays Capital, the investment banking division of Barclays Bank plc, or Barclays, and Citibank, NA., or Citibank, acted as arrangers of the facility. The credit facility was used to fund Gold Fields acquisition of St. Ives and Agnew from WMC with the balance to be used for general corporate purposes. The facility bore interest at LIBOR plus 1.15% per year and was subject to a commitment fee equal to 0.575% per year payable quarterly on all undrawn amounts under the facility.

The terms of the credit facility also required Gold Fields to maintain a foreign exchange hedging strategy over the life of the loan to reduce the impact of fluctuations in the Australian dollar/U.S. dollar exchange rate on the cash flow from St. Ives and Agnew. See Quantitative and Qualitative Disclosure About Market Risk Foreign Currency Sensitivity.

The facility consisted of a $160.0 million term loan facility and a $90.0 million revolving credit facility. The principal of the term loan facility was repayable in ten equal semi-annual installments over five years, with the first repayment of $16.0 million paid in May 2002. During fiscal 2003, Gold Fields repaid $114.5 million of the $160.0 million term loan facility and repaid the full $5.0 million drawn down on the revolving credit facility. The repayments of $114.5 million included prepayments of $82.5 million, which was funded in part from the proceeds on the sale of non-current investments and dividends received from the Ghana operation. In January 2004, Gold Fields repaid the balance owing on the term loan facility. The $90 million revolving credit facility was cancelled with effect from October 20, 2004.

Table of Contents

Damang Acquisition

On January 23, 2002, in connection with the purchase of Abosso, Gold Fields utilized the full amount of $35.0 million available under a bilateral two-year term loan and letter of credit facility dated December 31, 2001 between Gold Fields and several of its subsidiaries and Barclays and Barclays Capital. Gold Fields used $32.9 million of the funds to finance its A$63.3 million ($32.9 million at an exchange rate of A$1.92 per $1.00, which was the noon buying rate on the date of the transaction) share of the purchase price for the Abosso acquisition, $2.0 million of the funds to replace an existing letter of credit which served as an environmental performance bond for the Damang mine and the remainder of the funds for general corporate purposes. During fiscal 2003, Gold Fields made prepayments of $20.9 million on the $33.0 million bilateral two-year term loan and the balance of $12.1 million was fully repaid by December 31, 2003. The $2.0 million letter of credit facility terminated on June 30, 2003 and was replaced by a new $2.0 million letter of credit facility which expired on June 30, 2004. Also on January 23, 2002, Gold Fields utilized the full amount of $15.0 million available under a two-year term loan facility dated December 31, 2001 into between Gold Fields and several of its subsidiaries and Barclays Capital and Barclays Bank of Ghana Limited. $10.0 million of the loan was used to refinance existing debt of Abosso, while the remaining $5.0 million was used to provide funds for general corporate purposes. The facility bore interest at a rate of LIBOR plus 0.95% for the first 12 months. By June 2002, Gold Fields repaid in full the $15.0 million term loan facility.

As of the date of this annual report, Gold Fields has no committed utilized banking facilities. Substantial contractual arrangements for uncommitted borrowing facilities are maintained with several banking counterparties to meet Gold Fields normal contingency funding requirements.

Gold Fields may in the future undertake further acquisitions of mining assets. In the event that Gold Fields does undertake any such acquisition, it may need to incur further debt or arrange other financing to fund any costs of the acquisition, which could have an adverse effect on Gold Fields liquidity, including increasing its level of debt.

Mvela Loan

On March 17, 2004, as part of the transaction involving the acquisition by Mvela Resources of a 15% beneficial interest in the South African gold mining assets of Gold Fields, Mvela Gold advanced Rand 4,139 million, or the Mvela Loan, to GFIMSA. The Mvela Loan has a term of five years, bears interest at a rate of 10.57% per annum and is guaranteed by Gold Fields, Gold Fields Australia and Gold Fields Guernsey. GFIMSA may elect to repay the Mvela Loan (together with the present value of the then outstanding interest payment obligations and the tax payable by Mvela Gold as a result of such repayment) at any time starting 12 months after the Mvela Loan was advanced. While the Mvela Loan is outstanding, Gold Fields and any of its material subsidiaries, which is defined as any subsidiary whose gross turnover in the most recently ended financial year represents more than 5% of the consolidated gross turnover of Gold Fields and its subsidiaries may not, subject to certain exceptions, (i) sell, lease, transfer or otherwise dispose of any assets, (ii) enter into any merger or similar transaction, or (iii) encumber its assets. The Mvela Loan will become immediately due and payable upon the occurrence of an event of default. See Overview Mvelaphanda Transaction.

The Mvela Loan was funded by way of commercial bank debt of approximately Rand 1,300 million and mezzanine finance of approximately Rand 1,100 million, with the balance of approximately Rand 1,700 million being raised by way of an international private placement of shares of Mvela Resources. In connection with the mezzanine finance, Gold Fields subscribed for preference shares in an amount of Rand 200 million in Micawber. Further, Gold Fields subscribed for Rand 100 million of the shares issued by Mvela Resources in the private placement. In addition, pursuant to the PIC Agreement, Gold Fields has effectively guaranteed the PIC Loan. Interest on the PIC loan accrues at the rate of 14.25%, is compounded semi-annually and is payable in one lump sum at the end of the term of the loan. Under the terms of the PIC Agreement, the PIC has the right to require Gold Fields to assume all its rights and obligations under the PIC Loan, together with its underlying security, which consists of the PIC s proportionate share of Mvela Gold s rights under the Subscription and Share Exchange Agreement and a guarantee of Rand 200 million from Mvela Resources, at a price equal to the value of the principal and interest of the PIC Loan, if, at the time the PIC Loan is due for repayment, Micawber does not repay the loan in full. Whether or not the PIC requires Gold Fields to assume its rights and obligations under the PIC loan, the PIC is obligated to pay a guarantee fee to Gold Fields equal to 3.75% per annum of the value of the principal and interest payable under the PIC Loan on the date on which the PIC Loan is repaid to the PIC.

GFIMSA applied the net proceeds of the Mvela Loan of $586.7 million (R4,139 million less R32 million of costs at an exchange rate of R7.00 to $1.00) toward funding its acquisition of Gold Fields South African mining operations and certain ancillary assets and operations as part of an internal restructuring of Gold Fields. In connection with the Mvela Loan, GFIMSA has entered into two interest rate swaps, both of which have been designated as fair value hedges. The fixed rate receivable on these interest rate swaps is equal to the interest rate payable on the loan from Mvela Gold and the floating rate payable is the three month Johannesburg Inter-Bank Acceptance Rate, or JIBAR, plus a margin of 1.025%. See Quantitative and Qualitative Disclosures about Market Risk Interest Rate Sensitivity Interest Rate Hedging Experience.

Capital expenditure

Capital expenditure was $377.9 million in fiscal 2004, compared to $224.3 million in fiscal 2003 See Cash resources Investing. Gold Fields expects to incur approximately Rand 2.4 billion ($375.6 million) in capital expenditure in fiscal 2005, which it expects to finance from internal sources and, to the extent required, credit facilities. Details regarding the specific capital expenditure for each operation are found in the individual operation sections under Information on the Company Gold Fields Mining Operations.

Contractual obligations and commitments as at June 30, 2004

	Payments due by period				
	Total	**Less than 12 months**	**12-36 months**	**36-60 months**	**After 60 months**
			($m)		
Long-term debt	990.1	54.7	138.9	796.5	
Mvelaphanda Gold (Proprietary) Limited (5 years)[1]					
Capital	643.2			643.2	
Interest	346.9	54.7	138.9	153.3	
Capital lease obligations building	4.4	0.9	1.5	2.0	
Other long-term obligations					
Post-retirement healthcare[2]	18.9	0.6	1.2	1.2	15.9
Environmental obligations [3]	116.0	1.6	3.2	3.2	108.0

Total contractual cash obligations	1,129.4	57.8	144.8	802.9	123.9

Notes:

(1) On March 17, 2004, Mvelaphanda Gold (Proprietary) Limited, a wholly owned subsidiary of Mvela Resources, advanced an amount of $591.3 million to GFI Mining South Africa (Proprietary) Limited. The principal amount is repayable five years from the date of advance and interest is payable semi-annually.

(2) Gold Fields provision for post-retirement healthcare obligations increases annually based on the expected increases in the level of individual contributions in order to settle its obligations to its former employees, set off by payments made on behalf of certain pensioners and dependants of former employees on a pay-as-you-go-basis.

(3) Gold Fields makes full provision for all environmental obligations based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the balance sheet date. This provision increases annually based on expected inflations. Management believes that the provisions made for environmental obligations are adequate to direct the expected volume of such obligations. See Significant Accounting Policies Environmental rehabilitation costs.

	Amount of commitments expiring by period				
	Total	**Less than 12 months**	**12-36 months**	**36-60 months**	**After 60 months**
			($m)		
Other commercial commitments					
Lines of credit					
Standby letters of credit					
Guarantees[1]	44.0			23.8	20.2
Standby repurchase obligations					
Capital expenditure	57.5	57.5			
Total commercial commitments	101.5	57.5		23.8	20.2

Notes:

[1] Guarantees consist of $19.1 million committed to guarantee Gold Fields environmental rehabilitation obligations with respect to its Ghanaian and Australian operations, $23.8 million to the Public Investment Commissioners with regard to the Mvela loan and $1.1 million for numerous other obligations.

[2] Capital expenditure consists only of amounts committed to external suppliers although as of June 30, 2004 an amount of $520.7 million in respect of capital expenditure had been approved by Gold Fields Board.

Working capital

Management believes that Gold Fields working capital resources, by way of internal sources and banking facilities, are sufficient to fund Gold Fields currently foreseeable future business requirements.

Recent Developments

Proposed IAMGold Transaction

On September 30, 2004, Gold Fields, Gold Fields Ghana Holdings Limited, Gold Fields Guernsey and IAMGold signed a definitive agreement pursuant to which, subject to, among other things, certain conditions precedent, all assets owned by Gold Fields subsidiaries and located outside the Southern African Development Community would be transferred to IAMGold in exchange for the issuance to Gold Fields or its subsidiaries of common shares of IAMGold which will result in Gold Fields owning, directly or indirectly, approximately 70% of the fully diluted equity of the enlarged company. In addition, immediately before completion IAMGold shareholders registered as such on a record date, which will be a date shortly before completion, will receive a special cash dividend of C$0.50 per IAMGold share. See Information on the Company Recent Developments Proposed IAMGold Transaction.

Harmony Offer

On October 18, 2004, Harmony Gold Mining Company Limited, or Harmony, announced an unsolicited and hostile tender offer to acquire the entire issued share capital of Gold Fields. According to the registration statement on Form F-4, or the Form F-4, filed by Harmony with the SEC, Harmony has structured the tender offer to occur in two steps. The first step consists of an early settlement offer in which Harmony has offered, subject to certain conditions, to acquire up to 34.9% of the outstanding Gold Fields ordinary shares (including ordinary shares in the form of American depositary shares, or ADSs). Subject to satisfaction of the conditions to the early settlement offer, Harmony has stated that the offer will close on November 26, 2004. According to the Form F-4, following completion of the early settlement offer, Harmony has irrevocably committed to make a subsequent offer to acquire, subject to certain conditions, the remaining Gold Fields ordinary shares and ADSs not tendered or accepted for payment in the early settlement offer on same terms as were given in the early settlement offer. As disclosed by Harmony, each of the early settlement offer and the subsequent offer are comprised of two offers a U.S. Offer which is available to holders of Gold Fields ordinary shares located in the United States and holders of Gold Fields ADSs wherever located and an International Offer which is available to holders of Gold Fields ordinary shares outside the United States to the extent such holders may lawfully participate in the International Offer. In the Form F-4, Harmony states that, with respect to the early settlement offer, the U.S. Offer and the International Offer are being made on substantially similar terms and are subject to substantially similar conditions.

In response to Harmony s unsolicited and hostile tender offer, on November 3, 2004, the Board of Gold Fields issued an Offer Response Document to its shareholders and filed a Solicitation/Recommendation Statement on Schedule 14D-9 with the SEC recommending that Gold Fields shareholders take no action and reject the Harmony offer.

See Information on the Company Recent Developments Harmony Offer .

Trend and Outlook

During the first quarter of fiscal 2005, Gold Fields operating profit was lower while net earnings were higher than that achieved in the fourth quarter of fiscal 2004. The lower operating profit was primarily due to the lower Rand gold price received and slightly lower production. Net earnings in the first quarter of fiscal 2005 were higher mainly due to the absence of the impairment charge in respect of Shaft No. 4 at Beatrix which was taken in the fourth quarter of fiscal 2004.

Gold production is expected to increase at the South African and the international operations in the second quarter of fiscal 2005 compared with the first quarter. Should the Rand and U.S. dollar gold prices stay at current levels revenues and operating margins, including at the South African operations, are expected to increase.

Item 6: DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Directors

Gold Fields directors and their ages and positions are:

Name	Age	Position	Term Expires
Christopher M. T. Thompson	56	Non-executive Chairman	November 15, 2007
Ian D. Cockerill	50	Executive Director and Chief Executive Officer	November 15, 2005
Nicholas J. Holland	46	Executive Director and Chief Financial Officer	November 15, 2005
Rupert L. Pennant-Rea	56	Non-executive Director	November 15, 2005
Jakes G. Gerwel	58	Non-executive Director	November 15, 2005
Alan J. Wright	63	Non-executive Deputy Chairman	November 17, 2006
Bernard R. van Rooyen	71	Non-executive Director	November 17, 2006
Chris I. von Christierson	57	Non-executive Director	November 17, 2006
J. Michael McMahon	58	Non-executive Director	November 17, 2006
Gordon R. Parker	69	Non-executive Director	November 15, 2007
Patrick J. Ryan	67	Non-executive Director	November 15, 2007
Tokyo M. G. Sexwale	51	Non-executive Director	November 15, 2007
Kofi Ansah	60	Non-executive Director	November 15, 2007

Directors and Executive Officers

The Articles of Association of Gold Fields provide that the Board must consist of no less than four and no more than 15 directors at any time. The Board currently consists of 13 directors.

The Articles of Association of Gold Fields provide that the longest serving one-third of directors must retire from office at each annual general meeting of Gold Fields. Retiring directors normally make themselves available for re-election and are re-elected at the annual general meeting at which they retire. Executive directors appointed by contract with Gold Fields are not subject to retirement by rotation for a period of no longer than five years. The number of directors serving under these contracts must at all times be less than one-half of the total number of directors in office. None of Gold Fields current executive directors are appointed to their positions as directors by contract.

According to the Articles of Association, the Board may meet as it sees fit, and sets its own policies for adjourning and otherwise regulating meetings. Any director may call for a meeting at any time by requesting the company secretary to convene a meeting. The Articles of Association further provide for the following:

no director may vote on any contract or arrangement in which the director is interested. If the director votes on a transaction in which the director is interested, the director s vote will not be counted. An interested director, with certain exceptions, will not be counted for the purpose of determining a quorum for a meeting in which the Board is voting on a resolution in which the director is interested. However, a director who owns ordinary shares may vote his ordinary shares at a general meeting of shareholders in a transaction in which the director is interested;

a director may not vote as a director to determine his own compensation. The shareholders in a general meeting determine the fees for directors from time to time. Any additional compensation, including compensation for additional services performed by the director for Gold Fields business or for other positions in Gold Fields or its subsidiaries, must be determined by a quorum of directors whose compensation would not be affected by the decision; and

the directors are not required to hold shares in Gold Fields, although a shareholding qualification may be imposed at any meeting of the shareholders.

The Articles of Association do not provide for a mandatory retirement age for directors. However, Gold Fields board charter specifies the retirement age to be 72 years of age.

Some of the executive officers and all of the executive directors are members of the board of directors of various subsidiaries of Gold Fields.

The business addresses of all the directors and executive officers of Gold Fields is 24 St. Andrews Road, Parktown 2193, South Africa, the address of Gold Fields head office.

Executive Directors

Ian D. Cockerill BSc Geology Hons, London; MSc Mining, Royal School of Mines. Executive Director and Chief Executive Officer. Mr. Cockerill has been a Director of Gold Fields since October 1999 and became Chief Executive Officer on July 1, 2002. Mr. Cockerill was Chief Operating Officer and Managing Director of Gold Fields from October 1999 to June 30, 2002. Mr. Cockerill has over 29 years experience in the mining industry. Prior to joining Gold Fields he was the Executive Officer for Business Development and African International Operations for AngloGold Limited.

Nicholas J. Holland BComm, BAcc, Witwatersrand; CA(SA). Executive Director and Chief Financial Officer. Mr. Holland has been a Director of Gold Fields since February 1998 and Executive Director of Finance since March 1998. On April 15, 2002, Mr. Holland s title changed to Chief Financial Officer. Mr. Holland has 24 years experience in financial management. Mr. Holland is a director of Teba Bank Limited and Teba Controlling Company Ltd. Prior to joining Gold Fields he was Financial Director and Senior Manager of Corporate Finance of Gencor Limited. Mr. Holland is also a director of Rand Refinery Limited.

Non-Executive Directors

Christopher M. T. Thompson BA, Rhodes; MSc Management Studies, Bradford. Chairman of the Board of Directors. Mr. Thompson has been a Director of Gold Fields since May 1998 and Chairman of the Board since October 1998. Mr. Thompson was the Chief Executive Officer of Gold Fields from October 1998 to June 30, 2002. Mr. Thompson has over 35 years experience in the mining industry. Mr. Thompson is also Chairman and a member of the Executive Committee of the World Gold Council, a director of Teck Cominco Corporation and Frontera Copper Corporation and a past director of the South African Chamber of Mines and of Business Against Crime. Prior to joining Gold Fields he was the President and Chief Executive Officer of the Castle Group Ltd.

Rupert L. Pennant-Rea BA, Trinity College, Dublin; MA, University of Manchester. Non-executive Director. Mr. Pennant-Rea was appointed as a Director of Gold Fields on July 1, 2002. Mr. Pennant-Rea serves as the Chairman of The Stationery Office Holdings Ltd., Plantation and General Investments PLC, Key Asset Management (UK) Limited and Security Printing and Systems Ltd. Mr. Pennant-Rea is also a director of British American Tobacco p.l.c., Gordon House Asset Management Limited, Sherritt International Corporation, Media AMI (UK) Ltd, Globalvault plc, Electra Kingsway VCT, Bell Managed Information Technologies Ltd, Go-Ahead Group plc, Times

Newspaper Holdings Limited, Rio Narcea Gold Mines Limited and First Quantum Minerals Ltd. Previously, Mr. Pennant-Rea was editor of The Economist and Deputy Governor of the Bank of England.

Jakes G. Gerwel BA, Western Cape; Licentiate (Germanic Philology), Brussels; PhD (Literature and Philosophy), Brussels. Non-executive Director. Mr. Gerwel was appointed a director of Gold Fields on August 21, 2002. Mr. Gerwel is the Chancellor of Rhodes University and Nelson Mandela Distinguished Professor in the Humanities of University of Cape Town and University of Western Cape. Mr. Gerwel is Non-executive Chairman and a director of Brimstone Investment Corporation Limited, Africon Engineering International and Educor. Mr. Gerwel is also a director of Naspers, Media 24, Old Mutual plc, Peoples Bank and KFM Radio. Previously, Mr. Gerwel served in the Office of the President of South Africa as Director-General and Cabinet Secretary, and as Head of the South African President s Office and the South African Cabinet Office.

Alan J. Wright CA (SA). Non-executive Director. Mr. Wright has 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 is currently retired and is not a director of any other company.

Bernard R. van Rooyen BA, LLB, Witwatersrand. Non-executive Director. Mr. van Rooyen has been a Director of Gold Fields since May 1998. Mr. van Rooyen is the Deputy Chairman of Trans Hex Group Limited, a director of Mvelaphanda Resources Limited, Banro Corporation, Northam Platinum Limited, Rand Water, and the Cementation Company (Africa) Limited, and an alternative director of Ndowana Exploration (Proprietary) Limited.

Chris I. von Christierson BComm, Rhodes; MA, Cambridge. Non-executive Director. Mr. von Christierson has been a Director of Gold Fields since February 1999. Mr. von Christierson is the Chairman of Rio Narcea Gold Mines Limited and a director of Afri-Can Marine Minerals Corporation Limited and Southern Prospecting (UK) Limited.
Mr. von Christierson was previously Chairman of Golden Shamrock Mines Limited and a managing director of East Daggafontein Mines Limited.

J. Michael McMahon BSc (Mechanical Engineering), Glasgow. Non-executive Director. Mr. McMahon has been a Director of Gold Fields since December 1999. Mr. McMahon serves as Non-executive Director of Impala Platinum Holdings Limited. Previously, Mr. McMahon was Chairman and an Executive Director of Gencor Limited and Executive Chairman, Chief Executive Officer and non-executive Chairman of Impala Platinum Holdings Limited.

Gordon R. Parker BS, MS, Montana College of Mineral Science and Technology; MBA, Cape Town. Non-executive Director. Mr. Parker has been a Director of Gold Fields since May 1998. Mr. Parker is a director of Caterpillar Inc. and Phelps Dodge Corporation. Previously, Mr. Parker was Chairman, President and Chief Executive Officer of Newmont Mining Corporation.

Patrick J. Ryan PhD (Geology), Witwatersrand. Non-executive Director. Dr. Ryan has been a Director of Gold Fields since May 1998. Dr. Ryan is President and Chief Executive Officer of Frontera Copper Corporation and a Director of Fronteer Development Group Inc. Dr Ryan was also previously the Executive Vice President, Mining Operations, Development and Exploration at Phelps Dodge Corporation.

Tokyo M. G. Sexwale Certificate of Business Studies, University of Botswana, Lesotho and Swaziland. Non-executive Director. Mr. Sexwale has been a Director of Gold Fields since January 2001. Mr. Sexwale is Executive Chairman of Mvelaphanda Holdings (Proprietary) Limited and of Mvelaphanda Resources Ltd. Mr. Sexwale is also Chairman of Global Village Network Technologies (Proprietary) Limited and Chairman of Trans Hex Group Limited. In addition, Mr. Sexwale is a director of several of Mvelaphanda Holdings (Proprietary) Limited s subsidiaries, ABSA Bank Limited, Northam Platinum Limited, The Rand Mutual Assurance Company Limited, Arcus Gibb (Proprietary) Limited, ABSA Group Limited, African Maritime Logistics (Proprietary) Limited, Dunrose Investments 29 (Proprietary) Limited, Gem Diamond Mining Corporation Limited, Global Village Network (Proprietary) Limited, Kas Maine Mining (Proprietary) Limited, Mvelamasefield (Proprietary) Limited, Mocoh Services South Africa (Proprietary) Limited, Power Matla (Proprietary) Limited, RMA Life Assurance Company Limited, Tepco Petroleum

(Proprietary) Limited and Voltex Holdings Limited.

Kofi Ansah BSc (Mechanical Engineering) UST Ghana, Msc (Metallurgy) Georgia Institute of Technology. Non-executive Director. Mr Ansah was appointed a director of Gold Fields in April 2004. He is also a director of Metropolitan Insurance Company Limited, Ecobank (Togo) Limited and Aluwoks Limited.

Executive Officers

James T. Nkosi (53), D.Com (Leadership in Performance and Change), M.Com (Business Management), Rand Afrikaans University; Masters in Industrial and Organizational Psychology, University of Cape Town. Senior Vice President, Human Resources and Transformation. On July 1, 2004, Dr Nkosi was appointed Senior Vice President, Human Resources and Transformation. Since July 2001, Dr Nkosi had served as Vice President Human Resources, South African Operations, Gold Fields. Prior to that Dr Nkosi was an Executive Manager at Eskom for 12 years and a Transformation Director at Standard Bank for four years.

James W. D. Dowsley (46), BSc (Mining Engineering), Witwatersrand. Senior Vice President, Corporate Development. Mr. Dowsley has been General Manager of Corporate Development at Gold Fields since March 1998. On April 15, 2002, Mr. Dowsley s title changed to Senior Vice President, Corporate Development. Prior to his appointment as General Manager of Corporate Development, Mr. Dowsley served as General Manager of New Business, and also as Manager of the Mineral Economics Division of Gold Fields of South Africa Ltd.

Craig J. Nelsen (53), BA (Geology), Montana; MSc (Geology), New Mexico. Executive Vice President, Exploration; President and CEO of Gold Fields Exploration, Inc. Since April 1999, Mr. Nelsen has served as Senior Vice President of Exploration for Gold Fields and President and Chief Executive Officer of Gold Fields Exploration, Inc. On April 15, 2002, Mr. Nelsen s title changed to Executive Vice President, Exploration. Mr. Nelsen was previously Chairman and Chief Executive Officer of Metallica Resources Incorporated.

Michael J. Prinsloo (51), BSc (Mining Engineering), Witwatersrand; AMP, Harvard. Executive Vice President, South African Operations. On April 15, 2002, Mr. Prinsloo was appointed Executive Vice President, South African Operations. Mr. Prinsloo had served as Managing Director of the Driefontein operation since September 2001. Mr. Prinsloo was previously Managing Director and Chief Executive Officer of Durban Roodepoort Deep Limited. Prior to that, Mr. Prinsloo was an independent consultant to small businesses in South Africa and a Senior Manager with AngloGold Limited.

Jan W. Jacobsz (43), BA, Rand Afrikaans University. Senior Vice President, Investor Relations and Corporate Affairs. On April 15, 2002, Mr. Jacobsz was appointed Senior Vice President, Investor Relations and Corporate Affairs. Since January 1998, Mr. Jacobsz had served as Manager and Senior Manager of Investor Relations and Corporate Affairs of Gold Fields. Prior to that Mr. Jacobsz was Programme Manager of the Vulindlela Transformation Programme for Gold Fields of South Africa Limited and Administrator of The Gold Fields Foundation.

John A. Munro (36), BSc (Chemical Engineering), Cape Town. Executive Vice President and Head of International Operations. On September 1, 2003, Mr. Munro was appointed Executive Vice President and Head of International Operations. Mr. Munro had previously served as Senior Vice President and Head of International Operations, Senior Manager and General Manager of Corporate Development for Gold Fields. Prior to that Mr. Munro served as Assistant Manager and Manager of the Property Division of Gold Fields of South Africa Limited.

Terence P. Goodlace (45), National Higher Diploma Metalliferous Mining; BComm, Unisa; MBA, Wales. Senior Vice President, Strategic Planning. On April 15, 2002, Mr. Goodlace was appointed Senior Vice President, Strategic Planning. Mr. Goodlace had previously served as Senior Manager of Strategic Planning. During the period between June 1998 and May 2000, Mr. Goodlace was the Senior Manager for Corporate Finance for Gold Fields. Prior to that, Mr. Goodlace was the Manager of various Gencor Limited mines.

Adèle L. Cleaver (41), BA, LLB, University of Cape Town; H. DIP.(Tax) Witwatersrand. Senior Vice President, Legal Counsel Ms. Cleaver joined Gold Fields in March, 1998 as Senior Legal Advisor and was promoted to Senior Vice President: Legal Counsel on July 1, 2004. Ms. Cleaver previously worked for Gencor for three years as Legal Advisor.

Company Secretary

Cain Farrel (55), FCIS, MBA, Southern Cross University Australia. Mr Farrel was appointed Company Secretary on May 1, 2003. Mr Farrel is President 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.

Board of Directors Committees

In order to ensure good corporate governance, the Board has formed an Audit Committee, a Compensation Committee, a Nominating and Governance Committee and a Health, Safety and Environment Committee. All the committees are comprised exclusively of non-executive Directors. With the exception of the Nominating and Governance Committee, all committees are chaired by an independent non-executive director. The remuneration of non-executive directors for their service on the various committees has been approved by the shareholders.

The Audit Committee monitors and reviews Gold Fields accounting controls and procedures, including the effectiveness of the Group s information systems and other systems of internal control; the effectiveness of the internal audit function; reports of both external and internal auditors; quarterly reports, the annual report and the annual financial statements; the accounting policies of the Group and any proposed revisions thereto; external audit findings, reports and fees, and the approval thereof; and compliance with applicable legislation and requirements of regulatory authorities and Gold Fields Code of Ethics. Membership of the Audit Committee is as follows:

Alan J. Wright (chairman)
Jakes G. Gerwel
Rupert L. Pennant-Rea
Bernard R. van Rooyen
Chris I. von Christierson

The Compensation Committee establishes the compensation philosophy of Gold Fields and the terms and conditions of employment of executive directors and other executive officers. Membership of the Compensation Committee is as follows:

Patrick J. Ryan (chairman)
J. Michael McMahon
Gordon R. Parker
Christopher M. T. Thompson
Alan J. Wright

The Health, Safety and Environment Committee reviews adherence to occupational health and safety and environmental standards by Gold Fields. The Committee seeks to minimize mining-related accidents and to ensure that the group s operations are in compliance with all environmental regulations and to establish policy in respect to HIV/AIDS and health matters. Membership of the Health, Safety and Environment Committee is as follows:

J. Michael McMahon (chairman)
Gordon R. Parker

Tokyo M. G. Sexwale
Chris I. von Christierson

The Nominating and Governance Committee develops and implements policy on corporate governance issues, develops the policy and process for evaluating nominations to the Board of Directors, identifies successors to the Chairman and Chief Executive Officer and considers selection and rotation of the board committee members. Membership of the Nominating and Governance Committee is as follows:

Christopher M.T. Thompson (chairman)
Patrick J. Ryan
Tokyo M.G. Sexwale
Bernard R. van Rooyen

Executive Committee

Gold Fields Executive Committee meets on a regular basis to discuss and make decisions on strategic issues facing Gold Fields. The composition of the Executive Committee (with areas of responsibility indicated) is as follows:

Ian D. Cockerill	Chairman
Nicholas J. Holland	Finance
James T. Nkosi	Human Resources and Transformation
James W. D. Dowsley	Corporate Development
Craig J. Nelsen	Exploration
Michael J. Prinsloo	South African Operations
Jan W. Jacobsz	Investor Relations and Corporate Affairs
John A. Munro	International Operations
Terence P. Goodlace	Strategic Planning
Adèle L. Cleaver	Legal Counsel

Operating Committee

Gold Fields Operating Committee meets on a regular basis to discuss and make decisions on high level operational issues facing Gold Fields. The composition of the Operating Committee is as follows:

Michael J. Prinsloo	Chairman
Nicholas J. Holland	Finance

Wayne D. R. Robinson	Employee Development
Derek V. Steyn	Driefontein Operation
Dana Roets	Beatrix Operation
Gerrit Kennedy	Kloof Operation
Howard Laycock	Technical Services
Paul A. Schmidt	Finance
James T. Nkosi	Human Resources and Transformation

Steve W. Banning	Australian Operation
Tom Fowler	Information Technology
Terence P. Goodlace	Strategic Planning
Jan W. Jacobsz	Investor Relations and Corporate Affairs
Zernobia Lachporia	Secretary
John A. Munro	International Operations
Koos P. Nel	Human Resources SA Operations
Cambronne E. Pienaar	Asset Protection
Petrus C. Pienaar	Mvelaphanda Representative
Tim Rowland	Mineral Resources
Bernard R. van Rooyen	Mvelaphanda
Brendan I. Walker	Ghana operation

Compensation of Directors and Officers

During the fiscal year ended June 30, 2004, the aggregate compensation paid or payable to directors and executive officers of Gold Fields as a group was approximately Rand 28.3 million, including all salaries, fees, bonuses and contributions during such period to provide pension, retirement or similar benefits for directors and executive officers of Gold Fields, of which Rand 3.2 million was due to pension scheme contributions and life insurance, and Rand 5.8 million was due to bonus and performance related payments.

The following table presents information regarding the compensation paid by Gold Fields for the year ended June 30, 2004 to its directors:

	Board Fees	Committee Fees	Salary	Bonuses and performance related payments	Pension scheme contributions	One-off payments[1]	Total
				(in Rand)			
Executive Directors							
Ian D. Cockerill			3,802,881(2)	1,500,000	551,061	278,356	6,132,298
Nicholas. J. Holland			1,909,507(2)	800,000	300,291	23,586	3,033,384

Non-executive Directors[3]							
Christopher M. T. Thompson	352,500	296,600					649,100
Alan J. Wright	130,000	113,100					243,100
Kofi Ansah	22,750						22,750
J. Michael McMahon	110,500	101,400					211,900
Gordon R. Parker	130,000	83,200					213,200
Patrick J. Ryan	130,000	105,300					235,300
Bernard R. van Rooyen	130,000	83,200					213,200
Tokyo M. G. Sexwale	123,500	79,300					202,800
Chris I. von Christierson	123,500	83,200					206,700
Rupert Pennant-Rea	104,000	45,500					149,500
Jakes G. Gerwel	110,500	45,500					156,000
Total	1,467,250	1,036,300	5,712,388	2,300,000	851,352	301,942	11,669,232

Notes:

(1) Gold Fields limits the amount of accumulated leave an employee may hold. Any accumulated leave held above the maximum is converted to a cash payment to the employee. The one-off payment includes the amount paid for accumulated leave above the maximum limit.

(2) Mr. Cockerill s and Mr. Holland s employment agreements with Gold Fields Guernsey Ltd. provide for their salaries to be determined in U.S. dollars, and their agreements with GFL Mining Services Ltd. provide for their salaries to be determined in Rand. Under these employment agreements, Mr. Cockerill and Mr. Holland's salaries are included as a component of their gross annual remuneration package which also includes pension contributions and other items. See Directors Terms of Employment.

(3) Bonuses for performance in fiscal year 2003 and paid in fiscal year 2004.

Share options outstanding as of October 29, 2004 and held by the current directors and executive officers were, to the knowledge of Gold Fields management, as follows:

	Options to purchase ordinary shares	**Option exercise price**	**Expiration date**
Name		**(in Rand)**	
Ian D. Cockerill	347,000	20.90	October 1, 2006
	50,000	46.23	December 12, 2008
	91,000	125.37	July 2, 2009
	41,200	84.17	March 17, 2010
	36,700(1)	93.49	August 19, 2010
	37,500(1)	83.18	March 3, 2011
	37,500(2)	76.75	October 22, 2011
Nicholas J. Holland	87,000	14.19	June 25, 2005
	125,000	25.67	December 1, 2006
	40,000	46.23	December 12, 2008
	23,000	125.37	July 2, 2009
	17,700	84.17	March 17, 2010
	15,800(1)	93.49	August 19, 2010
	19,000(1)	83.18	March 3, 2011
	19,000(2)	76.75	October 22, 2011
Non-Executive Directors			
Christopher M. T. Thompson	20,000	22.97	October 27, 2005
	260,000	46.23	December 12, 2008
	10,000	110.03	December 12, 2007
	10,000(1)	88.38	November 27, 2008
Alan J. Wright	25,000	43.70	October 31, 2006
	10,000	110.03	December 12, 2007
	10,000(1)	88.38	November 27, 2008
J. Michael McMahon	21,000	43.70	October 31, 2006
	10,000	110.03	December 12, 2007
	10,000(1)	88.38	November 27, 2008

Gordon R. Parker	25,000	43.70	October 31, 2006
	10,000	110.03	December 12, 2007
	10,000[1]	88.38	November 27, 2008
Patrick J. Ryan	15,000	43.70	October 31, 2006
	10,000	110.03	December 12, 2007

	Options to purchase ordinary shares	Option exercise price	Expiration date
Name		(in Rand)	
	10,000[1]	88.38	November 27, 2008
Tokyo M.G. Sexwale	5,000	43.70	October 31, 2006
	7,000	110.03	December 12, 2007
	10,000[1]	88.38	November 27, 2008
Bernard R. van Rooyen	25,000	43.70	October 31, 2006
	10,000	110.03	December 12, 2007
	10,000[1]	88.38	November 27, 2008
Chris I. von Christierson	10,000	110.03	December 12, 2007
	10,000[1]	88.38	November 27, 2008
Rupert L. Pennant-Rea	5,000	110.03	December 12, 2007
	10,000[1]	88.38	November 27, 2008
Jakes G. Gerwell	5,000	110.03	December 12, 2007
	10,000[1]	88.38	November 27, 2008
Kofi Ansah			

Name	Options to purchase ordinary shares	Option exercise price	Expiration date
		(in Rand)	
	13,300(1)	93.49	August 19, 2010
	15,000(1)	83.18	March 3, 2011
	15,000(2)	76.75	October 22, 2011
Jan W. Jacobsz	10,850	14.19	June 25, 2005
	12,000	46.23	November 30, 2008
	11,900	154.65	May 24, 2009
	5,500	84.17	March 17, 2010
	5,000(1)	93.49	August 19, 2010
	7,500(1)	83.18	March 3, 2011
	7,500(2)	76.75	October 22, 2011
John A. Munro	24,800	14.19	June 25, 2005
	13,333	25.67	December 1, 2006
	12,000	46.23	November 30, 2008
	18,500	92.95	February 27, 2009
	7,500	84.17	March 17, 2010
	34,800(1)	93.49	August 19, 2010
	15,000(1)	83.18	March 3, 2011
	15,000(2)	76.75	October 22, 2011
Terence P. Goodlace	11,000	25.67	December 1, 2006
	12,000	46.23	December 12, 2008
	9,500	154.65	May 24, 2009
	6,600	84.17	March 17, 2010
	5,900(1)	93.49	August 19, 2010
	7,500(1)	83.18	March 3, 2011
	7,500(2)	76.75	October 22, 2011
James T. Nkosi	17,600	116.85	August 22, 2009
	16,000	119.90	January 1, 2010
	4,900(1)	93.49	August 19, 2010
	7,500(1)	83.18	March 3, 2011
	7,500(2)	62.25	July 2, 2011
Total [1]	2,438,116		

Notes:

(1) Issued in fiscal 2004 pursuant to either the GF Management Incentive Scheme or the GF Non-Executive Director Share Plan as part of the compensation paid to directors and officers in fiscal 2004.

(2) Issued through October 29, 2004, pursuant to either the GF Management Incentive Scheme or the GF Non-Executive Director Share Plan as part of the compensation paid to directors and officers in fiscal 2005.

Share Ownership of Directors and Executive Officers

The following sets forth, to the knowledge of Gold Fields management, the total amount of ordinary shares directly or indirectly owned by the current directors and executive officers of Gold Fields as of October 29, 2004:

	Ordinary shares[1]	**Percentage**
Holder		
Ian D. Cockerill	62,000	0.01
Nicholas J. Holland	20	0.00
Christopher M. T. Thompson	155,000	0.03
Alan J. Wright	135,690	0.03
Bernard R. van Rooyen	59,276	0.01
Total Directors (13 persons)	411,986	0.08
Total Non-Director Executive Officers (8 persons)		
Total Directors and Executive Officers (21 persons)	411,986	0.08

Notes:

[1] In addition to the Gold Fields Shares beneficially owned by the directors and executive officers set out in the table above, the following directors and executive officers have the ability to acquire Gold Fields Shares through underlying share options within 60 days of the date of this document: Ian D. Cockerill (410,700), Nicholas J. Holland (246,300), Christopher M.T. Thompson (213,400), Alan J. Wright (45,000), J. Michael McMahon (41,000), Gordon R. Parker (45,000), Patrick J. Ryan (35,000), Tokyo M.G. Sexwale (22,000), Bernard R. van Rooyen (45,000), Chris I. von Christierson (20,000), Rupert L. Pennant-Rea (15,000), Jakes G. Gerwell (15,000), Adele L. Cleaver (26,333), James W.D. Dowsley (59,600), Craig J. Nelsen (28,600), Michael Prinsloo (123,300), Jan W. Jacobsz (22,850), John A. Munro (52,333), Terence P. Goodlace (22,200) and James T. Nkosi (5,900).

The GF Management Incentive Scheme

Gold Fields has a share option scheme available to executive officers and other employees, as determined by the Board of Directors, which has a total of 22,791,830 ordinary shares reserved for issuance under the scheme. Options to purchase a total of 9,334,683 ordinary shares were outstanding under the scheme as of October 29, 2004, of which options to purchase 987,400 ordinary shares at a weighted average price of Rand 49.48 were held by the executive directors of Gold Fields under the scheme. The exercise prices of all outstanding options range between Rand 13.55 and Rand 154.65 per ordinary share and they expire between June 17, 2005 and October 22, 2011.

The amount of ordinary shares reserved under the scheme may be changed by the shareholders. The exercise price of each ordinary share which is the subject of the option is the weighted average of the middle market prices at which the ordinary shares traded on the JSE on the trading day immediately preceding the date on which the Board of Directors grants the options.

Each option may normally only be exercised by a participant on the following bases: (1) after two years have elapsed from the date on which the option was accepted by the participant, in respect of not more than one-third of the ordinary shares which are the subject of that option; (2) after three years have elapsed from the date on which the option was accepted by the participant, in respect of not more than a further one-third (representing two-thirds cumulatively) of the ordinary shares which are the subject of that option; and (3) after four years have elapsed from the date on which the option was accepted by the participant, in respect of all the ordinary shares which are the subject of that option, subject to revision by the Board of Directors. For so long as a person continues to work for Gold Fields, options lapse seven years after the date of acceptance of the option by the participant. Options vest as soon as they are exercisable, and employees who leave Gold Fields have one year following their departure to exercise options which have vested. Options which are not yet exercisable are forfeited upon leaving employment, subject to exceptions relating to changes in control of Gold Fields and substantial changes in Gold Fields organizational structure. The scheme provides for different methods of exercising options in order to permit participants to take advantage of favorable provisions of South African tax law.

The share option scheme may be amended from time to time by the Board of Directors and the trustees of the scheme in any respect (except in relation to amendments affecting: (1) the eligibility of participants under the scheme, (2) the formula for calculating the total number of ordinary shares which may be issued under the scheme, (3) the maximum number of options which may be acquired by any participant, (4) the option price formula and (5) the voting, dividend and transfer rights attaching to options, which may only be amended through approval in a general meeting), provided that no such amendment shall operate to affect the vested rights of any participant.

The GF Non-Executive Director Share Plan

Gold Fields has a share option plan available to non-executive directors selected by a Non-Executive Directors Remuneration Committee, comprising the Chief Executive Officer and two nominees of significant shareholders of Gold Fields identified as such by the Chief Executive Officer. No member of the committee may be a participant in the plan. The plan was adopted at the annual general meeting of shareholders on October 31, 2001. There are a total of 2,279,183 ordinary shares reserved for issuance under the plan. The amount of ordinary shares reserved under the plan may be changed by the shareholders. Under the plan, the aggregate number of ordinary shares acquired by any one participant cannot exceed 0.1% of the issued share capital from time to time without the approval of the shareholders in a general meeting and the JSE. The exercise price of each ordinary share which is the subject of an option is the weighted average price of the ordinary shares on the JSE on the day immediately preceding the date on which the Non-Executive Directors Remuneration Committee resolves to grant the option. Gold Fields expects to issue approximately 10,000 options per director per year under this plan provided the directors attend 75% of the board meetings.

Under the plan, all options granted may only be exercised no less than 12 months and no more than five years after the date on which the option was accepted by the participant. If an option holder ceases to hold office for any reason, he will be entitled within 30 days to exercise share options which he was entitled to exercise immediately prior to his ceasing to hold office, failing which the options shall automatically lapse. The ordinary shares in respect of which each option is exercised will rank equally with existing issued ordinary shares. Gold Fields has undertaken to apply to list any ordinary shares received on exercise of options under the plan on the stock exchanges on which Gold Fields ordinary shares are listed and quoted. The share option plan may be amended from time to time by the Non-Executive Directors Remuneration Committee in any respect, except in relation to: (1) the eligibility of participants under the plan, (2) the formula for calculating the total number of ordinary shares which may be acquired pursuant to the plan, (3) the maximum number of options which may be acquired by any participant, (4) the price payable by participants and (5) the voting, dividend and transfer rights attaching to options, which may only be amended through approval by the shareholders in a general meeting and by the JSE.

Options to purchase a total of 313,000 ordinary shares were held by the non-executive directors of Gold Fields under the plan as of October 29, 2004. In addition, Christopher Thompson was issued options for 280,000 ordinary shares under the GF Management Incentive Scheme when he was an executive director. The exercise prices of all outstanding options range between Rand 43.70 and 110.03 per ordinary share, and they expire between October 31, 2006 and November 27, 2008.

Directors Terms of Employment

Each of Ian D. Cockerill (Executive Director and Chief Executive Officer of Gold Fields) and Nicholas J. Holland (Executive Director and Chief Financial Officer of Gold Fields) has entered into two service agreements with subsidiaries of Gold Fields. One agreement, or the GFL Contract, is with GFL Mining Services Ltd., or GFLMSL. The other agreement, or the Guernsey Contract, is with Gold Fields Guernsey Limited, or Gold Fields Guernsey. The terms and conditions of employment for each executive director are substantially similar, except where otherwise indicated below.

The GFL Contracts

Under the GFL Contracts, the employment of Mr. Cockerill and Mr. Holland will continue until terminated upon (i) six months notice by either relevant party or the relevant executive director or (ii) retirement of the relevant executive director (currently provided for at age 63 in the contract). Gold Fields can also terminate the executive director s employment summarily for any reason recognized by law as justifying summary termination. If the summary termination is due to the inability of the executive director to provide his services (as a result of ill health or other cause) for a continuous period of three consecutive months in any one year or more, he must also be paid in lieu of his six-month notice period.

Mr. Cockerill s current gross annual remuneration package, or GRP, is valued at Rand 3,201,000 and Mr. Holland s current GRP is valued at Rand 1,985,000. Both Mr. Cockerill s and Mr. Holland s GRP are reviewed annually for possible adjustment. Pursuant to their annual compensation reviews, each of Mr. Cockerill s and Mr. Holland s salary was increased in January 2004. Mr. Holland s GRP was increased again in July 2004.

The value of the gross annual remuneration package is to be allocated among the following benefits: (i) salary; (ii) compulsory retirement fund contribution (with contributions set at 20% of Pensionable Emoluments and Pensionable Emoluments being a rate between 50% and 100% of the gross annual remuneration package as elected by the executive director); (iii) voluntary participation in a vehicle scheme; (iv) compulsory medical coverage; and (v) compulsory Group Personal Accident Policy coverage. In addition, it is compulsory for each of Mr. Cockerill and Mr. Holland to contribute 1% of his GRP to the Unemployment Insurance Fund, subject to any legislated contribution maximum at the time.

In addition, each of Mr. Cockerill and Mr. Holland is entitled, among other things, to the following benefits under the GFL Contract: (i) participation in the GF Management Incentive Scheme at the discretion of Gold Fields; and (ii) consideration for an annual (financial year) incentive bonus based upon the fulfilment of certain targets set by the Board of Directors.

The amount and manner of any bonus payment is determined by the Compensation Committee of the Board. See Board of Directors Committees. The annual bonus is set at a target of 50% of the value of the GRP, assuming fulfilment of all targets, with scope to award a lesser bonus if targets are not met, or a greater bonus, up to a further 50% of the GRP, if targets are exceeded.

The GFL Contract also provides that in the event of the relevant executive director s employment being terminated solely as a result of a change of control as defined below, and within 12 months of the change of control, the director is entitled to: (i) payment of an amount equal to twice his GRP; (ii) payment of an amount equal to the average of the incentive bonuses paid to the executive director during the previous two completed financial years; (iii) any other payments and/or benefits due under his GFL Contract; (iv) payment of any annual incentive bonus he has earned during the financial year notwithstanding that the financial year is incomplete; and (v) an entitlement, for two years after the date of termination, subject to the relevant rules of the share option scheme then in force, to retain and to exercise all share options allocated to him including those which may not have vested at the date of such termination. The GFL Contract further provides that these payments cover any compensation or damages the executive director may have under any applicable employment legislation.

A change of control for the above purposes includes, but is not limited to, the acquisition by a third party of 30% or more of Gold Fields Ordinary Shares.

In the event of the consummation of an acquisition, merger, consolidation, scheme of arrangement or other reorganization, whether or not there is a change of control, if the executive director s services are terminated the change of control provisions summarized above also apply.

Each of Mr. Cockerill and Mr. Holland has agreed to: (i) not use or divulge any trade secrets without Board consent; (ii) surrender any written or electronic documentation relating to any trade secrets at the Board s demand, and not keep any copies thereof; (iii) not, for a period of 24 months after his employment terminates, induce, solicit, encourage or procure (or endeavour to do so) any employee to (a) terminate his employment with Gold Fields or (b) become employed by or interested in any competitor of Gold Fields; (iv) not provide any information acquired by him in the course of his association with or employment by Gold Fields, to anyone, if the provision of the information results or may result in any of the Gold Fields employees becoming employed by or interested in any manner whatsoever, whether directly or indirectly, in any concern; (v) not solicit, interfere with or entice or endeavour to entice away from Gold Fields any person who was an associate, customer or supplier of, or who was accustomed to dealing with, Gold Fields during the past two years; and (vi) not disclose any information which comes to his knowledge as a result of his employment or the termination thereof, but excluding information acquired from an independent third person, which relates to any business/marketing method or practice, or any business/marketing associates of Gold Fields. A general exception to the various restrictions on disclosure of information is that the executive director is entitled to disclose information to such person(s) to whom it is necessary for the purpose of implementing his employment rights and obligations.

The Guernsey Contracts

Each of Mr. Cockerill s and Mr. Holland s agreement with Gold Fields Guernsey provides for his salary payable under that agreement to be determined in U.S. dollars. The annual salary remuneration package, or SRP, of Mr. Cockerill is U.S.$194,000 and of Mr. Holland is U.S.$86,750. Both Mr. Cockerill s and Mr. Holland s SRPs are reviewed annually for possible adjustment. Pursuant to their annual compensation reviews, each of Mr. Cockerill s and Mr. Holland s SRP was increased in January 2004. Mr. Holland s SRP was increased again in July 2004. The notice period under the Guernsey Contract is six months.

In addition, each of Mr. Cockerill and Mr. Holland is entitled to be considered for an annual incentive bonus payment depending upon the fulfilment of certain targets as agreed between the relevant executive director and the Board. The annual bonus is set at a target of 50% of the value of the annual salary, as provided under the GFL Contract, and assuming fulfilment of all targets, with scope to award a lesser bonus if targets are not met, or a greater bonus, up to a further 50% of the annual salary, if targets are exceeded.

All conditions relating to the employment of Mr. Cockerill and Mr. Holland under the GFL Contract, other than with respect to remuneration, apply to their employment under the Guernsey Contract. In addition, the Guernsey Contract expressly provides that the change of control clause in the GFL Contract also applies on the same terms in respect of remuneration paid under the Guernsey Contract.

Table of Contents

Additional information

Mr. Cockerill also participated in a retention scheme in which he was entitled to a payment in January 2004 based upon the value of his share options and emoluments. The scheme expired in January 2004 and no payment was made in terms of the scheme to Mr. Cockerill.

The executive directors also benefit from pension contributions and life insurance, the value of which is included in the compensation chart presented above. Effective March 1, 2004, these pension contributions and life insurance payments are included in the amount of the executive director s GRP described above.

The non-executive directors are entitled to fees as agreed at Gold Fields annual general meeting from time to time, reimbursement of out-of-pocket expenses incurred on Gold Fields behalf and remuneration for other services, such as serving on committees. Currently, each non-executive Director is entitled to a Rand 65,000 ($10,656) director s fee per year and a Rand 6,500 ($1,066) attendance fee per meeting. In addition, the non-executive directors are each entitled to Rand 26,000 ($4,262) per year per committee for board committee fees, or Rand 26,000 ($4,262) per year if the non-executive director is the chairman of the board committee, and a Rand 3,900 ($639) attendance fee per committee meeting.

At the November 17, 2004 Gold Fields annual general meeting, the shareholders voted to provide for additional board fees and to increase the existing board fees effective January 1, 2005 as follows: the chairman of the board will receive an annual fee of Rand 1.0 million ($163,934); the annual fee for each chairman of a board committee will increase to Rand 80,000 ($13,115); the annual fee for each board member, other than the chairman, will increase to Rand 100,000 ($16,393); the annual fee for members of each board committee, other than the Audit Committee, will increase to Rand 40,000 ($6,557); the annual fee for each member of the Audit Committee will increase to Rand 56,000 ($9,180); the attendance fee for each board member (excluding the Chairman) for each board meeting will increase to Rand 8,125 ($1,332) per meeting; the attendance fee for each board committee meeting will increase to Rand 4,875 ($799) per meeting; and travel allowance payable to directors who travel internationally to attend meetings has been set at U.S.$4,000 per international trip.

In addition, the shareholders at the annual general meeting resolved to pay Christopher Thompson, for his role as the chairman of the board, a special retainer for the period from March 1, 2004 to December 31, 2004 of Rand 1,167,000 ($729,375).

Gold Fields has no service contracts with its non-executive directors.

Certain Executive Officers Terms of Employment

John A. Munro (Executive Vice President of Gold Fields, International Operations), Craig J. Nelsen (Executive Vice President of Gold Fields, Exploration) and Michael J. Prinsloo (Executive Vice President of Gold Fields, South African Operations) also have service contracts with certain subsidiaries of Gold Fields that contain provisions which provide for payment upon a change of control.

The terms of their respective contracts are substantially similar to the terms of Mr. Cockerill s and Mr. Holland s contracts with GFLMSL and Gold Fields Guernsey detailed above, including change of control provisions, except as set forth in material part below.

(1) John A. Munro was appointed Executive Vice President and Head of International Operations on September 1, 2003. Mr. Munro has an employment agreement with GFLMSL, and his current GRP is valued at Rand 1,545,700. Mr. Munro also has an employment agreement with Gold Fields Guernsey pursuant to which his SRP

is valued at U.S.$71,500, and his annual bonus under both contracts is set at a target of 40% of the value of his GRP and SRP, as applicable. Mr Munro s salaries under the contracts were increased in January 2004, and his GRP was again increased in June 2004.

(2) Craig J. Nelsen has entered into a service agreement with Gold Fields Exploration, Inc., or the GFE Contract. If there is a change in control of Gold Fields and Mr. Nelsen is terminated other than for cause or resigns for good reason within 12 months following the change in control, the GFE Contract provides for a payment of twice Mr. Nelsen s annual SRP plus accrued bonuses. Mr.

Nelsen s current SRP is valued at U.S.$306,000. Mr. Nelsen s salary was increased in January 2004. Gold Fields pays 12% of his salary into a retirement plan as well as making his medical, dental and optical plan contributions. Moreover, in addition to his participation in the GF Management Incentive Scheme, Mr. Nelsen s contract also entitles him to participate in the Exploration Incentive Plan, or EIP. The EIP is a profit sharing plan that is intended to reward employee contributions to Gold Fields exploration activities. The EIP is available to Mr. Nelsen and all exploration employees who report to Mr. Nelsen. Under the EIP, employees who are deemed by the Compensation Committee to have contributed to a successful exploration project are entitled, in the aggregate, to a 0.75% interest in the project s Net Profits Interest, or NPI calculated as set forth below. If there is a sale of a project prior to completion, the employees will be entitled to 2.0% interest in the NPI as calculated for a project sale pre-completion, also as calculated as set forth below.

The NPI is calculated by determining the projected net revenues minus cash production costs but before capital expenditure and working capital charges. If the project is sold prior to its completion, the NPI will be the sale price minus acquisition costs, direct expenditures and a reasonable allocation of indirect expenditures. After being notified that they have been awarded an allocation under the EIP, employees may request that the value of their allocation be delivered in Gold Fields ordinary shares.

(3) Michael J. Prinsloo is party to a service agreement with GFI Mining South Africa (Proprietary) Limited. Mr. Prinsloo s current GRP is valued at Rand 2,464,000 and his annual bonus is set at a target of 40% of his GRP. Mr. Prinsloo s salary was increased in January 2004.

Employees

The gold mining industry, particularly in South Africa, is labor-intensive. The total number of employees, including employees of outside contractors, as of the end of the last three fiscal years at each of the operations owned by Gold Fields as of those dates was:

	As of June 30,		
	2002	**2003**	**2004**[1]
South Africa			
Driefontein	17,786	18,253	17,900
Kloof	16,095	19,042	16,600
Beatrix	10,983	12,615	12,200
St. Helena [2]	3,131		
Ghana			
Tarkwa	1,281	1,388	3,300
Damang	901	1,025	900
Australia			
St. Ives	761	951	900
Agnew	401	254	300
Total [3]	51,339	53,528	52,100

Notes:

(1) Rounded amounts

(2) Upon completion of the sale of the St. Helena mine on October 30, 2002, all the employees at St. Helena became employed by Freegold.

(3) As of June 30, 2004, approximately 79% of these employees were laborers and semi-skilled employees.

Labor Relations

South Africa

Since 1995, the South African legislature has enacted various labor laws that enhance the rights of employees. For example, these laws:

- confirm the right of employees to belong to trade unions and the right of unions to have access to the workplace;
- guarantee employees the right to strike, the right to picket and the right to participate in secondary strikes in certain prescribed circumstances;
- provide for mandatory severance pay in the event of termination of employment for operational reasons;
- reduce the maximum ordinary hours of work;
- increase the rate of pay for overtime;
- require large employers such as Gold Fields to implement affirmative action policies to benefit historically disadvantaged groups, and impose significant monetary penalties for non-compliance with the administrative and reporting requirements of the legislation; and
- provide for the financing of training programs by means of a levy grant system and a national skills fund.

Approximately 79% of Gold Fields labor force is unionized, with the major portion of its South African workforce being members of the National Union of Mineworkers, or the NUM. As a result of its highly unionized labor force in South Africa and the fact that labor costs constitute approximately 50% of production costs, Gold Fields has attempted to balance union demands with the need to contain and reduce total cash costs in order to ensure the long-term viability of its operations. In July 2003, Gold Fields completed biennual negotiations with the NUM on wages and terms of employment for semi-skilled employees, which provided for a wage increase of 10% effective July 1, 2003 and a further increase in other benefits of approximately 3% in fiscal 2004. The agreement provided for a further inflation-linked wage increase of a minimum of 7% effective July 1, 2004. The NUM agreement also provided for the achievement by January 2004 of a minimum surface wage of Rand 2,000 ($328) per month. In order to achieve this minimum surface wage, which affects up to 4% of Gold Fields South African workforce, Gold Fields granted a wage increase of up to 12.9% (depending on the employee s pay level) to the affected employees in July 2003 and has implemented a similar increase in January 2004, thus achieving the wage objective. Other significant items included in the agreement include improvements in leave, an increase of 1.45% for contributions to the Mineworkers Provident Fund effective in July 2004 and the regrading of certain employee positions. As the inflation rate was below 7% in July 2004, the minimum increase of 7% in wages was implemented effective July 1, 2004, as described above.

Arrangements with other significant South African unions include:

a 9.5% increase effective July 1, 2003 for semi-skilled and skilled employees represented by the Mine Workers Union Solidarity, or MWU, the United Association of South Africa, or UASA, and the NUM and a second year inflation linked increase with a minimum increase of 7%, which was implemented effective July 1, 2004; and

an 8.5% increase which became effective September 1, 2003 for mine officials and white-collar employees represented by UASA, MWU and the NUM. In addition, an agreement was concluded with those unions on September 16, 2004 which provides for a 6% retroactive increase effective July 1, 2004 and a further increase of 1% effective October 1, 2004.

The average increase in Gold Fields South African labor costs due to these wage increases and improvements in conditions of employment was approximately 9.3% in fiscal 2004. Total labor costs, however, increased by only 5.1% as a result of the changes made in size and composition of the workforce.

Negotiations for the next two year agreement will take place in mid 2005. Despite the significantly lower inflation rate and lower revenues as a result of the stronger Rand, union negotiators are not anticipated to modify their expectations and are expected to push again for above inflation increases. Gold Fields has developed a strategy to engage with the unions to try to change this paradigm.

Work week and shift arrangements are negotiated on a shaft-by-shaft basis and vary in accordance with staffing needs and union demands at each shaft. South African legislation provides for a 45 hour work week, although the government has stated its intention to move toward a 40 hour work week.

Gold Fields experienced no significant strikes in fiscal 2002, 2003, 2004 or, to date, in fiscal 2005. Gold Fields believes that this is the result of improved workplace relationships, effective domestic dispute settlement arrangements and the work of the South African Commission for Conciliation, Mediation and Arbitration.

Labor laws in South Africa have been amended to include provisions granting employees the right to strike if a company employs over 500 employees and terminates over 50 employees at one time for operational reasons.

Ghana

In Ghana, there are various constitutional and legislative provisions relating to labor which, among other things:

entitle workers to join trade unions and give those unions the power to negotiate on their behalf with regard to their conditions of employment;

prohibit discrimination against union members;

entitle workers to strike in certain prescribed circumstances;

regulate the hours of work, termination notice, severance pay and minimum length of annual leave for workers;

provide for social security for workers and worker s compensation; and

provide for arbitration in trade disputes.

On October 8, 2003, the Ghanaian Parliament passed the Labour Act, 2003 (Act 651), or the Labour Act. Regulations under the Labour Act have been published for comment by stakeholders. Among other things, the Labour Act gives employees greater freedom to form and to join trade unions.

As of June 30, 2004, Gold Fields had 930 Ghanaian employees and an expatriate staff of 41 at the Tarkwa mine. Of the Ghanaian employees at Tarkwa, the majority are members of the Ghana Mineworkers Union, or GMU, whose employment is governed by a collective bargaining agreement originally concluded in 1996 and revised in 2000 and 2003. Wages are revised annually by negotiation with the GMU. In July 2004, Gold Fields Ghana concluded a two-year agreement with the GMU covering both the Tarkwa and Damang mines. The agreement provides for a 2% increase in basic rates of pay effective January 1, 2004. The increase for January 2005 will be determined by reference to the U.S. inflation rate for calendar 2004. The agreement further provides for a new profit sharing arrangement in terms of which employees will share in the profits made at the Tarkwa and Damang mines in fiscal 2004 and fiscal 2005. The payment for fiscal 2004 was $590 per employee in service for the full fiscal year. Senior staff terms of employment are also governed by the Labour Act. Under the Labour Act, employees considered to be in policy making positions are prohibited from joining unions. As a result, some members of senior staff who are not in policy making positions could be eligible to join unions which would then negotiate terms of employment on their behalf. However, the current practice of using the conditions contained in collective agreements with unions as the minimum basis for negotiating senior staff conditions of employment is expected to continue.

Neither Gold Fields nor AMS experienced any strikes at Tarkwa in fiscal 2002, 2003, 2004 or, to date, in fiscal 2005

As part of a project undertaken by Gold Fields to expand operations at Tarkwa, or the Tarkwa Expansion Project, Gold Fields has completed shifting operations at the mine from contractor mining to owner mining. The conversion to owner mining at Tarkwa was completed early in fiscal 2005 without any labor incidents.

As with Tarkwa, substantially all of the local employees at the Damang mine are unionized, including those employed by AMS. With respect to its own employees, following a work stoppage in December 2001 in the midst of negotiations to acquire Abosso, Gold Fields agreed to terminate the employees upon the acquisition of Abosso. The employees received a severance package from the seller. Gold Fields rehired 192 of the approximately 300 employees who were terminated. AMS s employees were not terminated. Other than as noted above, Damang did not experience any work stoppages in fiscal 2001, 2002, 2003, 2004 or, to date, in fiscal 2005. The terms of employment of unionized employees at Damang are governed by a collective bargaining agreement negotiated in June 2003. The terms of this agreement are identical to those of the collective bargaining agreement covering unionized employees at Tarkwa. Damang was party to the two year agreement concluded in July 2004 on wages and other conditions of employment referred to above, for which the same terms apply to the Damang operations. These terms are expected to remain in place until 2006.

Australia

In Western Australia, where Gold Fields Australian operation is located, labor is regulated by a combination of federal and state statutes and certain standards primarily set by Western Australian regulatory commissions which set out certain workplace conditions across the mining industry. These laws and standards prescribe, among other things:

- minimum wages;
- forms of leave;
- conditions regarding termination of an employee for redundancy;
- rights of unions to enter a workplace; and
- collective bargaining rights for employees.

The St. Ives and Agnew mines together had approximately 1,193 workers as of June 30, 2004, approximately 855 of whom were employed by outside contractors. All of Gold Fields Australian employees and the employees of the contractors at the St. Ives and Agnew mines are employed pursuant to individually

negotiated federal workplace agreements. The effect of federal workplace agreements is generally to exclude collective bargaining and limit union access to the workplace.

Historically, Australian unions have had a significant role in negotiating collective agreements for pay and working conditions. In recent years under both state and federal Conservative Party-led coalition governments, workplace agreements have replaced union collective bargaining agreements. The Labour Relations Reform Act was passed by Parliament in July 2002. This law reduces the availability of state workplace agreements and is designed to promote collective bargaining and union access to the workplace. Although unions currently have little presence in Western Australia s mining industry, it is possible that individually negotiated federal workplace agreements at some mines could be replaced by collective bargaining agreements if and when the workplace agreements expire, which could have an adverse effect on labor costs at Gold Fields mining operations in Australia.

Benefits

Gold Fields provides benefits to its employees, generally including pension, medical and accommodation benefits. Employees are also entitled to a severance package if they are laid off. In Ghana, medical benefits only are provided by the contractor, AMS, while the costs of such benefits are paid by Gold Fields under the terms of the contract between Gold Fields and AMS. Gold Fields own employees are generally provided with medical and retirement benefits. In Australia, benefits for contractors employees are the responsibility of each contractor and Gold Fields own employees are generally responsible for their own medical costs and other benefits, except that Gold Fields contributes to a third-party pension plan.

Gold Fields provides 50% of the premiums under a medical plan for certain former employees in South Africa. As of June 30, 2004, 67% of these former employees and dependants had been bought out of the scheme at a 15% premium. At June 30, 2004, approximately 850 former employees were still covered under this plan following the buyout. As of June 30, 2004, Gold Fields had accrued a provision of Rand 54.4 million for these obligations. The provision is adjusted annually in accordance with updated actuarial tables. Gold Fields is not obligated to make these contributions for members of the former Aumed Medical Scheme who retired after August 31, 1997 and members of Medisense Medical Scheme who retired after January 31, 1999.

Bonus Schemes

Gold Fields has extensive bonus schemes for workers at all levels. The focus of Gold Fields bonus schemes is based on specific production and safety targets as the primary drivers, with quality factors being secondary drivers at management levels. Due to the complexity of its bonus schemes and because the schemes are largely separate from the payroll system at present, Gold Fields intends to integrate the schemes with its payroll system during subsequent phases of the Solitgold implementation. See Information on the Company Productivity Initiatives .

Social Development

Gold Fields has an established social development program in South Africa, which it conducts through the Gold Fields Foundation, or the Foundation. The Foundation was founded by Gold Fields of South Africa Limited more than 20 years ago and has as its mission the promotion and facilitation of sustainable social and economic development in the communities affected by Gold Fields operations in South Africa, Ghana and Australia. Gold Fields provides annual funding for the Foundation in an aggregate amount of one Rand per each ounce of gold produced from its South African operations each year plus 0.5% of annual pre-tax profits of its South African operations. Similar programs are in place in Australia and Ghana, with funds from those

operations applied to development projects where the relevant operation is located. Currently, the Foundation focuses on four primary areas:

Education. The Foundation has initiatives involving all levels of education from pre-schools to universities. In South Africa, the focus has been on developing educational infrastructure, including providing classrooms, laboratories and libraries. In addition, the Foundation provides for professional training and education, such as AIDS-related training for health care workers.

Health Care. The Foundation has funded health care projects involving a number of issues, in particular, HIV and AIDS, women s health issues, tuberculosis and health care infrastructure development. The Foundation is also involved with various primary care issues.

Community Development. The Foundation operates a number of programs which focus on improving community life, especially in rural areas. This includes programs dedicated to education, training, welfare, small business development and job creation, among others.

Environmental Education and Conservation. The Foundation supports various initiatives which work to encourage and facilitate community participation in natural resource management and promote an integrated and sustained approach to the environment.

Employment Equity

Under the South African Employment Equity Act, Gold Fields has a responsibility to: (1) promote equal opportunity and fair treatment in employment by eliminating unfair discrimination, and (2) implement affirmative action measures to redress the disadvantages in employment experienced by certain groups, in order to ensure their equitable representation in all occupational categories and levels in the workforce. As required by the Act, Gold Fields has a formal employment equity plan, which has been approved by its unions and submitted as part of its report to South African regulatory officials. The plan includes numerical targets to be achieved over a five-year period, with regular employment equity forums involving management and employee representatives to monitor progress against the plan. Management believes that Gold Fields is currently making adequate progress towards the targets under its plan and is in compliance with legal and regulatory requirements regarding employment equity.

Training

Gold Fields spent approximately Rand 123.8 million on the training and development of its workforce in fiscal 2004. Particular emphasis is placed on literacy as Gold Fields estimates that approximately 57% of its South African employees are functionally illiterate.

Another area of current focus is improvement in middle management managerial skills. Gold Fields has implemented an internal leadership program which is expected to help fulfill the human resources requirements of the Mining Charter. See Information on the Company Regulatory Matters South Africa Mineral Rights.

In addition, Gold Fields provides ongoing training to employees regarding safe work practices and other safety issues. Gold Fields training programs relating to safe working practices are aligned with South Africa s National Qualifications Framework. In addition, Gold Fields South African training centers are accredited by the Sectoral Education and Training Authority for the mining industry.

In fiscal 2003, Gold Fields implemented an integrated people development system called The Integrated Manager, or TIM, at all mine sites. TIM includes systems designed to track and manage employee performance and development programs. TIM was fully implemented during fiscal 2004 and focuses training on areas that will enhance employee safety, performance and development and integrate the various employee initiatives within Gold Fields.

Health and Safety

Health

The principal health risks associated with Gold Fields mining operations in South Africa arise from occupational exposure to dust, noise, heat, noxious fumes and chemicals. The most significant occupational diseases affecting Gold Fields workforce include lung diseases (particularly silicosis, tuberculosis and a combination of the two), noise induced hearing loss and heat exhaustion. In South Africa, the incidence of tuberculosis in mine workers is aggravated by exposure to crystalline silica dust and by compromised immunity due to HIV infection. Gold Fields is working to increase the level of ventilation at its underground operations in order to try to lower the risk of lung disease for its workers. To reduce the incidence of noise-induced hearing loss, Gold Fields trains its workers to use adequate ear protection and provides appropriate equipment. Gold Fields has embarked on significant initiatives to address HIV infection and AIDS among its workforce, which have shown a positive effect on the rate of tuberculosis infection.

In Ghana and Australia the primary health risks include dust and noise-induced hearing loss. Malaria is also a significant health risk in Ghana. To combat these risks, Gold Fields provides workers with appropriate protective gear and regular training and screening tests.

Gold Fields provides free healthcare to a substantial portion of its South African and Ghanaian employees while they are employed by Gold Fields. This includes the operation of hospitals and clinics to provide treatment as needed. Workers in Australia are responsible for their own health care.

HIV/AIDS Program. Gold Fields South African workforce has a similar level of HIV prevalence to that present in groups of males of the same mix of age groups in South Africa generally. Accordingly, Gold Fields has developed and implemented a significant HIV/AIDS program with the goals of reducing the rate of HIV infection among its workforce and minimizing the potential financial impact of AIDS on its operations. This program involves a multi-faceted approach including the following components:

- HIV/AIDS awareness campaigns;

- peer education and training, involving nearly 500 peer educators;

- voluntary counseling and testing;

- condom promotion and distribution, with a stated goal of three condoms per employee per week;

- treatment of sexually transmitted diseases, including treatment of infected prostitutes and presumptive therapy which involves giving a broad spectrum of antibiotics to asymptomatic prostitutes at high risk of contracting sexually transmitted diseases;

- care and support for workers with HIV/AIDS. This includes wellness management, early retirement for workers with HIV/AIDS (with workers encouraged to return home to their families) and home based care for such workers following retirement. In April 2003, Gold Fields announced that it had extended the program to include the delivery of Highly Active Antiretroviral Therapy, or HAART, as a treatment option for employees living with AIDS; and

- collaboration with international initiatives such as the Global Health Initiative, World Economic Forum, World Health Organization and USAID.

In July 2004, management estimated that 28.3% of Gold Fields workforce in South Africa was infected with HIV. Based on this level of prevalence, other existing data and various other assumptions, many of which involve factors beyond Gold Fields control, management estimates that the ultimate impact of HIV/AIDS on its operating costs could be as high as $10 per ounce of gold produced at its South African operations two years after the projected peak of HIV prevalence in approximately 2010, when the largest number of employees on HAART will be reached. HAART was rolled out to the South African operations in January

2004. Gold Fields hopes to limit the impact of HIV/AIDS on its operating costs through its HIV/AIDS program. Management estimates that, depending on the success of its HIV/AIDS program, the maximum expected impact of AIDS on operating costs at its South African operations could be as low as $6.00 per ounce of gold produced. However, the ultimate impact of HIV/AIDS on Gold Fields operating costs could vary significantly depending on any of these factors.

See Key Information Risk Factors HIV/AIDS poses risks to Gold Fields in terms of lost productivity and increased costs.

On December 12, 2001, Gold Fields entered into an agreement with the principal labor unions representing its employees in which it and the unions agreed to implement various initiatives aimed at reducing the spread of AIDS among Gold Fields workforce and providing for the treatment and care of employees who are HIV positive or suffering from AIDS. These initiatives include, among others, improving awareness and education among employees regarding HIV and AIDS, promoting condom usage among employees, managing sexually transmitted diseases and collectively supporting a wellness management program for employees who are HIV positive. In April 2003, the Gold Fields HIV/AIDS program was recognized as one of the nine best programs in the world by the Global Business Coalition Against AIDS.

HIV/AIDS prevalence is not significant in Gold Fields Ghanaian or Australian workforces.

Safety

Operating mines, particularly underground mines, involves significant safety hazards. Gold Fields has undertaken a number of safety initiatives intended to lower the rate of injuries and fatalities incurred by employees in connection with its operations. A number of these initiatives involve ensuring that employees receive adequate training regarding safe workplace practices. In addition, Gold Fields takes steps to address particular safety issues which are present at its operations. Specific safety issues are explained in further detail in connection with the description of each of Gold Fields operations above.

Gold Fields introduced a new health and safety compliance program in fiscal 2001 at its South African operations, with the goal of improving compliance with the Mines Health and Safety Act and other rules, standards, regulations and generally accepted principles relating to health and safety. The Full Compliance Safety Management Initiative, as it is called, is expected to be implemented at all of Gold Field s operations and aims to:

eliminate fatal accidents at Gold Fields mines;

reduce accident rates by 50% over a five-year period, commencing in July 2000; and

maintain a safe and healthy working environment with quality training, good practice and full employee commitment.

Item 7: MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders

To the knowledge of management: (1) Gold Fields is not directly or indirectly owned or controlled (a) by another corporation or (b) by any foreign government and (2) there are no arrangements (other than the announced tender offer by Harmony Gold Mining Company. See Information on the Company Recent Developments Harmony Tender Offer.), the operation of which may at a subsequent date result in a change in control of Gold Fields. To the knowledge of Gold Fields management, there is no controlling shareholder of Gold Fields.

As of October 29, 2004, the issued share capital of Gold Fields consisted of 491,831,765 ordinary shares.

A list of the individuals and organizations holding, to the knowledge of management, directly or indirectly, 5% or more of its issued share capital as of October 29, 2004 is set forth below.

Beneficial owner	Ordinary Shares	Percentage
MMC Norilsk Nickel[1]	98,467,758	20.0
Public Investment Commission[2]	30,893,621	6.3
Old Mutual plc[3]	28,799,846	5.9
Capital Research and Management[4]	28,820,992	5.9

Notes:

[1] OJSC MMC Norilsk Nickel holds its shares directly.

[2] The Public Investment Commission holds a portion of its shares directly and a portion of its shares through Stanlib Asset Management, Sanlam Investment Managers and RMB Asset Management.

[3] Old Mutual holds its shares through Old Mutual Life Assurance Company of South Africa Limited and various subsidiaries. Jakes G. Gerwel, a non-executive director of Gold Fields, is also a director of Old Mutual Life Assurance Company of South Africa Limited.

[4] Capital Research and Management holds its shares through JPMorgan Chase Bank and State Street Bank & Trust Company.

To the knowledge of management, none of the above shareholders holds voting rights which are different from those held by Gold Fields other shareholders.

The table below shows the significant changes of the percentage of ownership by Gold Fields major shareholders, to the knowledge of Gold Fields management, during the past three fiscal years.

	Beneficial ownership			
	As of June 30,			As of October 29,
Beneficial owner	2002	2003	2004	2004
	(%)	(%)	(%)	(%)

Anglo American plc[1]	20.0	20.9	[2]	[2]
OJSC MMC Norilsk Nickel[3]	[2]	[2]	20.0	20.0

	Beneficial ownership			
	As of June 30,			As of October 29,
Beneficial owner	2002	2003	2004	2004
	(%)	(%)	(%)	(%)
Public Investment Commission[4]	[2]	4.9	4.9	6.3
Old Mutual plc[5]	7.5	6.1	5.8	5.9
Capital Research and Management[6]	2.8	2.8	2.2	5.9

Notes:

[1] Anglo American plc held its shares through its indirect, wholly owned subsidiary, Anglo South Africa Capital (Proprietary) Ltd.

[2] To the knowledge of Gold Fields management, the entities did not own Gold Fields ordinary shares on the dates specified.

[3] OJSC MMC Norilsk Nickel holds its shares directly.

[4] The Public Investment Commission holds a portion of its shares directly and a portion of its shares through Stanlib Asset Management, Sanlam Investment Managers and RMB Asset Management.

[5] Old Mutual plc holds its shares through Old Mutual Life Assurance Company of South Africa Limited and various subsidiaries.

[6] Capital Research and Management holds its shares through JPMorgan Chase Bank and State Street Bank & Trust Company.

As of June 30, 2004, 14,689 record holders of Gold Fields ordinary shares, holding an aggregate of 127,476,767 ordinary shares (25.9%), were listed as having addresses in South Africa. As of June 30, 2004, 109 record holders of Gold Fields ordinary shares, holding an aggregate of 152,963,006 ordinary shares (31.1%), were listed as having addresses in the United States.

Related Party Transactions

None of the directors, officers or major shareholders of Gold Fields or, to the knowledge of Gold Fields, their families, had any interest, direct or indirect, in any transaction during the last three fiscal years or in any proposed transaction which has affected or will materially affect Gold Fields or its investment interests or subsidiaries, other than as stated below.

Pro-Drilling

Michael J. Prinsloo, Executive Vice President, South African Operations, sits on the board of and owns 50% of Pro-Drilling & Mining (Proprietary) Limited, or Pro-Drilling, a privately held drilling company. Pro-Drilling has a contract with GFI Mining South Africa (Proprietary) Limited to provide labor, equipment and materials for diamond drilling and core recovery at the Driefontein operation. The contract is valid until terminated upon one month s written notice by either party. Gold Fields was employing Pro-Drilling prior to Mr. Prinsloo s joining Gold Fields. During fiscal 2004 Gold Fields paid Pro-Drilling a total of approximately Rand 2 million ($300,000). Gold Fields expects to continue its contract with Pro-Drilling during fiscal 2005 on similar terms.

Mvelaphanda

Tokyo M.G. Sexwale and Bernard R. van Rooyen, non-executive directors of Gold Fields, are the Chairman of the Board and a director, respectively, of Mvelaphanda Resources Limited, or Mvela Resources, an African mining and exploration company. Both Mr. Sexwale and Mr. van Rooyen are also a significant shareholders of Mvela Resources.

On July 10, 2002, Gold Fields announced that it had granted Mvela Resources the right to acquire a beneficial ownership interest of between 5% and 15% in, and a corresponding share of Gold Fields obligations and liabilities with respect to, the development, financing or construction of any precious metals mine which is developed in Africa, beginning March 1, 2002. In consideration for the transaction, referred to in this discussion as the Exploration Arrangement, Mvela Resources is obligated to issue to Gold Fields options to subscribe in tranches for linked units in Mvela Resources, consisting of one ordinary shares and one unsecured debenture issued by Mvela Resources, at a 10% premium to the five day weighted average trading price on the JSE Securities Exchange South Africa. Mvela Resources issued to Gold Fields 380,102 options to subscribe for linked units pursuant to this arrangement on 26 September, 2002. Thereafter, each year Mvela Resources was obligated to issue to Gold Fields options to subscribe for linked units with a value equal to half of the amount spent by Gold Fields on the precious metals exploration projects covered by the agreement between the parties during that year. On May 5, 2003, Mvela Resources issued to Gold Fields further options to subscribe for 373,435 linked units. In November 2003, Mvela Resources implemented a Scheme of Arrangement and a consolidation of its share capital, which are described below. As a result of these actions, Gold Fields right to receive options to subscribe for linked units has been converted into a right to receive options to subscribe for ordinary shares of Mvela Resources. On May 30, 2004, Mvela Resources issued to Gold Fields options to subscribe for 521,812 ordinary shares of Mvela Resources. The options granted under the Exploration Arrangement were originally exercisable for a period of 2 years from the date of issuance, but as of September 16, 2004, this period was extended to 5 years. As of September 30, 2004, the aggregate value of the options to subscribe for ordinary shares issued by Mvela Resources to Gold Fields was approximately Rand 1.3 million. The term of the agreement is five years.

On March 8, 2004, the shareholders of Gold Fields approved a series of transactions, referred to in this discussion as the Mvelaphanda Transaction, involving the acquisition by Mvela Resources of a 15% beneficial interest in the South African gold mining assets of Gold Fields for cash consideration of Rand 4,139 million.

The Mvelaphanda Transaction was preceded by an internal restructuring of Gold Fields, whereby each of the Driefontein, Kloof and Beatrix mining operations, as well as certain ancillary assets and operations, were transferred to a new, wholly-owned subsidiary of Gold Fields, GFI Mining South Africa (Proprietary) Limited, or GFIMSA.

On November 26, 2003, Gold Fields, Mvela Resources, Mvelaphanda Gold (Proprietary) Limited, or Mvela Gold, a wholly-owned subsidiary of Mvela Resources, and GFIMSA entered into a covenants agreement, or the Covenants Agreement, regulating their rights and obligations with respect to GFIMSA. This agreement became effective following the advance by Mvela Gold of the loan to GFIMSA described below, which is referred to in this discussion as the Mvela Loan, and, among other things, provides for Mvela Gold to nominate two members of GFIMSA s board of directors and two members of each of GFIMSA s Operations Committee and Transformation Committee, the latter of which has been established to monitor compliance with the mining charter promulgated under the Mineral and Petroleum Resources Development Act 2002. Under the Covenants Agreement, GFIMSA cannot dispose of any material assets, enter into, cancel or alter any material transaction between GFIMSA and any related party or make any material amendment to its constitutive documents without the prior written consent of Mvela Gold. In addition, if Gold Fields or GFIMSA wants to increase the interest of black empowerment entities in GFIMSA or in any business or assets of GFIMSA, other than pursuant to an employee share incentive scheme, Gold Fields must offer to Mvela Gold the opportunity to increase its interest in GFIMSA. By its terms, the Covenants Agreement remains in force for so long as Gold Fields remains a shareholder in GFIMSA and Mvela Gold holds the right to subscribe for 15% of the shares interest in, or is a shareholder of, GFIMSA, provided that it terminates if the shares of GFIMSA are listed on the JSE Securities Exchange South Africa.

On December 11, 2003, Gold Fields, GFIMSA, and Mvela Gold entered into a subscription and share exchange agreement, or the Subscription and Share Exchange Agreement, pursuant to which, upon repayment of the Mvela Loan, Mvela Gold must subscribe for shares equal to 15% of GFIMSA s outstanding share capital, including the newly issued shares, for consideration of Rand 4,139 million. In addition, for a period of one year after the subscription by Mvela Gold of the GFIMSA shares, each of Gold Fields and Mvela Gold will be entitled to require the exchange of Mvela Gold s GFIMSA shares for ordinary shares of Gold Fields of an equivalent value based on an exchange ratio equal to 15% of a discounted cash flow calculation as applied to GFIMSA s operations divided by the same calculation as applied to Gold Fields operations, with certain adjustments. Mvela Gold is entitled to dispose of the GFIMSA shares and any Gold Fields ordinary shares it may hold only in accordance with the terms of a pre-emptive rights agreement entered into by the parties whereby if Mvela Gold receives an offer for, or otherwise wishes to sell, any GFIMSA or Gold Fields shares, it must first offer to sell them to Gold Fields. The Subscription and Share Exchange Agreement became unconditional following the advance of the Mvela Loan to GFIMSA on March 17, 2004.

On December 11, 2003, Gold Fields, GFIMSA, Mvela Gold, First Rand Bank Limited, Gold Fields Australia Pty Limited, or Gold Fields Australia, and Gold Fields Guernsey Limited, or Gold Fields Guernsey, entered into a loan agreement, or the Mvela Loan Agreement, pursuant to which Mvela Gold advanced a loan of Rand 4,139 million, or the Mvela Loan, to GFIMSA on March 17, 2004. GFIMSA applied the loan toward funding its acquisition of Gold Fields South African mining operations and certain ancillary assets and operations as part of the internal restructuring of Gold Fields.

The Mvela Loan was funded by way of commercial bank debt of approximately Rand 1,300 million and mezzanine finance of approximately Rand 1,100 million, with the balance of approximately Rand 1,700 million being raised by way of an international private placement of shares of Mvela Resources. In connection with the mezzanine finance, Gold Fields subscribed for preference shares in an amount of Rand 200 million in Micawber 325 (Proprietary) Limited, or Micawber, a special purpose entity established by the mezzanine lenders. Further, Gold Fields subscribed for 4,350,000 ordinary shares of Mvela Resources which were issued by Mvela Resources in the private placements for consideration of Rand 100 million. In order to facilitate the private placement, Mvela Resources proposed a scheme of arrangement, or the Scheme, between itself and the holders of its linked units. The effect of the Scheme, which became operative on November 24, 2003, was that each linked unit holder received two ordinary shares of Mvela Resources for each linked unit held. In order to maintain the same number of listed instruments in issue after the implementation of the Scheme, Mvela Resources consolidated its ordinary share capital on a two for one basis. As a result, the net effect of the Scheme and the share consolidation is that Gold Fields has 1,275,349 options to acquire the same number of ordinary shares of Mvela Resources issued in connection with the Exploration Arrangement. In addition, pursuant to an agreement entered into on February 13, 2004, or the PIC Agreement, Gold Fields has effectively guaranteed a loan of Rand 150 million. See Operating and Financial Review and Prospects Liquidity and Capital Resources-Cash Resources-Investing and Credit Facilities Mvela Loan.

On February 13, 2004, the Mvela Loan Agreement was amended, principally in order to add and clarify certain definitions.

On November 17, 2004, GFL Mining Services Limited, or GFLMSL, Gold Fields, Mvela Gold, Mvela Resources and GFIMSA entered into an agreement, referred to in this discussion as the Amendment Agreement, amending the existing agreements relating to the Mvelaphanda Transaction, including, among others, the Subscription and Exchange Agreement and the Covenants Agreement. The Amendment Agreement provides, among other things, for changes in connection with the proposed IAMGold transaction.

Also on November 17, 2004, Gold Fields, Mvela Gold, First Rand Bank Limited, Gold Fields Australia, Gold Fields Guernsey and GFIMSA entered into a second addendum to the Mvela Loan Agreement. Pursuant to this addendum, various amendments will be made to the Mvela Loan Agreement, provided that all the conditions to the proposed IAMGold transaction are satisfied. See Information on the Company Recent Developments Proposed IAMGold Transaction.

See Operating and Financial Review and Prospects Overview Mvelaphanda Transaction.

Rand Refinery

GFL Mining Services Limited, or GFLMSL as agent for GFIMSA, has an agreement with Rand Refinery Limited, or Rand Refinery, in which Gold Fields holds a 33.1% interest, providing for the refining of substantially all of Gold Fields South African gold production by Rand Refinery. Prior to October 1, 2004, GFLMSL acted as agent for Rand Refinery to sell up to 50% of Gold Fields South African production. However, since October 1, 2004, Gold Fields has sold the gold produced from its South African operations itself. Gold Fields Ghana Limited and Abosso Goldfields Limited are each party to agreements with Rand Refinery to transport, refine and sell substantially all of the gold production from the Tarkwa and Damang mines entered into in June 2003. Nicholas J. Holland, who is the Chief Financial Officer and a Director of Gold Fields, has been a Director of Rand Refinery since July 12, 2000. As a Director of GFLMSL, which is a wholly-owned subsidiary of Gold Fields, Mr. Holland has declared his interest in the contract between Rand Refinery and GFLMSL, pursuant to South African requirements, and has not participated in the decision of Rand Refinery to enter into the agreement with GFLMSL, Gold Fields Ghana Limited or Abosso Goldfields. Mr. Holland signed the agreement with Rand Refinery on behalf of GFLMSL. See Information on the Company Description of Mining Business Refining and Marketing for further details regarding these arrangements.

Gold Fields believes that the above transactions with related parties have been conducted on terms at least as favorable to it as arm s length terms.

None of the directors or officers of Gold Fields or any associate of such director or officer is currently or has been at any time during the past three fiscal years materially indebted to Gold Fields.

Item 8: FINANCIAL INFORMATION

Reference is made to Item 18 for a list of all financial statements filed as part of this annual report. For information on legal proceedings please refer to Information on the Company above.

Dividends and Dividend Policy

The following table sets forth the dividends announced and paid per share in respect of Gold Fields ordinary shares for the periods indicated:

Year ended June 30,	2000		2001		2002		2003		2004		2005	
	($)	(R)	($)	(R)	($)	(R)	($)	(R)	($)	(R)	($)	(R)
Prior year s final dividend	0.05	0.30			0.05	0.40	0.40	2.20	0.13(2)	1.00(2)	0.06	0.40
Interim dividend	0.03	0.20	0.13	1.05(1)	0.08	0.90	0.90	1.50	0.06	0.40		
Total dividend	0.08	0.50	0.13	1.05	0.13	1.30	1.30	3.70	0.19	1.40		

Notes:

(1) This interim dividend included the final dividend for fiscal 2000, which was deferred as a condition of the aborted Franco-Nevada merger. See Operating and Financial Review and Prospects Results of Operations Years ended June 30, 2000 and 2001 Costs and expenses Franco-Nevada merger costs.

(2) This final dividend was announced on July 29, 2004 and paid on August 23, 2004.

Gold Fields dividend policy is to declare an interim and final dividend in respect of each financial year based on 50% of the earnings for the year before taking account of investment opportunities. Earnings are adjusted to exclude unrealized gains and losses on financial instruments and foreign debt, but actual cash flows on maturity of financial instruments are included in the determination of adjusted earnings.

Significant Changes

Please refer to Operating and Financial Review and Prospects Recent Developments.

Item 9: THE OFFER AND LISTING

Listing Details

The principal non-United States trading market for the ordinary shares of Gold Fields is the JSE Securities Exchange South Africa, or JSE, on which they trade under the symbol GFI. The ordinary shares of Gold Fields are also listed on the Official List of the UK Listing Authority and traded on the London Stock Exchange, and are listed on the Premier Marché of Euronext Paris and the SWX Swiss Exchange. Gold Fields International Depositary Shares are listed on Euronext Brussels. As of June 30, 2004, 14,689 record holders of Gold Fields ordinary shares, holding an aggregate of 127,476,767 ordinary shares (25.9%), were listed as having addresses in South Africa. As of June 30, 2004, 109 record holders of Gold Fields ordinary shares, holding an aggregate of 152,963,006 ordinary shares (31.1%), were listed as having addresses in the United States.

Gold Fields ADSs currently trade in the United States on The New York Stock Exchange under the symbol GFI. The ADRs representing the ADSs are issued by The Bank of New York, as Depositary. Each ADR represents one ADS. Each ADS represents one ordinary share.

JSE Trading History

The tables below show the high and low closing prices in Rand and the average daily volume of trading activity on the JSE for Gold Fields ordinary shares for the last five fiscal years.

The following table sets out ordinary share trading information on a yearly basis for the last five fiscal years, as reported by I-Net Bridge (Proprietary) Limited, or I-Net Bridge, a South African financial information service:

	Ordinary share price		Average daily trading volume number of ordinary shares)
Year ended June 30,	High	Low	
	(Rand per ordinary share)		
2000	38.45	15.90	1,024,865
2001	40.00	19.70	782,898
2002	171.5	31.60	1,642,279
2003	150.63	71.40	1,671,998
2004	110.40	65.02	1,524,700
2005 (through October 29, 2004)	102.60	55.09	2,018,006

The following table sets out ordinary share trading information on a quarterly basis for the periods indicated, as reported by I-Net Bridge:

Quarter ended	Ordinary share price High	 Low	Average daily trading volume (number of ordinary shares)
	(Rand per ordinary share)		
September 30, 2002	150.63	96.50	2,071,857
December 31, 2002	129.49	96.38	1,760,163
March 31, 2003	128.99	76.84	1,359,204
June 30, 2003	100.70	71.40	1,476,128
September 30, 2003	110.40	82.10	1,418,814
December 31, 2003	105.01	81.90	1,317,200
March 31, 2004	102.60	77.41	2,884,949
June 30, 2004	85.00	65.02	1,398,935
September 30, 2004	87.50	55.09	1,643,839

The following table sets out ordinary share trading information on a monthly basis each of the last six months, as reported by I-Net Bridge:

Month ended	Ordinary share price High	 Low	Average daily trading volume number of ordinary shares)
	(Rand per ordinary share)		
May 31, 2004	77.50	69.30	872,400
June 30, 2004	75.30	65.02	787,200
July 30, 2004	65.60	55.09	1,903,158
August 30, 2004	83.55	65.70	1,875,448
September 30, 2004	87.50	74.70	1,140,563
October 29, 2004	94.02	86.01	2,326,279

On October 29, 2004, the closing of the ordinary shares on the JSE was Rand 86.01.

New York Stock Exchange and Nasdaq SmallCap Market Trading History

The tables below show the high and low closing prices in U.S. dollars and the average daily volume of trading activity on The Nasdaq SmallCap Market for Gold Fields   ADSs from July 1, 2000 until May 8, 2002 and on the New York Stock Exchange since May 9, 2002.

The following table sets out ordinary share trading information on a yearly basis for the last five fiscal years, as reported by Bloomberg:

	ADS price		Average daily trading volume (number of ADSs)
Year ended June 30,	**High**	**Low**	
	($ per ADS)		
2000	6.03	2.69	304,773
2001[1]	5.23	2.63	416,049
2002	16.36	3.86	1,587,110
2003	15.25	9.00	2,376,579
2004	15.12	9.93	1,875,475
2005 (through October 29, 2004)	14.94	9.25	1,707,455

Note:

(1) Gold Fields delisted its ADSs from the Nasdaq SmallCap market on May 8, 2002 and listed its ADSs on The New York Stock Exchange on May 9, 2002.

The following table sets out ADS trading information on a quarterly basis for the periods indicated, as reported by Bloomberg:

	ADS price		Average daily trading volume (number of ADSs)
Quarter ended	**High**	**Low**	
	($ per ADS)		
September 30, 2002	14.47	9.00	2,616,300
December 31, 2002	14.84	9.95	2,136,202
March 31, 2003	15.25	9.56	2,689,905
June 30, 2003	12.95	9.92	2,168,289
September 30, 2003	14.89	10.63	1,951,094
December 31, 2003	15.12	12.59	2,119,349
March 31, 2004	14.70	11.65	1,926,314
June 30, 2004	13.19	9.93	1,538,980
September 30, 2004	13.65	9.25	1,318,838

The following table sets out ADS trading information on a monthly basis for each of the last six months, as reported by Bloomberg:

Month ended	ADS price		Average daily trading volume (number of ADSs)
	High	Low	
	($ per ADS)		
May 31, 2004	11.64	9.93	1,499,486
June 30, 2004	11.52	10.05	1,168,918
July 30, 2004	10.58	9.25	1,259,355
August 30, 2004	12.76	10.49	1,561,082
September 30, 2004	13.65	11.44	1,136,077
October 31, 2004	14.94	13.39	2,772,876

On October 29, 2004, the closing price of ADSs quoted on The New York Stock Exchange was $14.42

The JSE Securities Exchange South Africa

The JSE was formed in 1887. The JSE provides facilities for the buying and selling of a wide range of securities, including equity and corporate debt securities and warrants in respect of securities, as well as Krugerrands.

The JSE is a self-regulatory organization operating under the ultimate supervision of the Ministry of Finance, through the Financial Services Board and its representative, the Registrar of Stock Exchanges. Following the introduction of the Stock Exchanges Control Amendment Act No. 54 of 1995, or Stock Exchange Act, which provides the statutory framework for the deregulation of the JSE, the JSE s rules were amended with effect from November 8, 1995. These amendments removed the restrictions on corporate membership and allowed stockbrokers to form limited liability corporate entities. Members were, for the first time, also required to keep client funds in trust accounts separate from members own funds. Further rules to complete the deregulation of the JSE, as envisaged by the Stock Exchange Act, were promulgated during 1996 to permit members of the JSE to trade either as agents or as principals in any transaction in equities and to allow members to negotiate freely the brokerage commissions payable on agency transactions in equities. With effect from 1996, screen trading commenced on the JSE.

The market capitalization of companies listed on the JSE was approximately Rand 2.3 trillion as of October 29, 2004. The actual float available for public trading is significantly smaller than the aggregate market capitalization because of the large number of long-term holdings by listed holding companies in listed subsidiaries and associates, the existence of listed pyramid companies and cross holdings between listed companies. Liquidity on the JSE (measured by reference to the total market value of securities traded as a percentage of the total market capitalization) was 38.5% for 2001. Trading is concentrated in a small, but growing number of companies. As of October 29, 2004, there were 409 listed companies on the JSE.

South Africa was included in the Morgan Stanley Capital International Emerging Markets Free Index and the International Finance Corporation Investable Index in March and April 1995, respectively. South Africa has a significant representation in these emerging market indices.

The four main indices charting the performance of the JSE as a whole and of composite sectors are the All Share Index, the Financial Index, the Industrial Index and the Resources Index. As of October 29, 2004, the

All Share Index, Financial Index, Industrial Index and the Resource Index accounted for 50%, 13%, 18.6% and 18.4%, respectively of the market capitalization of the JSE.

The JSE has established a project named Share Transactions Totally Electronic, or STRATE, which has involved the dematerialization of share certificates in a central securities depositary and the introduction of contractual, rolling, electronic settlement in order to increase the speed, certainty and efficiency of settlement and to fall into line with international practice. Gold Fields joined STRATE on October 1, 2001. Investors are given the choice of either holding their securities in dematerialized form in the central securities depositary or retaining their share certificates. Shareholders who elect to retain their share certificates are not able to trade their shares on the JSE, although they may trade their shares off market. Settlement of dematerialized shares traded electronically on the JSE is made five days after each trade (T+5). The JSE has stated that it intends eventually to move to a system whereby the five-day settlement period is reduced further to three days (T+3) and, possibly, to one day (T+1).

Item 10: ADDITIONAL INFORMATION

General

Gold Fields is a public company registered in South Africa under the Companies Act No. 61 of 1973, or the Companies Act, which limits the liability of its shareholders, and is governed by its Memorandum of Association and Articles of Association and the provisions of the Companies Act. Gold Fields registration number is 1968/004880/06. Section 3 of Gold Fields Memorandum of Association provides that its objectives are, among other things: (1) to purchase, lease or otherwise acquire mines, mineral and other properties, lands, farms and hereditaments, (2) to buy, sell, refine and deal in bullion, specie, coin and precious metals and (3) to carry on any mining and metallurgical operation which may seem conducive to any of Gold Fields objectives.

Share Capital

The authorized share capital of Gold Fields consists of 1,000,000,000 ordinary shares with a par value of Rand 0.50 each. The aggregate number of issued shares of Gold Fields on October 29, 2004 was 491,831,765 ordinary shares of Rand 0.50 each. All of the issued ordinary shares rank equally with one another and are fully paid and are not subject to calls for additional payments of any kind.

More than 10% of Gold Fields current issued share capital has been paid for in assets other than cash. Gold Fields ordinary shares were exchanged for shares in GFL Mining Services Ltd. during the merger with Gold Fields in 1999 and for the minority shares in St. Helena Gold Mines Limited when Gold Fields acquired total ownership. See Information on the Company History. On November 30, 2001, 12,000,000 ordinary shares were issued to WMC Resources Ltd as part of the consideration for the acquisition of St. Ives and Agnew mining operations from WMC Limited and WMC Resources Ltd. See Information on the Company Gold Fields Mining Operations Ghana Operation Damang. In addition, on September 11, 2003, Gold Fields issued 564,841 ordinary shares to Outokumpu Oy, or Outokumpu, as part of the consideration for the acquisition of Outokumpu s 49% interest in the Arctic Platinum Project, or APP. See Information on the Company Exploration Artic Platinum Project.

At a general meeting held on November 17, 2003, Gold Fields shareholders approved a resolution authorizing the Gold Fields Board to allot and issue additional ordinary shares for cash subject to the JSE Rules. Under the JSE rules, any such issue, together with any other shares issued in that financial year, in the aggregate cannot exceed 15% of the number of shares in Gold Fields issued share capital on the date an application is made to the JSE in respect of that issuance, less any other shares issued in that financial year. This general authority is valid until Gold Fields next annual general meeting or 15 months from the date on which the resolution was passed, whichever is earlier.

The following table sets forth changes in Gold Fields issued share capital for the periods indicated:

As of	Total Issued Ordinary Shares	Total Authorized Ordinary Shares[1]
June 30, 2002	470,522,224	1,000,000,000
June 30, 2003 [2]	472,364,872	1,000,000,000
June 30, 2004 [3]	491,492,520	1,000,000,000
October 29, 2004 [4]	491,831,765	1,000,000,000

Notes:

(1) On April 7, 1999, the Gold Fields shareholders passed a resolution increasing the authorized share capital to 1,000,000,000 by the creation of 780,000,000 additional ordinary shares, and the issued share capital of Gold Fields was increased by 244,389,216 ordinary shares. The 244,389,216 newly issued shares were exchanged for the ordinary shares of GFL Mining Services Ltd. as part of the reverse merger with Gold Fields, then known as Driefontein Consolidated Limited. See Information on the Company History.

(2) Reflects the issuance of 1,842,648 ordinary shares issued under the GF Management Incentive Scheme and the GF Non-Executive Director Share Plan.

(3) Reflects the issuance of 19,127,648 ordinary shares, of which 564,841 shares issued to Outokumpu as part of the consideration for Gold Fields purchase of Outokumpu s 49% stake in the Arctic Platinum Project, 17,250,000 shares issued for an international private placement, 1,300,977 shares issued under the GF Management Incentive Scheme and the GF Non-Executive Director Share Plan and 11,830 shares issued to others.

(4) Reflects the issuance of 339,245 ordinary shares issued under the GF Management Incentive Scheme and the GF Non-Executive Director Share Plan.

Dividends and Payments to Shareholders

Gold Fields may make payments (including the payment of dividends) to its shareholders from time to time in accordance with provisions of the Companies Act and the requirements of the JSE and Gold Fields Articles of Association. The Companies Act prohibits a payment (including the payment of any dividend) to a company s shareholders if there are reasonable grounds for believing that:

the company is, or would be after the payment, unable to pay its debts as they become due; or

the consolidated assets of the company fairly valued would, after the payment, be less than the consolidated liabilities of the company.

Subject to the above requirements, the shareholders of Gold Fields in a general meeting or the directors may from time to time declare a dividend or any other payment to be paid to shareholders and to the holders of share warrants (if any) in proportion to the number of shares held by them.

All unclaimed dividends or other payments to shareholders may be invested or otherwise be made use of by the directors for the benefit of Gold Fields until claimed, provided that any dividend or bonus or other payment to shareholders remaining unclaimed for a period of not less than three years from the date on which it became payable may be forfeited by resolution of the directors for the benefit of Gold Fields.

Voting Rights

Every shareholder of Gold Fields, or representative of a shareholder, who is present at a shareholders meeting has one vote on a show of hands, regardless of the number of shares he holds or represents or number of shareholders he represents, unless a poll is demanded. Every Gold Fields shareholder is, on a poll, entitled to one vote per ordinary share held. A poll may be demanded by any person entitled to vote at the meeting. Neither the Companies Act nor Gold Fields Articles of Association provide for cumulative voting.

A shareholder is entitled to appoint a proxy to attend, speak and vote at any meeting on his or her behalf. The proxy need not be a shareholder.

Issue of Additional Shares and Pre-emptive Rights

Shareholder approval is required for any issuance of additional shares. Shareholders may either convey a general or specific authority to directors to issue shares. A general authority is valid until the next annual general meeting.

The JSE and Gold Fields Articles of Association require that any new issue of equity shares by Gold Fields must first be offered to existing shareholders in proportion to their shareholding in the company unless, among other things, the issuance to new shareholders is:

- pursuant to a shareholder approved employee share incentive scheme;
- for the acquisition of an asset, provided that if the issue is more than 30% of the company s issued share capital, a simple majority of shareholders must vote in favor of the acquisition;
- to raise cash through a general issuance in the discretion of the directors to the general public (but not to related parties) of up to 15% of the issued share capital in any one fiscal year at an issue price with a discount not exceeding 10% of the 30 day weighted average trading price prior to the date the application is made to the JSE to list the shares provided that a 75% majority of votes cast by shareholders at a general meeting must approve the granting of such authority to the directors; or
- to raise cash through a specific issuance of shares for cash, provided that a 75% majority of shareholders, other than controlling shareholders, vote in favor of the resolution to issue the shares at a general meeting.

Transfer of Shares

The transfer of any Gold Fields certificated share will be implemented in accordance with the provisions of the Companies Act using the then common form of transfer. Dematerialized shares which have been traded on the JSE are transferred on the STRATE system and delivered five business days after each trade. The transferor of any share is deemed to remain the holder of that share until the name of the transferee is entered in Gold Fields register for that share. Since Gold Fields shares are traded through STRATE, only shares which have been dematerialized may be traded on the JSE. Accordingly, Gold Fields shareholders who hold shares in certificated form will need to dematerialize their shares in order to trade on the JSE.

Disclosure of Interest in Shares

Under South African law, a registered holder of Gold Fields shares who is not the beneficial owner of such shares is required to disclose every three months to Gold Fields the identity of the beneficial owner and the number and class of securities held on behalf of the beneficial owner. Moreover, Gold Fields may, by notice in writing, require a person who is a registered shareholder, or whom Gold Fields knows or has reasonable cause to believe has a beneficial interest in Gold Fields ordinary shares, to confirm or deny whether or not such person holds the ordinary shares or beneficial interest and, if the ordinary shares are held for another person, to disclose to Gold Fields the identity of the person on whose behalf the ordinary shares are held. Gold Fields may also require the person to give particulars of the extent of the beneficial interest held during the three years preceding the date of the notice. Gold Fields is obligated to establish and maintain a register of the disclosures described above and to publish in its annual financial statements a list of the persons who hold beneficial interest equal to or in excess of 5% of the total number of ordinary shares issued by Gold Fields together with the extent of those beneficial interests.

General Meetings of Shareholders

The directors may convene general meetings of Gold Fields shareholders and a general meeting may also be convened on a requisition by shareholders made pursuant to the Companies Act. Gold Fields is obligated to hold an annual general meeting for each fiscal year within nine months of the end of each fiscal year and prior to 15 months after the date of the last annual general meeting. If at any time there were not sufficient directors

within South Africa capable of acting to form a quorum, any director or any two shareholders of Gold Fields may convene a general meeting in the same manner as meetings convened by the directors.

Annual general meetings and meetings calling for the passage of a special resolution require 21 days notice in writing of the place, day and time of the meeting to shareholders. Any other general meeting of Gold Fields shareholders requires at least 14 days notice in writing to shareholders.

Business may be transacted at any meeting of shareholders only while a quorum of shareholders is present. Three shareholders present personally or by representative and entitled to vote constitutes a quorum for a general meeting and an annual general meeting.

The annual general meeting deals with and disposes of all matters prescribed by Gold Fields Articles of Association and by the Companies Act, including:

the consideration of the audited financial statements and report of the independent accountants; and

the election of directors.

Annual Report and Accounts

Gold Fields is required to keep the accounting records and books of accounts as are necessary to present the state of affairs of the company and to explain the financial position of the company as prescribed by the Companies Act. No shareholder (who is not a director of Gold Fields) has the right to inspect any account or book or document of Gold Fields, except as conferred by the Companies Act or authorized by the directors or by a resolution of Gold Fields in general meeting.

The directors of Gold Fields will cause to be prepared annual financial statements and an annual report as required by the Companies Act and the JSE Listing Requirements. Gold Fields will send by mail to the registered address of every shareholder a copy of the annual report and annual financial statements. Not later than three months after the first six months of its financial year, Gold Fields will mail to every shareholder an interim report for the previous six month period.

Changes in Capital or Objects and Powers of Gold Fields

The Gold Fields shareholders may, by the passing of a special resolution in accordance with the provisions of the Companies Act:

increase Gold Fields authorized share capital;

divide all or any part of Gold Fields share capital into shares of larger amount than Gold Fields existing shares or consolidate and reduce the number of the issued no par value shares, if any;

subdivide all or any portion of Gold Fields shares into shares of a smaller amount than is fixed by Gold Fields Memorandum of Association;

convert all of Gold Fields ordinary or preference share capital from having a par value into shares of no par value;

reduce Gold Fields authorized share capital and, if required by law, its issued share capital, stated capital and any capital redemption reserve fund or any share premium account;

alter the provisions of Gold Fields Memorandum of Association with respect to the objects and powers of the company; and subject to the provisions of the Companies Act or any other South African law governing companies and the requirements of the JSE and any other stock exchange upon which the shares of Gold Fields may be quoted or listed from time to time, allow Gold Fields to acquire shares issued by itself or by its holding company or in any subsidiary of its holding company from time to time, and provided that:

the directors may resolve that any return of capital made to all or any shareholders whose registered addresses are outside South Africa will, subject to any exchange control regulations then in force, be paid in such other currencies as may be stipulated by the directors. The directors may also stipulate the date for converting Rand to those currencies and the provisional rate of exchange, provided that the date for conversion must be within a period of 30 days prior to the date of payment; and

all unclaimed amounts due as a result of a reduction of capital or any consolidation or subdivision of capital may be invested or otherwise made use of by the directors for the benefit of Gold Fields until claimed.

Variation of Rights

All or any of the rights, privileges or conditions attached to Gold Fields ordinary shares may be varied by a special resolution of Gold Fields passed in accordance with the provisions of the Companies Act.

Distribution of Assets on Liquidation

In the event of voluntary or compulsory liquidation, dissolution or winding up, the assets remaining after payment of all the debts and liabilities of Gold Fields, including the costs of liquidation, shall be dealt with by a liquidator who may, with the sanction of a special resolution, among other things, divide among the shareholders any part of the assets of Gold Fields, and may vest any part of the assets of Gold Fields as the liquidator deems fit in trustees for the benefit of shareholders. The division of assets is not required to be done in accordance with the legal rights of shareholders of Gold Fields. In particular, any class may be given preferential or special rights or may be partly or fully excluded.

Purchase of Shares

The Companies Act permits the establishment of share incentive trusts for the purpose of purchasing shares of a company for the benefit of its employees, including salaried directors. These share incentive trusts are permitted to extend loans to company employees, other than non-salaried directors, for the purpose of purchasing or subscribing for shares of the company.

Gold Fields may, if authorized by special resolution, acquire its own shares; provided that there are no reasonable grounds for believing that Gold Fields is or would be, after the payment, unable to pay its debts or that Gold Fields consolidated assets would, after the payment, be less than its consolidated liabilities. The procedure for acquisition of shares by Gold Fields is regulated by its Articles of Association, the Companies Act and the Listings Requirements of the JSE.

Borrowing Powers

The directors may exercise all the powers of Gold Fields to borrow money and to give all or any part of its property as security and to issue debentures or debenture stock (whether secured or unsecured) and other securities (with such special privileges, if any, as to allotment of shares or stock, attending and voting at general meetings, appointment of directors or otherwise as may be sanctioned by a general meeting) whether outright or as security for any debt, liability or obligation of Gold Fields or of any third party. Gold Fields has unlimited borrowing powers.

Non-South African Shareholders

There are no limitations imposed by South African law or by the Articles of Association of Gold Fields on the rights of non-South African shareholders to hold or vote Gold Fields ordinary shares.

Rights of Minority Shareholders and Directors Duties

Majority shareholders of South African companies have no fiduciary obligations under South African common law to minority shareholders. However, under the Companies Act, a shareholder may, under certain circumstances, seek relief from the court if he has been unfairly prejudiced by the company. There may also be common law personal actions available to a shareholder of a company.

In South Africa, the common law imposes on directors duties to, among other things, act with care, skill and diligence and to conduct the company s affairs honestly and in the best interests of the company.

Material Contracts

IAMGold Purchase Agreement

On September 30, 2004, Gold Fields, Gold Fields Ghana Holdings Limited, Gold Fields Guernsey and IAMGold Corporation, or IAMGold, signed a definitive agreement pursuant to which, subject to certain conditions precedent, all assets owned by Gold Fields subsidiaries located outside the Southern African Development Community would be transferred to IAMGold in exchange for the issuance to Gold Fields or its subsidiaries of common shares of IAMGold which will result in Gold Fields owning, directly or indirectly, approximately 70% of the fully diluted equity of the enlarged company. In addition, immediately before completion IAMGold shareholders registered as such on a record date, which will be a date shortly before completion, will receive a special cash dividend of C$0.50 per IAMGold share. See Information on the Company Recent Developments Proposed IAMGold Transaction.

Mvelaphanda Transaction

On March 8, 2004, the shareholders of Gold Fields approved a series of transactions, referred to in this discussion as the Mvelaphanda Transaction, involving the acquisition by Mvelaphanda Resources Limited, or Mvela Resources, of a 15% beneficial interest in the South African gold mining assets of Gold Fields for cash consideration of Rand 4,139 million. In connection with the Mvelaphanda Transaction:

on July 25, 2003, Beatrix Mining Ventures Limited, or Beatrix, Driefontein Consolidated (Proprietary) Limited, or Driefontein, Kloof Gold Mining Company Limited, or Kloof, GFL Mining Services Limited, or GFLMS, Gold Fields and Newshelf 706 Limited, or GFIMSA, entered into a reorganization agreement, or the Reorganization Agreement, pursuant to which each of the Driefontein, Kloof and Beatrix mining operations were transferred to a new, wholly owned subsidiary of Gold Fields;

on November 26, 2003, Gold Fields, Mvela Resources, Mvelaphanda Gold (Proprietary) Limited, or Mvela Gold, a wholly owned subsidiary of Mvela Resources, and GFI Mining South Africa (Proprietary) Limited, or GFIMSA, entered into a covenant agreement, or the Covenants Agreement, regulating their rights and obligations with respect to GFIMSA;

on December 11, 2003, Gold Fields, GFIMSA, Mvela Gold, First Rand Bank Limited, Gold Fields Australia Pty Limited and Gold Fields Guernsey entered into a loan agreement, or the Mvela Loan Agreement, pursuant to which Mvela Gold advanced a loan of Rand 4,139 million, or the Mvela Loan, to GFIMSA on March 17, 2004;

on December 11, 2003, Gold Fields, GFIMSA, and Mvela Gold entered into a subscription and share exchange agreement, or the Subscription and Share Exchange Agreement, pursuant to which, upon repayment of the Mvela Loan, Mvela Gold must subscribe for shares equal to 15% of GFIMSA s outstanding share capital, including newly issued shares, for consideration of Rand 4,139 million;

on February 12, 2004, Beatrix, Kloof, Driefontein, GFLMS, Gold Fields and GFIMSA entered into Addendum Number 1 to the Reorganization Agreement;

On February 13, 2004 Gold Fields, GFIMSA, Mvela Gold, First Rand Bank Limited, Gold Fields Australia Pty Limited and Gold Fields Guernsey entered into an addendum to the Mvela Loan Agreement, principally in order to add and clarify certain definitions;

on February 13, 2004, Gold Fields, GFLMS and the Public Investment Commissioners, or the PIC, entered into a put option agreement pursuant to which Gold Fields has effectively guaranteed a loan of Rand 150 million from the PIC to a special purpose entity established by the mezzanine lenders that funded, in part, the Mvela Loan;

on November 17, 2004, Gold Fields, GFLMS, Mvela Gold, Mvela Resources and GFIMSA entered into an agreement amending the existing agreements relating to the Mvelaphanda Transaction, including, among others, the Subscription and Share Exchange Agreement, and the Covenants Agreement; and

on November 17, 2004, Gold Fields, GFLMS, Mvela Gold, Gold Fields Australia, Gold Fields Guernsey, First Rand Bank Limited and GFIMSA entered into a second addendum to the Mvela Loan Agreement.
See Operating and Financial Review and Prospects-Overview-Mvelaphanda Transaction.

Arctic Platinum Project

On September 11, 2003, Gold Fields Limited exercised its pre-emptive right to acquire Outokumpu s 49% stake in the Arctic Platinum Project in Finland, in which Gold Fields held a 51% majority share.

The Arctic Platinum partnership agreement between Gold Fields and Outokumpu contained the right of pre-emption in favor of both parties in respect of any intended disposals by either party of their interest in the Arctic Platinum project. Pursuant to a purchase agreement dated September 4, 2003, Gold Fields paid $31 million to Outokumpu consisting of $23 million in cash and Gold Fields ordinary shares worth $8 million, determined based on the average closing price of the ordinary shares as quoted on the JSE for the three days prior to September 11, 2003.

Sale of Driefontein Mining Area to AngloGold

On September 18, 2003, Gold Fields and AngloGold Limited, or AngloGold, announced that an agreement has been reached on the sale of a portion of the Driefontein mining area to AngloGold for cash consideration of Rand 315 million. The transaction related to mining area is Block 1C11, which covers an area of 280,000 square meters and is located on the western boundary of the Driefontein mine. The mining area can be accessed from the adjacent TauTona mining operation of AngloGold. The sale, which was conditional upon approval by the South African Competition Commission, was finalized in January 2004.

Management and Other Compensatory Plans and Arrangements

Gold Fields share option scheme, the GF Management Incentive Scheme, was adopted on November 10, 1999 and is available to its executive officers and other employees. See Directors, Senior Management and Employees The GF Management Incentive Scheme.

Gold Fields also has a share option plan available to its non-executive directors. See Directors, Senior Management and Employees The GF Non-Executive Director Share Plan.

Gold Fields also has a profit sharing plan available to its exploration employees that was adopted on May 25, 1999 and amended by the Compensation Committee on August 22, 2000. See Directors, Senior Management and Employees The Exploration Incentive Plan.

Ian D. Cockerill, Gold Fields Chief Executive Officer and an executive director of Gold Fields, is party to two employment agreements: one with Gold Fields Guernsey and the other with GFL Mining Services Ltd., or GFLMSL. See Directors, Senior Management and Employees Directors Terms of Employment.

Nicholas J. Holland, Gold Fields Chief Financial Officer and an executive director of Gold Fields, is party to two employment agreements: one with Gold Fields Guernsey and the other with GFLMSL. See Directors, Senior Management and Employees Directors Terms of Employment.

Deposit Agreement

Gold Fields has an American Depositary Receipt facility. In connection with this facility, Gold Fields is party to a Deposit Agreement, dated as of February 2, 1998, as amended and restated as of May 21, 2002 among

Gold Fields, The Bank of New York, as Depositary, and all owners and holders from time to time of American Depositary Receipts issued thereunder.

This summary is subject to and qualified in its entirety by reference to the Deposit Agreement, including the form of ADRs attached thereto. Terms used in this section and not otherwise defined will have the meanings set forth in the Deposit Agreement. Copies of the Deposit Agreement are available for inspection at the Corporate Trust Office of the Depositary, located at 101 Barclay Street, New York, New York 10286. The Depositary s principal executive office is located at One Wall Street, New York, New York 10286.

American Depositary Receipts

Each Gold Fields ADS represents ownership interests in one Gold Fields ordinary share and the rights attributable to one Gold Fields ordinary share that Gold Fields will deposit with one of the custodians, which currently are Standard Bank of South Africa, ABSA Bank Limited, French Bank of South Africa, First National Bank of South Africa and Nedcor Bank Limited. Each Gold Fields ADR also represents securities, cash or other property deposited with The Bank of New York but not distributed to holders of Gold Fields ADRs.

As The Bank of New York will actually be the holder of the underlying ordinary shares, Gold Fields will not treat you as one of its shareholders. As a holder of ADSs, you will have ADR holder rights. A Deposit Agreement among Gold Fields, The Bank of New York and you, as a Gold Fields ADR holder, sets out the ADR holders rights and obligations of The Bank of New York, as depositary. New York state law governs the Deposit Agreement and the ADRs evidencing the Gold Fields ADSs.

You may hold ADRs either directly or indirectly through your broker or financial institution. If you hold ADRs directly, you are an ADR holder. This description assumes you hold your ADRs directly. If you hold the ADRs indirectly, you must rely on the procedures of your broker or financial institution to assert the rights of ADR holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

Share Dividends and Other Distributions

How will you receive dividends and other distributions on the ordinary shares?

The Bank of New York will pay to you the cash dividends or other distributions it or the custodian receives on the ordinary shares or other deposited securities, after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your Gold Fields ADSs represent.

> *Cash.* The Bank of New York will convert any cash dividend or distribution Gold Fields pays on the ordinary shares, other than any dividend or distribution paid in U.S. dollars, into U.S. dollars. If that is not possible on a reasonable basis, or if any approval from any government is needed and cannot be obtained, the Deposit Agreement allows The Bank of New York to distribute the foreign currency only to those ADS holders to whom it is possible to do so or to hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest.

Before making a distribution, The Bank of New York will deduct any withholding taxes that must be paid under applicable laws. It will distribute only whole U.S. dollars and cents and will round any fractional amounts to the nearest whole cent. If the exchange rates fluctuate during a time when The Bank of New York cannot convert the foreign currency, you may lose some or all of the value of the distribution.

Ordinary shares. The Bank of New York will distribute new ADRs representing any ordinary shares Gold Fields distributes as a dividend or free distribution, if Gold Fields requests that The Bank of New York make this distribution and if Gold Fields furnishes The Bank of New York promptly with satisfactory evidence that it is legal to do so. The Bank of New York will only distribute whole ADRs. It will sell ordinary shares which would require it to issue a fractional ADS and distribute the net proceeds to the holders entitled to those ordinary shares. If The Bank of New York does not distribute additional cash or ADSs, each ADS will also represent the new ordinary shares.

Rights to purchase additional ordinary shares. If Gold Fields offers holders of securities any rights, including rights to subscribe for additional ordinary shares, The Bank of New York may take actions necessary to make these rights available to you. Gold Fields must first instruct The Bank of New York to do so and furnish it with satisfactory evidence that it is legal to do so. If Gold Fields does not furnish this evidence and/or give these instructions, and The Bank of New York determines that it is practical to sell the rights, The Bank of New York may sell the rights and allocate the net proceeds to holders accounts. The Bank of New York may allow rights that are not distributed or sold to lapse. In that case, you will receive no value for them.

If The Bank of New York makes rights available to you, upon instruction from you it will exercise the rights and purchase the ordinary shares on your behalf. The Bank of New York will then deposit the ordinary shares and deliver ADSs to you. It will only exercise rights if you pay The Bank of New York the exercise price and any charges the rights require you to pay. U.S. securities laws may restrict the sale, deposit, cancellation, and transfer of the ADSs issued after exercise of rights. In this case, The Bank of New York may deliver the ADSs under a separate restricted deposit agreement, which will contain the same provisions as the Deposit Agreement, except for changes needed to put the restrictions in place. The Bank of New York will not offer you rights unless those rights and the securities to which the rights relate are either exempt from registration or have been registered under the Securities Act of 1933 with respect to a distribution to you.

Other distributions. The Bank of New York will send to you anything else Gold Fields distributes on deposited securities by any means The Bank of New York thinks is legal, fair and practical. If it cannot make the distribution in that way, The Bank of New York may decide to sell what Gold Fields distributed for example by public or private sale and distribute the net proceeds, in the same way as it does with cash, or it may decide to hold what Gold Fields distributed, in which case the ADRs will also represent the newly distributed property.

The Bank of New York is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADR holder. Gold Fields will have no obligation to take any other action to permit the distribution of ADSs, ordinary shares, rights or anything else to ADS holders. This means that you may not receive the distribution Gold Fields makes on its ordinary shares or any value for them if it is illegal or impractical for Gold Fields to make them available to you.

Deposit, Withdrawal and Cancellation

How does the Depositary issue ADSs?

The Bank of New York will deliver the ADSs that you are entitled to receive in the offer against deposit of the underlying ordinary shares. The Bank of New York will deliver additional ADSs if you or your broker deposit ordinary shares with the custodian. You must also deliver evidence satisfactory to The Bank of New York of any necessary approvals of the governmental agency in South Africa, if any, which is responsible for regulating currency exchange at that time. If required by The Bank of New York, you must in addition deliver an agreement transferring your rights as a shareholder to receive dividends or other property. Upon payment of its fees and of any taxes or charges, The Bank of New York will register the appropriate number of ADSs in the names you request and will deliver the ADRs at its Corporate Trust Office to the persons you request.

How do ADS holders cancel an ADS and obtain ordinary shares?

You may submit a written request to withdraw ordinary shares and turn in your ADRs evidencing your ADSs at the Corporate Trust Office of The Bank of New York. Upon payment of its fees and of any taxes or charges, such as stamp taxes or stock transfer taxes, The Bank of New York will deliver the deposited securities underlying the ADSs to an account designated by you at the office of the custodian. At your request, risk and expense, The Bank of New York may deliver at its Corporate Trust Office any dividends or distributions with respect to the deposited securities represented by the ADSs, or any proceeds from the sale of any dividends, distributions or rights, which may be held by The Bank of New York.

Record Dates

Whenever any distribution of cash or rights, change in the number of ordinary shares represented by ADSs or notice of a meeting of holders of ordinary shares or ADSs is made, The Bank of New York will fix a record date for the determination of the owners entitled to receive the benefits, rights or notice.

Voting of Deposited Securities

How do you vote?

If you are an ADS holder on a record date fixed by The Bank of New York, you may exercise the voting rights of the same class of securities as the ordinary shares represented by your ADSs, but only if Gold Fields asks The Bank of New York to ask for your instructions. Otherwise, you won t be able to exercise your right to vote unless you withdraw the ordinary shares.

However, you may not know about the meeting enough in advance to withdraw the ordinary shares. If Gold Fields asks for your instructions, The Bank of New York will notify you of the upcoming meeting and arrange to deliver certain materials to you. The materials will: (1) include all information included with the meeting notice sent by Gold Fields to The Bank of New York, (2) explain how you may instruct The Bank of New York to vote the ordinary shares or other deposited securities underlying your ADSs as you direct if you vote by mail or by proxy and (3) include a voting instruction card and any other information required under South African law that Gold Fields and The Bank of New York will prepare. For instructions to be valid, The Bank of New York must receive them on or before the date specified in the instructions. The Bank of New York will try, to the extent practical, subject to applicable law and the provisions of the by-laws of Gold Fields, to vote or have its agents vote the underlying shares as you instruct. The Bank of New York will only vote, or attempt to vote, as you instruct. However, if The Bank of New York does not receive your voting instructions, it will give a proxy to vote your ordinary shares to a designated representative of Gold Fields, unless Gold Fields informs The Bank of New York that either: (1) it does not want the proxy issued, (2) substantial opposition exists or (3) the matter materially and adversely affects the rights of holders of ordinary shares.

Gold Fields cannot assure that you will receive the voting materials in time to ensure that you can instruct The Bank of New York to vote your ordinary shares. In addition, The Bank of New York and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise your right to vote and there may be nothing you can do if your ordinary shares not voted as you requested.

Inspection of Transfer Books

The Bank of New York will keep books for the registration and transfer of ADRs. These books will be open at all reasonable times for inspection by you, provided that you are inspecting the books for a purpose related to Gold Fields or the Deposit Agreement or the ADRs.

Reports and Other Communications

The Bank of New York will make available for your inspection at its Corporate Trust Office any reports or communications, including any proxy material, received from Gold Fields, as long as these materials are received by The Bank of New York as the holder of the deposited securities and generally available to Gold Fields shareholders. At Gold Fields written request, The Bank of New York will also send copies of reports, notices and communications to you.

Fees and Expenses

The Bank of New York, as Depositary, will charge any party depositing or withdrawing ordinary shares or any party surrendering ADRs or to whom ADRs are issued:

For:	Gold Fields ADS holders must pay:
each issuance of a Gold Fields ADS, including as a result of a distribution of ordinary shares or rights or other property or upon exercise of a warrant to purchase an ADS	$5.00 or less per 100 Gold Fields ADSs or portion thereof
each distribution of securities distributed to holders of Gold Fields ordinary shares which are distributed by The Bank of New York to Gold Fields ADR holders	any fees that would be payable if the securities had been ordinary shares and those ordinary shares had been deposited for the issuance of ADSs
each cancellation of a Gold Fields ADS, including if the Deposit Agreement terminates	$5.00 or less per 100 Gold Fields ADSs or portion thereof
each cash distribution pursuant to the Deposit Agreement	not more than $0.02 per ADS (or portion thereof)
annual depository services	not more than $0.02 per ADS (or partition thereof) paid annually, provided that, this fee will not be charged if the $0.02 fee for cash distributions described above was charged during the calendar year
transfer and registration of ordinary shares on Gold Fields share register from your name to the name The Bank of New York or its agent when you deposit or withdraw ordinary shares	registration or transfer fees
conversion of foreign currency to U.S. dollars	expenses of The Bank of New York
cable, telex and facsimile transmission expenses, if expressly provided in the Deposit Agreement	expenses of The Bank of New York
as necessary	certain taxes and governmental charges The Bank of New York or the custodian has to pay on any Gold Fields ADS or ordinary share underlying a Gold Fields ADS

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable on your ADRs or on the deposited securities underlying your ADRs. The Bank of New York may deduct the amount of any taxes owed from any payments to you. It may also restrict or refuse the transfer of your Gold Fields ADSs or restrict or refuse the withdrawal of your underlying deposited securities until you pay any taxes owed on your Gold Fields ADSs or underlying securities. It may also sell deposited securities to pay any taxes owed. You will remain liable if the proceeds of the sale are not enough to pay the taxes. If The Bank of New York sells deposited securities, it will, if appropriate, reduce the number of Gold Fields ADSs held by you to reflect the sale and pay to you any proceeds, or send to you any property, remaining after it has paid the taxes.

Reclassifications, Recapitalizations and Mergers

If Gold Fields:

- changes the par value of any of the Gold Fields ordinary shares,
- reclassifies, splits or consolidates any of the Gold Fields ordinary shares,
- distributes securities on any of the Gold Fields ordinary shares that are not distributed to you, or
- recapitalizes, reorganizes, merges, consolidates, sells its assets, or takes any similar action, then:

the cash, ordinary shares or other securities received by The Bank of New York will become new deposited securities under the Deposit Agreement, and each Gold Fields ADS will automatically represent the right to receive a proportional interest in the new deposited securities; and The Bank of New York may and will, if Gold Fields asks it to, distribute some or all of the cash, ordinary shares or other securities it received. It may also issue new Gold Fields ADSs or ask you to surrender your outstanding Gold Fields ADSs in exchange for new Gold Fields ADSs identifying the new deposited securities.

Amendment and Termination of the Deposit Agreement

How may the Deposit Agreement be amended?

Gold Fields may agree with The Bank of New York to amend the Deposit Agreement and the Gold Fields ADRs without your consent for any reason. If the amendment adds or increases fees or charges, except for taxes and governmental charges, or prejudices an important right of Gold Fields ADS holders, it will only become effective 30 days after The Bank of New York notifies you of the amendment. At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the agreement as amended. However, no amendment will impair your right to receive the deposited securities in exchange for your Gold Fields ADSs.

How may the Deposit Agreement be terminated?

The Bank of New York will terminate the Deposit Agreement if Gold Fields asks it to do so, in which case it must notify you at least 30 days before termination. The Bank of New York may also terminate the agreement after notifying you if The Bank of New York informs Gold Fields that it would like to resign and Gold Fields does not appoint a new depositary bank within 90 days.

If any Gold Fields ADSs remain outstanding after termination, The Bank of New York will stop registering the transfer of Gold Fields ADSs, will stop distributing dividends to Gold Fields ADS holders, and will not give any further notices or do anything else under the Deposit Agreement other than:

- collect dividends and distributions on the deposited securities;
- sell rights and other property offered to holders of deposited securities; and

deliver ordinary shares and other deposited securities upon cancellation of Gold Fields ADSs.

At any time after one year after termination of the Deposit Agreement, The Bank of New York may sell any remaining deposited securities by public or private sale. After that, The Bank of New York will hold the money it received on the sale, as well as any cash it is holding under the Deposit Agreement, for the pro rata benefit of the Gold Fields ADS holders that have not surrendered their Gold Fields ADSs. It will not invest the money and has no liability for interest. The Bank of New York s only obligations will be to account for the money and cash. After termination, Gold Fields only obligations will be with respect to indemnification of, and to pay specified amounts to, The Bank of New York.

Your Right to Receive the Ordinary Shares Underlying Your Gold Fields ADSs

You have the right to cancel your Gold Fields ADSs and withdraw the underlying ordinary shares at any time except:

- due to temporary delays caused by The Bank of New York or Gold Fields closing its transfer books, the transfer of ordinary shares is blocked in connection with voting at a shareholders meeting, or Gold Fields is paying dividends;
- when you or other ADR holders seeking to withdraw ordinary shares owe money to pay fees, taxes and similar charges; or
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to Gold Fields ADSs or to the withdrawal of ordinary shares or other deposited securities.

This right of withdrawal may not be limited by any provision of the Deposit Agreement.

Limitations on Obligations and Liability to Gold Fields ADS Holders

The Deposit Agreement expressly limits the obligations of Gold Fields and The Bank of New York. It also limits the liability of Gold Fields and The Bank of New York. Gold Fields and The Bank of New York:

- are only obligated to take the actions specifically set forth in the Deposit Agreement without negligence or bad faith;
- are not liable if either of them is prevented or delayed by law, any provision of the Gold Fields by-laws or circumstances beyond their control from performing their obligations under the agreement;
- are not liable if either of them exercises, or fails to exercise, discretion permitted under the agreement;
- have no obligation to become involved in a lawsuit or proceeding related to the ADSs or the Deposit Agreement on your behalf or on behalf of any other party unless they are indemnified to their satisfaction; and
- may rely upon any advice of or information from any legal counsel, accountants, any person depositing ordinary shares, any Gold Fields ADS holder or any other person whom they believe in good faith is competent to give them that advice or information.

In the Deposit Agreement, Gold Fields and The Bank of New York agree to indemnify each other under specified circumstances.

Requirements for Depositary Actions

Before The Bank of New York will deliver or register the transfer of a Gold Fields ADS, make a distribution on a Gold Fields ADS, or permit withdrawal of ordinary shares, The Bank of New York may require:

- payment of taxes, including stock transfer taxes or other governmental charges, and transfer or registration fees charged by third parties for the transfer of any ordinary shares or other deposited securities, as well as the fees and expenses of The Bank of New York;

production of satisfactory proof of the identity of the person presenting ordinary shares for deposit or Gold Fields ADSs upon withdrawal, and of the genuineness of any signature; and compliance with regulations The Bank of New York may establish consistent with the Deposit Agreement, including presentation of transfer documents.

The Bank of New York may refuse to deliver, transfer, or register transfer of Gold Fields ADSs generally when the transfer books of The Bank of New York are closed or at any time if The Bank of New York or Gold Fields thinks it advisable to do so.

Pre-Release of Gold Fields ADSs

In certain circumstances, subject to the provisions of the Deposit Agreement, The Bank of New York may deliver Gold Fields ADSs before deposit of the underlying ordinary shares. This is called a pre-release of Gold Fields ADSs. The Bank of New York may also deliver ordinary shares prior to the receipt and cancellation of pre-released Gold Fields ADSs (even if those Gold Fields ADSs are cancelled before the pre-release transaction has been closed out). A pre-release is closed out as soon as the underlying ordinary shares are delivered to The Bank of New York. The Bank of New York may receive Gold Fields ADSs instead of the ordinary shares to close out a pre-release. The Bank of New York may pre-release Gold Fields ADSs only under the following conditions:

before or at the time of the pre-release, the person to whom the pre-release is being made must represent to The Bank of New York in writing that it or its customer, as the case may be, owns the ordinary shares or Gold Fields ADSs to be deposited;

the pre-release must be fully collateralized with cash or collateral that The Bank of New York considers appropriate; and

The Bank of New York must be able to close out the pre-release on not more than five business days notice.

The pre-release will be subject to whatever indemnities and credit regulations that The Bank of New York considers appropriate. In addition, The Bank of New York will limit the number of Gold Fields ADSs that may be outstanding at any time as a result of pre-release.

Governing Law

The Deposit Agreement is governed by the law of the State of New York.

South African Exchange Control Limitations Affecting Security Holders

The discussion below relates to exchange controls in force as of the date of this annual report. These controls are subject to change at any time without notice. It is not possible to predict whether existing exchange controls will be abolished, continued or amended by the South African government in the future. Investors are urged to consult a professional adviser as to the exchange control implications of their particular investments.

Acquisitions of shares or assets of South African companies by non-South African purchasers solely for cash consideration are not generally subject to review by the SARB pursuant to South African exchange control regulations. An acquisition of shares or assets of a South African company by a non-South African purchaser may trigger the requirement for SARB review in other circumstances, such as if the consideration for the acquisition is shares in a non-South African company or if the acquisition is financed by a loan from a South African lender. Denial of SARB approval for an acquisition of shares or assets of a South African company may result in the transaction not being completed. Subject to this limitation, there are no restrictions on equity investments in South African companies and a foreign investor may invest freely in the ordinary shares and ADSs of Gold Fields.

Table of Contents

There are no exchange control restrictions on the remittance in full of dividends declared out of trading profits to non-residents of the Common Monetary Area (comprising South Africa, the Kingdoms of Lesotho and Swaziland and the Republic of Namibia) by Gold Fields.

Under South African exchange control regulations, the ordinary shares and ADSs of Gold Fields are freely transferable outside South Africa between persons who are not residents of the Common Monetary Area. Additionally, where ordinary shares are sold on the JSE on behalf of shareholders of Gold Fields who are not residents of the Common Monetary Area, the proceeds of such sales will be freely exchangeable into foreign currency and remittable to them. Any share certificates held by non-resident Gold Fields shareholders will be endorsed with the words non-resident. The same endorsement, however, will not be applicable to ADSs of Gold Fields held by non-resident shareholders.

Taxation

Certain South African Tax Considerations

The discussion in this section sets forth the material South African tax consequences of the purchase, ownership and disposition of Gold Fields ordinary shares or ADSs under current South African law. Changes in the law may alter the tax treatment of Gold Fields ordinary shares or ADSs, possibly on a retroactive basis.

The following summary is not a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of Gold Fields ordinary shares or ADSs and does not cover tax consequences that depend upon your particular tax circumstances. In particular, the following summary addresses tax consequences for holders of ordinary shares or ADSs who are not residents of, or who do not carry on business, in South Africa and who hold ordinary shares or ADSs as capital assets (that is, for investment purposes). For the purposes of the income tax treaty between South Africa and the United States, and South African tax law, a United States resident that owns Gold Fields ADSs will be treated as the owner of the Gold Fields ordinary shares represented by such ADSs. Gold Fields recommends that you consult your own tax advisor about the consequences of holding Gold Fields ordinary shares or ADSs, as applicable, in your particular situation.

Withholding tax on dividends

Under South African law, no withholding tax applies to, and no other tax is payable by, shareholders or ADS holders on dividends paid to non-resident shareholders or non-resident ADS holders. It should be noted that any future decision to re-impose a withholding tax on dividends declared by South African resident companies to non-resident shareholders or non-resident ADS holders is generally permissible under the terms of a reciprocal tax treaty entered into between South Africa and the United States, or the Treaty; provided that the Treaty generally limits the withholding tax to 5% of the gross amount of the dividends if the beneficial owner of the shares is a company holding directly at least 10% of the voting stock of the company paying the dividends and to 15% of the gross amount of the dividends in all other cases.

Income tax and capital gains tax

Non-resident holders of ordinary shares or ADSs will not be subject to income or capital gains tax in South Africa, with respect to the disposal of those ordinary shares or ADSs, unless the non-resident carried on business in South Africa, and the profits are realized in the ordinary course of that business.

Stamp duty and uncertificated securities tax

South African stamp duty is payable by the company on the issue of certificated shares at the rate of 0.25% of the higher of the consideration or the market value of the issue price. Uncertificated securities tax is payable in South Africa by the company in respect of the issue of dematerialized shares at the rate of 0.25% of the par value of such shares plus any premium payable therefor.

On a subsequent registration of transfer of shares, stamp duty is generally payable for off-market transactions (that is, shares not sold through the JSE) and uncertificated securities tax, or UST, is generally payable for on-market transactions (that is, shares sold through the JSE in a dematerialized form), each at 0.25% of the market value of the shares concerned. Stamp duty is payable in South Africa regardless of whether the transfer is executed within or outside South Africa. A transfer of a dematerialized share can only occur in South Africa.

There are certain exceptions to the payment of stamp duty where, for example, the instrument of transfer is executed outside of South Africa and registration of transfer is effected in any branch register kept by the relevant company, subject to certain provisions set forth in the South African Stamp Duties Act of 1968. Although technically under the terms of current legislation it could be interpreted that transfers of ADSs between non-residents of South Africa could attract either stamp duty or UST, such transfers have not to date attracted either stamp duty or UST. However, if securities are withdrawn from the deposit facility or the relevant deposit agreement is terminated, either stamp duty or UST will be payable on the subsequent transfer of the shares. An acquisition of shares from the depositary in exchange for ADSs representing the relevant underlying securities will also render an investor liable to pay South African stamp duty or UST in South Africa at the same rate as stamp duty or UST on a subsequent transfer of shares, upon the registration of the investor as the holder of the applicable shares on the company s register.

U.S. Federal Income Tax Considerations

The following discussion summarizes the material U.S. federal income tax consequences of the acquisition, ownership and disposition of ordinary shares and ADSs. This summary applies to you only if you are a beneficial owner of ordinary shares or ADSs and you are, for U.S. federal income tax purposes:

a citizen or resident of the United States;

a corporation created or organized under the laws of the United States or any State within the United States; or

otherwise subject to U.S. federal income tax on a net income basis in respect of the ordinary shares or ADSs.

The U.S. federal income tax treatment of a partner in a partnership that holds ordinary shares will depend upon the status of the partner and the activities of the partnership. If you are a partnership, you should consult your tax adviser concerning the U.S. federal income tax consequences to your partners of the acquisition, ownership and disposition of ordinary shares by you.

This summary only applies to holders that hold ordinary shares or ADSs as capital assets. This summary is based upon:

the current tax laws of the United States, including the Internal Revenue Code of 1986;

current U.S. Internal Revenue Service practice and applicable U.S. court decisions; and

the income tax treaty between the United States and South Africa.

This summary assumes that the obligations of the Depositary under the Deposit Agreement and any related agreements will be performed in accordance with their terms.

The following summary is of a general nature and does not address all U.S. federal income tax consequences that may be relevant to you in light of your particular situation. For example, this summary does not apply to:

investors that own (directly or indirectly) 10% or more of Gold Fields voting stock;

financial institutions;

- insurance companies;
- investors liable for the alternative minimum tax;
- individual retirement accounts and other tax-deferred accounts;
- tax-exempt organizations;
- dealers in securities or currencies;
- investors that hold ordinary shares or ADSs as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes; or
- investors whose functional currency is not the U.S. dollar.

This summary assumes that Gold Fields is not, and will not become, a passive foreign investment company, or PFIC, for U.S. federal income tax purposes, which it believes to be the case. Gold Fields possible status as a PFIC must be determined annually and therefore may be subject to change. However, based on Gold Fields current assets and income, and assuming that Gold Fields will continue to operate its business in the same manner as it has in the past, management believes that there is not a material risk that Gold Fields will become a PFIC in the future. If Gold Fields were to be a PFIC in any year in which you held Gold Fields ordinary shares or ADSs, materially adverse consequences would result for you.

The summary of U.S. federal income tax consequences set out below is for general information only. You are urged to consult your tax advisers as to the particular tax consequences to you of acquiring, owning and disposing of the ordinary shares and ADSs, including the applicability and effect of state, local, foreign and other tax laws and possible changes in tax law.

U.S. Holders of ADSs

For U.S. federal income tax purposes, an owner of ADSs will be treated as the owner of the corresponding number of underlying ordinary shares held by the depositary for the ADSs, and references to ordinary shares in the following discussion refer also to ADSs representing the ordinary shares.

Taxation of Dividends

Distributions paid out of Gold Fields current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally be taxable to you as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions that exceed Gold Fields current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of your basis in the ordinary shares and thereafter as capital gain. However, we do not maintain calculations of our earnings and profits in accordance with U.S. federal income tax accounting principles. You should therefore assume that any distribution by us with respect to the shares will constitute ordinary dividend income. You should consult your own tax advisors with respect to the appropriate U.S. federal income tax treatment of any distribution received from us. For purposes of determining limitations on any foreign tax credits, dividends paid by Gold Fields will generally constitute passive income.

For taxable years that begin before 2009, dividends paid by Gold Fields will be taxable to shareholders that are individuals at the special reduced rate normally applicable to capital gains, provided Gold Fields qualifies for the benefits of the income tax treaty between the United States and South Africa. You will be eligible for this reduced rate only if you are an individual, and have held the ordinary shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date.

For U.S. federal income tax purposes, the amount of any dividend paid in Rand will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date the dividends are received by you or the depositary (in the case of ADSs). If you or the depositary, as the case may be, convert dividends received in Rand into U.S. dollars on the day they are received, you generally will not be required to recognize foreign currency gain or loss in respect of this dividend income.

Taxation of Capital Gains

Your tax basis in an ordinary share will generally be its U.S. dollar cost. The U.S. dollar cost of an ordinary share purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of ordinary shares traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis taxpayer (or an accrual basis taxpayer that so elects), on the settlement date for the purchase. Such an election by an accrual basis taxpayer must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

Upon a sale or other disposition of ordinary shares or ADSs, other than an exchange of ADSs for ordinary shares and vice versa, you will generally recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the amount realized and your adjusted tax basis in the ordinary shares or ADSs. This capital gain or loss will be long-term capital gain or loss if your holding period in the ordinary shares or ADSs exceeds one year. However, regardless of your actual holding period, any loss may be treated as long-term capital loss to the extent of any dividends you receive that qualify for the reduced rate described above under Taxation of Dividends and also exceed 10% of your basis in the ordinary shares. Any gain or loss will generally be U.S. source.

The amount realized on a sale or other disposition of ordinary shares for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or disposition. On the settlement date, you will recognize U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of ordinary shares traded on an established securities market that are sold by a cash basis taxpayer (or an accrual basis taxpayer that so elects), the amount realized will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognized at that time.

Foreign currency received on the sale or other disposition of an ordinary share will have a tax basis equal to its U.S. dollar value on the settlement date. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase ordinary shares or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Deposits and withdrawals of ordinary shares by U.S. holders in exchange for ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes. Your tax basis in withdrawn ordinary shares will be the same as your tax basis in the ADSs surrendered, and your holding period for the ordinary shares will include the holding period of the ADSs.

To the extent you incur South African stamp duty or uncertified securities tax in connection with a transfer or withdrawal of ordinary shares as described under Certain South African Tax Considerations Stamp duty and uncertificated securities tax above, such stamp duty or uncertified securities tax will not be a creditable tax for U.S. foreign tax credit purposes.

Backup Withholding and Information Reporting

Payments of dividends and other proceeds with respect to ordinary shares or ADSs by U.S. persons will be reported to you and to the IRS as may be required under applicable regulations. Backup withholding may apply to these payments if you fail to provide an accurate taxpayer identification number or certification of exempt status or fail to report all interest and dividends required to be shown on your U.S. federal income tax returns. Some holders (such as corporations) are not subject to backup withholding. You should consult your

Table of Contents

tax advisor as to your qualification for an exemption from backup withholding and the procedure for obtaining an exemption.

Documents on Display

Gold Fields files annual and special reports and other information with the Securities and Exchange Commission, or SEC. You may read and copy any reports or other information on file at the SEC s public reference room at the following location:

Public Reference Room

450 Fifth Street, N.W.
Room 1024
Washington, D.C. 20549

Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC filings are also available to the public from commercial document retrieval services. Gold Fields SEC filings may also be obtained electronically via the EDGAR system on the website maintained by the SEC at http://www.sec.gov.

Forward-Looking Statements

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

These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Gold Fields, wherever they may occur in this annual report and the exhibits to the annual report, are necessarily estimates reflecting the best judgment of the senior management of Gold Fields and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this annual report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

overall economic and business conditions in South Africa, Ghana, Australia and elsewhere;

the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions;

the success of exploration and development activities;

decreases in the market price of gold;

the occurrence of hazards associated with underground and surface gold mining;

the occurrence of labor disruptions;

availability, terms and deployment of capital;

changes in relevant government regulations, particularly environmental regulations and potential new legislation affecting mining and mineral rights;

fluctuations in exchange rates, currency devaluations and other macroeconomic monetary policies; and

- political instability in South Africa, Ghana and regionally.

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

Item 11: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Gold Fields is exposed to market risks, including foreign currency, commodity price and interest rate risk associated with underlying assets, liabilities and anticipated transactions. Following periodic evaluation of these exposures, Gold Fields may enter into derivative financial instruments to manage some of these exposures. As part of its strategy, however, Gold Fields does not generally hedge against the risk of changes in the price of gold. See Commodity Price Sensitivity Commodity Hedging Policy.

Gold Fields has policies in areas such as counterparty exposure, hedging practices and prudential limits which have been approved by Gold Fields Board of Directors. Management of financial risk is centralized at Gold Fields treasury department, which acts as the interface between Gold Fields operations and counterparty banks. The treasury department manages financial risk in accordance with the policies and procedures established by Gold Fields Board of Directors and Executive Committee. Gold Fields Audit Committee has approved dealing limits for money market, foreign exchange and commodity transactions, which Gold Fields treasury is required to adhere to. Among other restrictions, these limits describe which instruments may be traded and demarcate open position limits for each category as well as spelling out counterparty credit-related limits. The dealing exposure and limits are checked and controlled each day and reported to the Chief Financial Officer.

Foreign Currency Sensitivity

General

In the ordinary course of business, Gold Fields enters into transactions, such as gold sales, denominated in foreign currencies, primarily U.S. dollars. In addition, Gold Fields has investments in U.S. and Australian dollars. Although this exposes Gold Fields to transaction and translation exposure from fluctuations in foreign currency exchange rates, Gold Fields does not generally hedge this exposure, although it may do so in specific circumstances, such as financing projects or acquisitions. Also, Gold Fields may from time to time establish currency and/or interest rate financial instruments to protect underlying cash flows or to take advantage of potential favorable currency movements.

Foreign Currency Hedging Experience

Gold Fields currently holds various hedging instruments, some of which were undertaken to protect its exposure to adverse movements in foreign currency exchange rates. Some of the current hedging instruments held do not meet the hedging criteria under U.S. GAAP and have been marked-to-market as trading instruments. In fiscal 2004, Gold Fields extended certain Australian dollar/U.S. dollar foreign currency call options in order to take advantage of market conditions. These contracts have been treated as trading.

St. Ives and Agnew Australian Dollar Instruments

Gold Fields was required under the $250.0 million syndicated credit facility which it entered into in connection with the acquisition of St. Ives and Agnew from WMC to establish and maintain a hedging strategy to reduce its exposure to increases in the value of the Australian dollar against the U.S. dollar. Accordingly, Gold Fields entered into various hedging arrangements in early October 2001 with Barclays and Citibank, the arrangers for the credit facility covering, in total, $500.0 million over a five-year period. This facility was fully repaid in January 2004, and Gold Fields has effectively closed out these arrangements. These hedging arrangements are described in detail below.

St. Ives and Agnew Forward Sale Contracts

Gold Fields Australia Pty Ltd., or Gold Fields Australia, entered into two series of forward sale contracts, each covering an aggregate amount of $125.0 million, with Barclays and Citibank. Each series of contracts required Gold Fields Australia to sell $6.25 million for Australian dollars at a fixed exchange rate in 20 quarterly installments beginning on March 31, 2002 and ending on December 31, 2006. The fixed exchange rate for the Barclays contracts was $0.49577 per A$1.00, while the fixed exchange rate for the Citibank contracts was $0.49100 per A$1.00. Gold Fields paid no fees or other consideration to enter into the forward sale arrangements with Barclays and Citibank.

St. Ives and Agnew Zero Cost Collars

In addition, Gold Fields Australia entered into two series of specialized option contracts called zero cost collars, each covering an aggregate amount of $125.0 million, with Barclays and Citibank. Each series of contracts provided for the exchange of $6.25 million for Australian dollars at fixed exchange rates in 20 quarterly installments beginning on March 31, 2002 and ending on December 31, 2006. Whether Gold Fields Australia or the counterparty (Barclays or Citibank) would have been obligated to sell U.S. dollars or Australian dollars, respectively, depended on the U.S. dollar/Australian dollar exchange rate in effect during and at the end of each quarter.

Specifically, for the Citibank zero cost collars:

- if the U.S. dollar/Australian dollar exchange rate was $0.51820 per A$1.00 or more at the end of the relevant quarter, Citibank was obligated to sell Australian dollars to Gold Fields Australia for U.S. dollars at an exchange rate of $0.51820 per A$1.00;

- if the exchange rate at the end of the relevant quarter was less than $0.51820 per A$1.00 and greater than $0.42820 per A$1.00, neither party was obligated to sell its respective currency; and

- if the exchange rate was $0.42820 or less per A$1.00 at any time during the relevant quarter, Gold Fields Australia was obligated to sell U.S. dollars to Citibank for Australian dollars at an exchange rate of $0.50320 per A$1.00 regardless of the exchange rate at the end of the relevant quarter. This was referred to as a knock-in feature.

For the Barclays zero cost collars:

- if the U.S. dollar/Australian dollar exchange rate was $0.51990 per A$1.00 or more at the end of the relevant quarter, Barclays was obligated to sell Australian dollars to Gold Fields Australia for U.S. dollars at an exchange rate of $0.51990 per A$1.00;

- if the exchange rate at the end of the relevant quarter was less than $0.51990 per A$1.00 and greater than $0.42950 per A$1.00, neither party was obligated to sell its respective currency; and

- if the exchange rate was $0.42950 per A$1.00 or less at any time during the relevant quarter, Gold Fields Australia was obligated to sell U.S. dollars to Barclays for Australian dollars at an exchange rate of $0.50490 per A$1.00 regardless of the exchange rate at the end of the relevant quarter.

Gold Fields paid no fees or other consideration to enter into the zero cost collar arrangements with Barclays and Citibank.

Australian Dollar Call Options

On January 7, 2004, Gold Fields Australia effectively closed out the Australian dollar/United States dollar forward sale contracts and zero cost collars by entering into equal and opposite transactions. The close out of the outstanding open position of $275.0 million was at an average spot rate of $0.7670 per A$1.00. These transactions locked in gross profit amounting to $115.7 million of which $102.8 million had already been accounted for through the end of December 2003 via scheduled maturities of the instruments from the time they were first purchased in 2001. The remaining underlying cash receipts were deferred to match the maturity dates of the original transactions. In addition, to allow Gold Fields to participate in further Australian dollar appreciation, a series of quarterly maturing Australian dollar/U.S. dollar call options were purchased on January 7, 2004 in respect of an amount of $275.0 million of with value dates and amounts matching those of the original instruments. These new Australian dollar call options require Gold Fields to pay a premium of $8.3

million. The payment dates are scheduled to match the maturity dates of the, and the amount of the premium is offset against the amounts due under, original instruments. The average strike price of the options is $0.7670 per A$1.00.

Subsequently, on May 7, 2004, the future U.S. dollar values that were to be received in respect of the original instruments were fixed in Australian dollars so as to take advantage of the weakened Australian dollar against the U.S. dollar at that time. The original value of the future cash flows was $107.4 million or A$140.0 million at $0.7670 per A$1.00, the rate at the time the call options were purchased. The value fixed in Australian dollar amounts to A$147 million, based on a spot rate of $0.7158 per A$1.00.

The following table presents the cash flows as of June 30, 2004 net of the premium on the call options related to the profit resulting from the close out of the original Australian dollar/U.S. dollar instruments.

Payment value dates	**Net Future Cash Flows**	
	(US$ 000)	**(A$ 000)**
June 30, 2004	6,155	8,635
September 30, 2004	10,950	15,519
December 31, 2004	10,540	15,074
March 31, 2005	10,195	14,694
June 30, 2005	9,885	14,345
September 30, 2005	9,560	13,954
December 30, 2005	9,275	13,606
March 31, 2006	9,020	13,292
June 30, 2006	8,720	12,899
September 29, 2006	8,460	12,561
December 29, 2006	8,245	12,281
Total	101,005	146,860

South African Rand Instruments

During May to October 2003, Gold Fields entered into a number of U.S. dollar forward purchase contracts with several financial institutions providing for the purchase by Gold Fields of an aggregate amount of $50.0 million at a fixed exchange rate of Rand 8.4264 per $1.00 maturing on June 3, 2004. This was done to protect the Group s commitment in respect of the Tarkwa mill and owner mining projects of $159 million.

The forward purchase of $50.0 million that matured on June 3, 2004 resulted in a cash outflow of $16.0 million. The forward purchase was renewed at an exchange rate of Rand 6.6368 per $1.00 to mature on December 3, 2004. See Operating and Financial Review & Prospects Results of Operations Years Ended June 30, 2004 and 2003 Realized gains on financial instruments.

Foreign Currency Contract Position

As of June 30, 2004, Gold Fields foreign currency contract notional position was as follows:

	2005	2006	2007	TOTAL
A$/US$ call options:				
Volume ($million)	87.5	100.0	75.0	262.5
$ per A$1 00[1]	0.7670	0.7670	0.7670	0.7670
$/R forward exchange contracts:				
Volume ($million)	50.0			50.0
$ per R1.00	0.1507			0.1507

Note:

[1] Weighted average rate of all contracts in the relevant periods.

Foreign Currency Sensitivity

Gold Fields revenues and costs are very sensitive to the Rand/U.S. dollar exchange rate because revenues are generated using a gold price denominated in U.S. dollars, while costs of the South African operations are incurred principally in Rand. Depreciation of the Rand against the U.S. dollar reduces Gold Fields average costs when they are translated into U.S. dollars, thereby increasing the operating margin of the South African operations. Similarly, appreciation of the Rand results in South African operating costs being translated into U.S. dollars at a stronger Rand/U.S. dollar exchange rate, resulting in lower operating margins. Accordingly, the impact on profitability of changes in the value of the Rand against the U.S. dollar can be substantial.

A sensitivity analysis of the mark-to-market valuations of Gold Fields foreign currency contracts as of June 30, 2004 is set forth below using the Garman Kohlhagen currency option pricing model, which allows for variability in the borrowing and lending risk free rates when calculating the value of the foreign currency option. The Garman-Kohlhagen model assumes, among other things that: there are no taxes, margins or transaction costs; the risk free interest rates and price volatility of the underlying instruments are constant; and price movements follow a lognormal distribution.

Foreign Currency Sensitivity Analysis

St. Ives and Agnew Australian Dollar Instruments

	US$/A$ exchange rate as of June 30, 2004						
	(A$)						
Sensitivity to US$/A$[1] exchange rates	-10.0%	-7.5%	-5.0%	Spot[2]	+5.0%	R+7.5%	+10.0%
Mark-to-market Options ($ million)	0.6	0.9	1.4	2.8	5.3	7.1	9.3

Note:

[1] + and - designate the strengthening and weakening of the Australian dollar against the U.S. dollar.

[2] Spot rate: $0.6996 = A$1.00

Weighted average U.S. dollar interest rate as of June 30, 2004

Sensitivity to U.S. dollar interest rates	-1.5%	-1.0%	-0.5%	Spot[1]	+0.5%	+1.0%	+1.5%
Mark-to-market Options ($ million)	2.2	2.4	2.7	2.8	3.2	3.6	3.9

Note:

(1) Spot U.S. dollar interest rate: 1.61%.

	Weighted average Australian dollar interest rate as of June 30, 2004						
Sensitivity to Australian dollar interest rates	-1.5%	-1.0%	-0.5%	Spot[1]	+0.5%	+1.0%	+1.5%
Mark-to-market Options ($million)	3.9	3.6	3.2	2.8	2.7	2.4	2.2

Note:

(1) Spot Australian dollar interest rate: 5.48%.

South African Rand Instruments

	US$/R[1] exchange rate as of June 30, 2004						
				(R)			
Sensitivity to US$/R[1] exchange rates	-10.0%	-7.5%	-5.0%	Spot[2]	R+5.0%	R+7.5%	+10.0%
Mark-to-market Forwards ($ million)	3.4	2.5	1.3	(1.1)	(3.8)	(5.3)	(6.8)

Note:

(1) + and - designate the strengthening and weakening of the Rand against the U.S. dollar.

(2) Spot rate: $0.1587 = R1.00

	Weighted average Rand interest rate as of June 30, 2004						
Sensitivity to Rand interest rates	-1.5%	-1.0%	-0.5%	Spot[1]	+0.5%	+1.0%	+1.5%
Mark-to-market Forwards ($million)	(1.4)	(1.3)	(1.2)	(1.1)	(1.0)	(0.9)	(0.8)

Note:

(1) Spot Rand interest rate: 8.11%

	Weighted average U.S. dollar interest rate as of June 30, 2004						
Sensitivity to U.S. dollar interest rates	-1.5%	-1.0%	-0.5%	Spot[1]	+0.5%	+1.0%	+1.5%
Mark-to-market Forwards($million)	(0.8)	(0.9)	(1.0)	(1.1)	(1.2)	(1.3)	(1.4)

Table of Contents

Note:

(1) Spot U.S. dollar interest rate: 1.61%.

Commodity Price Sensitivity

General

The market price of gold has a significant effect on the results of operations of Gold Fields, the ability of Gold Fields to pay dividends and undertake capital expenditures, and the market price of Gold Fields ordinary shares. Gold prices have historically fluctuated widely and are affected by numerous industry factors over which Gold Fields does not have any control. See Risk Factors Changes in the market price for gold, which in the past has fluctuated widely, affect the profitability of Gold Fields operations, and the cash flows generated by those operations and Operating and Financial Review and Prospects Revenues. The aggregate effect of these factors on the gold price, all of which are beyond the control of Gold Fields, is impossible for Gold Fields to predict.

Commodity Hedging Policy

Generally, Gold Fields does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for future gold production. On an exceptional basis, Gold Fields may consider gold hedging arrangements in one or more of the following circumstances:

to protect cash flows at times of significant expenditure;

for specific debt servicing requirements; and

to safeguard the viability of higher cost operations.

See Business Strategy Hedging Strategy.

To the extent that it does enter into commodity hedging arrangements, Gold Fields seeks to use different counterparty banks consisting of local and international banks to spread risk. None of the counter-parties are affiliated or related parties of Gold Fields.

Commodity Hedging Experience

At the time of Gold Fields formation in 1998, the Beatrix and Oryx mines had in place various gold forward sales contracts and Rand denominated gold call options. Also, in fiscal 1999, Gold Fields entered into an additional 542,000 ounces of gold forward sales contracts intended to safeguard the viability of some of the higher cost operations at that time, including the Libanon, St. Helena and Oryx mines. Gold Fields also entered into 160,000 ounces of gold forward sales contracts as required under the project financing arrangements for the Tarkwa mine.

In September 1999, Gold Fields decided to close out most of the gold forward sales contracts. Accordingly, Gold Fields repurchased 1.777 million ounces of gold forward sales contracts together with, where applicable, underlying Rand/U.S. dollar commitments, realizing a net loss of $7.7 million. This comprised all of Gold Fields gold forward sales contracts other than those for the Tarkwa mine. Gold Fields also retained approximately 443,000 ounces of Rand denominated gold call options because it believed that there was significant potential to realize a profit on the options if the gold price rose. The mark-to-market of the remaining call options and forward sales contracts at the end of fiscal 2000 resulted in a loss of $2.0 million.

In fiscal 2001, in connection with full repayment of the project loan, Gold Fields repurchased the remaining 160,000 ounces of gold forward sale contracts, realizing a gain of $5.2 million. Gold Fields incurred a loss of

$2.2 million upon the settlement of approximately 393,000 ounces of the remaining 443,000 ounces of Rand denominated gold call options. At the end of the fiscal year, Gold Fields realized a profit of $0.8 million upon the mark-to-market of the approximately 50,000 ounces of remaining call options.

The remaining 50,000 ounces of gold call options expired by the end of September 2001. Gold Fields succeeded to approximately 230,000 ounces of gold forward sale contracts and 190,000 ounces of gold put options previously held by Ranger Minerals Limited as a result of the acquisition of Abosso on January 23, 2002. In February 2002, Gold Fields closed out all of the Abosso instruments at prices ranging from $292 per ounce to $298 per ounce, realizing a gain of $3.1 million on the forward sale contracts and $1.2 million on the put options.

Interest Rate Sensitivity

Gold Fields generally does not undertake any specific action to cover its exposure to interest rate risk, although it may do so in specific circumstances, as in the case of the Mvelaphanda transaction. As of October 29, 2004, Gold Fields long-term indebtedness amounted to $692.0 million.

As of June 30, 2004 Gold Fields long-term indebtedness amounted to $643.2 million.

Interest Rate Hedging Experience

Gold Fields is currently party to an interest risk management transaction. Under the loan from Mvelaphanda Gold (Proprietary) Limited, or Mvela Gold, a wholly owned subsidiary of Mvelaphanda Resources Limited, GFI Mining South Africa (Proprietary) Limited, or GFIMSA, pays Mvela Gold interest on $591.3 million (Rand 4,139.0 million). See Operating and Financial Review and Prospects Liquidity and Capital Resources Credit Facilities Mvela Loan. GFIMSA entered into two interest rate swaps, both of which have been designated as fair value hedges. The fixed rate receivable on these interest rate swaps is equal to the interest rate payable on the loan from Mvela Gold and the floating rate payable is the three month Johannesburg Inter Bank Acceptance Rate, or JIBAR, plus a margin of 1.025%. As a result of the swap, GFIMSA is now exposed to the 3-month JIBAR rate plus a margin of 1.025%.

The sensitivity analysis is calculated by present valuing the interperlation of the swap rate from the current market yield curve.

Hedging Interest Rate Sensitivity Analysis

	Weighted average U.S. dollar interest rate as of June 30, 2004						
Sensitivity to U.S. dollar interest rates	-1.5%	-1.0%	-0.5%	Spot[1]	+0.5%	+1.0%	+1.5%
Mark-to-market Forwards ($ million)	21.8	9.7	(2.1)	(13.7)	(24.9)	(35.9)	(46.7)

Note:

[1] Spot Rand interest rate: 8.11%.

Item 12: DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

Table of Contents

Part II

Item 13: DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

Table of Contents

Item 14: MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

Table of Contents

Item 15: CONTROLS AND PROCEDURES

(a) Gold Fields has carried out an evaluation, under the supervision and with the participation of management, including the chief executive officer and chief financial officer of Gold Fields, of the effectiveness of the design and operation of Gold Fields disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this annual report. Based upon that evaluation, Gold Fields chief executive officer and chief financial officer concluded that, as of June 30, 2004 Gold Fields disclosure controls and procedures were effective to ensure that information required to be disclosed by Gold Fields in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

(b) Not applicable for this annual report, which covers a fiscal year ended prior to July 15, 2005.

(c) Not applicable for this annual report, which covers a fiscal year ended prior to July 15, 2005.

(d) There has been no change in Gold Fields internal control over financial reporting that occurred during fiscal 2004 that has materially affected, or is reasonably likely to materially affect, Gold Fields internal control over financial reporting.

Item 16A: AUDIT COMMITTEE FINANCIAL EXPERT

The Board of Directors has determined that Gold Fields Audit Committee does not have an audit committee financial expert, as defined in rules promulgated by the Securities and Exchange Commission. Although a person with such qualifications does not serve on 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. Gold Fields Board of Directors also believes that the members of the Audit Committee collectively possess the understanding of audit committee functions necessary to diligently execute their responsibilities. For biographical information for each member of the Audit Committee, see Directors, Senior Management and Employees Non-executive Directors.

Table of Contents

Item 16B: CODE OF ETHICS

Gold Fields has adopted a Company Code of Ethics, which applies to all directors and employees, the text of which can be accessed at

http://www.goldfields.co.za/default.asp?pathid=Investor/Corporate_Governance/ corp_gov_main.asp.

Table of Contents

Item 16C: PRINCIPAL ACCOUNTANT FEES AND SERVICES

PricewaterhouseCoopers Inc., or PwC, has served as Gold Fields principal accountant for the fiscal years ended June 30, 2003 and 2004. Set forth below are the fees for audit and other services rendered by PwC for the fiscal years ended June 30, 2003 and 2004.

	Year ended June 30, 2004	Year ended June 30, 2003
	(R millions)	
Audit fees	5.0	4.4
Audit-related fees	1.7	0.9
Tax fees	0.3	1.5
All other fees	0.3	0.3
Total	7.3	7.1

Audit fees include fees billed for audit services rendered for Gold Fields annual consolidated financial statements filed with regulatory organizations.

Audit-related fees relate mainly to accounting assistance on circulars, a review of interim results for the period ended December 31, 2003 and advice in connection with the implementation of Section 404 of the Sarbanes-Oxley Act of 2002.

Tax fees include fees billed for tax compliance, tax advice, tax planning and others.

All other fees consist of fees for all other services not included in any of the other categories noted above.

Audit Committee s Policies and Procedures

In accordance with the Securities and Exchange Commission rules regarding auditor independence, the Audit Committee has established Policies and Procedures for Audit and Non-Audit Services Provided by Independent Auditor. The rules apply to Gold Fields and its consolidated subsidiaries engaging any accounting firms for audit services and the auditor who audits the accounts filed with the Securities and Exchange Commission, or the SEC Auditor, for permissible non-audit services.

When engaging the SEC Auditor for permissible non-audit services (audit-related services, tax services, and all other services), pre-approval is obtained prior to the commencement of the services.

Item 16D: EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

Item 16E: PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

Table of Contents

Part III

Item 17: FINANCIAL STATEMENTS

Gold Fields has responded to Item 18 in lieu of responding to this item.

Table of Contents

Item 18: FINANCIAL STATEMENTS

The following financial statements, together with the report of PricewaterhouseCoopers Inc. on the financial statements of Gold Fields Limited and the reports of PricewaterhouseCoopers on the financial statements of the Abosso Goldfields Limited, are filed as part of this annual report.

INDEX TO FINANCIAL STATEMENTS

Gold Fields Limited

	Page
Report of the Independent Registered Public Accounting Firm	F-1
Consolidated Statements of Operations for the Years Ended June 30, 2004, 2003 and 2002	F-2
Consolidated Balance Sheets as of June 30, 2004 and 2003	F-3
Consolidated Statements of Shareholders Equity for the Years Ended June 30, 2004, 2003 and 2002	F-4
Consolidated Statements of Cash Flows for the Years Ended June 30, 2004, 2003 and 2002	F-5
Consolidated Statements of Comprehensive Income for the Years Ended June 30, 2004, 2003 and 2002	F-6
Notes to the Consolidated Financial Statements	F-7

Abosso Goldfields Limited

Report of the Independent Accountants	F-66
Statements of Operations for the Year Ended June 30, 2001	F-67
Balance Sheet as at June 30, 2001	F-68
Statements of Changes in Shareholders Equity for the Year Ended June 30, 2001	F-69
Cash Flow Statements for the Year Ended June 30, 2001	F-70
Statements of Comprehensive Income for the Year Ended June 30, 2001	F-71
Accounting Policies	F-72
Notes to the Financial Statements	F-77
Condensed Statement of Operations for the Six-Month Period Ended December 31, 2001 (unaudited)	F-81
Condensed Balance Sheets as at December 31, 2001 (unaudited)	F-82
Condensed Statements of Changes in Shareholders Equity for the Six-Month Periods Ended December 31, 2001 (unaudited)	F-83
Condensed Cash Flow Statements for the Six- Month Period ended December 31, 2001 (unaudited)	F-84
Condensed Statements of Comprehensive Income for the Six-Month Period Ended December 31, 2001 (unaudited)	F-85
Accounting Policies	F-86
Notes to the Financial Statements	F-87

Schedules to Gold Fields Limited s Financial Statements

Report of the Independent Registered Public Accounting Firm	S-1
Schedule 1 Valuation and Qualifying Accounts	S-2

Item 19: EXHIBITS

The following instruments and documents are included as Exhibits to this annual report.

Exhibits

No.	Exhibit
1.1( )	Memorandum of Association of Gold Fields
1.2( )	Articles of Association of Gold Fields
2.1( )	Memorandum of Association of Gold Fields (included in Exhibit 3.1)
2.2( )	Articles of Association of Gold Fields (included in Exhibit 3.2)
2.3( )	Deposit Agreement among Gold Fields, Gold Fields Limited (f/k/a/Driefontein Consolidated Limited), The Bank of New York, as depositary, and the owners and beneficial owners from time to time of American Depositary Receipts, dated as of February 2, 1998, as amended and restated as of May 21, 2002
2.4( )	Form of American Depositary Receipt (included in Exhibit 2.3)
2.5( )	Excerpts of relevant provisions of the South African Companies Act
2.6( )	Excerpts of relevant provisions of the JSE Securities Exchange South Africa listing requirements
4.1( )	The GF Non-Executive Director Share Plan, adopted October 31, 2001
4.2( )	The GF Management Incentive Scheme, adopted November 10, 1999
4.3	Deed of Amendment to the GF Non-Executive Share Plan, adopted December 6, 2002
4.4	Deed of Amendment to the GF Management Incentive Scheme between Gold Fields Limited and Tokyo Mosima Gabriel Sexwale and Gordon Rae Parker, both in their capacity as trustees for The GF Management Incentive Trust, adopted May 4, 2001
4.5	Deed of Amendment to the GF Management Incentive Scheme between Gold Fields Limited and Tokyo Mosima Gabriel Sexwale and Gordon Rae Parker, both in their capacity as trustees for The GF Management Incentive Trust, adopted October 31, 2001
4.6	Exploration Incentive Plan, adopted on May 25, 1999, as amended on August 22, 2000
4.7	Agreement between Ian D. Cockerill and Gold Fields Guernsey Limited, effective March 1, 2004
4.8	Service Agreement between Ian D. Cockerill and GFL Mining Services Ltd., effective March 1, 2004
4.9	Service Agreement between Nicholas J. Holland and GFL Mining Services Ltd., effective March 1, 2004

4.10 Agreement between Nicholas J. Holland and Gold Fields Guernsey Limited, effective March 1, 2004

No.	Exhibit
4.11	Memorandum of Agreement between Anglogold Limited and Driefontein Consolidated (Proprietary) Limited, dated September 18, 2003
4.12	First Addendum to Agreement between Anglogold Limited and Driefontein Consolidated (Proprietary) Limited, dated January 27, 2004
4.13(	)Purchase Agreement between Outokumpu Nickel B.V., Outokumpu Mining Oy, Gold Fields Exploration B.V. and Gold Fields Finland Oy, dated September 4, 2003
4.14(	)Reorganization Agreement between Beatrix Mining Ventures Limited, Driefontein Consolidated (Proprietary) Limited, Kloof Gold Mining Company Limited, GFL Mining Services Limited, Gold Fields Limited and Newshelf 706 Limited, dated July 25, 2003
4.15	Addendum Number 1 to the Reorganization Agreement between Beatrix Mining Ventures Limited, Driefontein Consolidated (Proprietary) Limited, Kloof Gold Mining Company Limited, GFL Mining Services Limited, Gold Fields Limited and Newshelf 706 Limited, dated February 12, 2004
4.16(	)Covenants Agreement between Gold Fields Limited, Mvelaphanda Resources Limited, Lexshell 579 Investments (Proprietary) Limited and Newshelf 706 Limited, dated November 26, 2003
4.17(	)Subscription and Share Exchange Agreement among Lexshell 579 Investments (Proprietary) Limited, GFL Mining South Africa Limited and Gold Fields Limited dated December 11, 2003
4.18(	)GFI-SA Loan Agreement among Lexshell 579 Investments (Proprietary) Limited, First Rand Bank Limited, GFI Mining South Africa Limited, Gold Fields Limited, Gold Fields Australia Proprietary Limited and Gold Fields Guernsey Limited dated December 11, 2003
4.19	Addendum to GFI-SA Loan Agreement among Mvelaphanda Gold (Proprietary) Limited, First Rand Bank Limited, GFI Mining South Africa Limited, Gold Fields Limited, Gold Field Australia Pty Limited and Gold Fields Guernsey Limited, dated February 13, 2004
4.20	PIC Put Option Agreement between Public Investment Commissioners, GFL Mining Services Limited and Gold Fields Limited, dated February 13, 2004
4.21	Agreement between Gold Fields Limited, GFL Mining Services Limited, Mvelaphanda Resources Limited, GFI Mining South Africa Limited, and Mvelaphanda Gold (Proprietary) Limited, dated November 17, 2004
4.22	Second Addendum To GFI-SA Loan Agreement among Mvelaphanda Gold (Proprietary) Limited, First Rand Bank Limited (Acting Through Its Rand Merchant Bank Division), GFI Mining South Africa (Proprietary) Limited, Gold Fields Limited, Gold Fields Australia Pty Limited, and Gold Fields Guernsey Limited, dated November 17, 2004
4.23 (	Pu)rchase Agreement between IAMGold Corporation and Gold Fields Limited, Gold Fields Ghana Holdings Limited, and Gold Fields Guernsey Limited effective September 30, 2004

8.1	Amended list of subsidiaries of the registrant
12.1	Certification of Chief Executive Officer
12.2	Certification of Chief Financial Officer
13.1	Certification of Chief Executive Officer
13.2	Certification of Chief Financial Officer
( )	Incorporated by reference to the registration statement on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on May 6, 2002.
( )	Incorporated by reference to the annual report on Form 20-F (File No. 1-31318), filed by Gold

No.	Exhibit
	Fields with the Securities and Exchange Commission on October 24, 2002.
( )	Incorporated by reference to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on December 29, 2003.
( )	Incorporated by reference to the Form 6-K (File No. 1-31318) filed by Gold Fields with the Securities and Exchange Commission on October 28, 2004.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

GOLD FIELDS LIMITED
/s/ Nicholas J. Holland
Name: Nicholas J. Holland
Title: Chief Financial Officer
Date: November 26, 2004

Report of the Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Gold Fields Limited

We have audited the accompanying consolidated balance sheets of Gold Fields Limited and its subsidiaries as of June 30, 2004 and 2003, and the related consolidated statements of operations, comprehensive income, cash flows and of changes in shareholders equity for each of the three years in the period ended June 30, 2004. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Gold Fields Limited and its subsidiaries at June 30, 2004 and 2003 and the results of their operations and their cash flows for each of the three years in the period ended June 30, 2004, in conformity with generally accepted accounting principles in the United States of America.

As discussed in note 2(d) and note 2(n) to the consolidated financial statements, the Company changed its method of accounting for mineral and surface use rights on July 1, 2003 and its method of accounting for asset retirement obligations on July 1, 2002, respectively.

PricewaterhouseCoopers Inc
Registered Accountants and Auditors
Chartered Accountants (SA)
Johannesburg, Republic of South Africa
October 8, 2004, except for note 24 which is dated November 19, 2004

Gold Fields Limited

Consolidated Statements of Operations
For the years ended June 30,
($ in millions unless otherwise noted)

	2004	2003	2002
	$ m	$ m	$ m
REVENUES			
Product sales	1,706.2	1,538.2	1,210.0
Interest and dividends	19.4	21.3	8.9
Other income	1.7	4.7	0.5
	1,727.3	1,564.2	1,219.4
COSTS AND EXPENSES			
Production costs	1,355.2	1,015.0	710.0
Corporate expenditure	20.3	16.6	12.3
Depreciation and amortization	198.6	188.1	113.3
Employment termination costs	10.5	3.8	6.4
Exploration expenditure	39.9	29.6	16.5
Legal Fees-Oberholzer Irrigation Water Dispute			1.0
Impairment of assets	72.7	29.6	
(Decrease)/increase in provision for post-retirement health care costs	(5.1)	(5.0)	6.6
Increase in provision for environmental rehabilitation	8.4	5.3	4.7
Finance expense/(income)	12.2	(4.2)	(8.3)
Unrealized gain on financial instruments	(39.2)	(35.7)	(45.9)
Realized loss/(gain) on financial instruments	8.7	(15.1)	(4.7)
Gain on disposal of St. Helena		(13.4)	
New York Stock Exchange Listing and other associated costs			4.3
Profit on sale of non-current investments	(13.9)	(57.2)	
Profit on sale of mineral rights	(27.1)		
Stock compensation			4.8
Write-down of mineral rights	3.6		
Other expenses		0.3	
	1,644.8	1,157.7	821.0
INCOME BEFORE TAX	82.5	406.5	398.4
Income and mining tax expense	(11.8)	(133.8)	(147.1)

INCOME BEFORE MINORITY INTERESTS	70.7	272.7	251.3
Minority interests	(21.8)	(14.4)	(12.2)
INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLES	48.9	258.3	239.1
Cumulative effect of change in accounting principles, net of tax		(1.3)	
NET INCOME	48.9	257.0	239.1
BASIC EARNINGS PER SHARE (CENTS) BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLES	10.10	54.75	51.51
DILUTED EARNINGS PER SHARE (CENTS) BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLES	10.05	54.35	51.02
BASIC EARNINGS PER SHARE (CENTS)	10.10	54.47	51.51
DILUTED EARNINGS PER SHARE (CENTS)	10.05	54.07	51.02
WEIGHTED AVERAGE NUMBER OF SHARES USED IN THE COMPUTATION OF BASIC EARNINGS PER SHARE	485,020,966	471,814,106	464,146,677
WEIGHTED AVERAGE NUMBER OF SHARES USED IN THE COMPUTATION OF DILUTED EARNINGS PER SHARE	487,698,431	475,294,239	468,655,013
DIVIDEND PER SHARE (CENTS)	19.00	39.03	12.74

The accompanying notes are an integral part of these consolidated financial statements

Gold Fields Limited

Consolidated Balance Sheets
As of June 30,
($ in millions unless otherwise noted)

	2004	2003
	$ m	$ m
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	656.3	133.6
Financial instruments	37.0	
Receivables	116.4	74.9
Inventories	63.9	76.8
Materials contained in heap leach pads	42.5	41.8
Total current assets	916.1	327.1
Property, plant and equipment		
Cost	4,518.8	3,425.4
Accumulated depreciation and amortization	(1,713.3)	(1,194.4)
Net property, plant and equipment	2,805.5	2,231.0
Financial instruments	70.3	67.7
Non-current investments	179.8	101.0
TOTAL ASSETS	3,971.7	2,726.8
LIABILITIES AND SHAREHOLDERS EQUITY		
CURRENT LIABILITIES		
Accounts payable and provisions	290.6	184.7
Income and mining taxes payable	14.2	52.0
Current portion of long-term loans		20.5
Total current liabilities	304.8	257.2
Long-term loans	643.2	21.1
Deferred income and mining taxes	769.0	647.3
Provision for environmental rehabilitation	116.0	99.2

Provision for post-retirement health care costs	18.9	23.9
COMMITMENTS AND CONTINGENCIES see notes 20 and 21		
Minority interests	102.7	58.8
SHAREHOLDERS EQUITY		
Share capital 1,000,000,000 (2003: 1,000,000,000) authorized ordinary shares of 50 South African cents each. Shares issued 491,492,520 (2003: 472,364,872)	43.6	42.2
Additional paid-in capital	1,792.3	1,565.2
Retained earnings	211.6	255.3
Accumulated other comprehensive loss	(30.4)	(243.4)
Total shareholders equity	2,017.1	1,619.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	3,971.7	2,726.8

The accompanying notes are an integral part of these consolidated financial statements

Gold Fields Limited

Consolidated Statements of Shareholders Equity
For the years ended June 30,
($ in millions unless otherwise noted)

	Number of Ordinary shares issued	Share Capital	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total
		$ m	$ m	$ m	$ m	$ m
BALANCE JUNE 30, 2001	455,836,608	41.3	1,498.1	2.7	(347.7)	1,194.4
Net income				239.1		239.1
Dividends paid				(59.2)		(59.2)
Acquisition of St. Ives and Agnew gold mining assets	12,000,000	0.7	52.4			53.1
Exercise of employee share options	2,685,616	0.1	5.5			5.6
Stock compensation			4.8			4.8
Mark-to-market of listed investments					20.6	20.6
Foreign exchange translation					(231.5)	(231.5)
BALANCE JUNE 30, 2002	470,522,224	42.1	1,560.8	182.6	(558.6)	1,226.9
Net income				257.0		257.0
Dividends paid				(184.3)		(184.3)
Exercise of employee share options	1,842,648	0.1	4.4			4.5
Mark-to-market of listed investments					(3.4)	(3.4)
Foreign exchange translation					318.6	318.6
BALANCE JUNE 30, 2003	472,364,872	42.2	1,565.2	255.3	(243.4)	1,619.3
Net income				48.9		48.9
Dividends declared				(92.6)		(92.6)
Exercise of employee share options	1,300,977	0.1	3.7			3.8
Proceeds from private capital raising	17,250,000	1.3	214.6			215.9
Shares issued relating to the acquisition of minority interest of APP	564,841		8.7			8.7
Mark-to-market of listed investments					(17.4)	(17.4)
Other	11,830		0.1			0.1
Foreign exchange translation					230.4	230.4

BALANCE JUNE 30, 2004	491,492,520	43.6	1,792.3	211.6	(30.4)	2,017.1

The following is a reconciliation of the components of accumulated other comprehensive loss for the periods presented.

	Mark-to-market of listed investments	**Foreign exchange translation**	**Accumulated other comprehensive loss**
	$ m	**$ m**	**$ m**
BALANCE JUNE 30, 2001	0.6	(348.3)	(347.7)
Mark-to-market of listed investments	20.6		20.6
Foreign exchange translation		(231.5)	(231.5)
BALANCE JUNE 30, 2002	21.2	(579.8)	(558.6)
Mark-to-market of listed investments	(3.4)		(3.4)
Foreign exchange translation		318.6	318.6
BALANCE JUNE 30, 2003	17.8	(261.2)	(243.4)
Mark-to-market of listed investments	(17.4)		(17.4)
Foreign exchange translation		230.4	230.4
BALANCE JUNE 30, 2004	0.4	(30.8)	(30.4)

The accompanying notes are an integral part of these consolidated financial statements.

Gold Fields Limited

Consolidated Statements of Cash Flows
For the years ended June 30,
($ in millions unless otherwise noted)

	2004	2003	2002
	$ m	$ m	$ m
CASH FLOWS FROM OPERATIONS			
Net income	48.9	257.0	239.1
Reconciled to net cash provided by operations:			
Minority interests	21.8	14.4	12.2
Income and mining tax expense	11.8	133.8	147.1
Impairment of assets	72.7	29.6	
Profit on sale of listed investments	(13.9)	(57.2)	
Profit on disposal of St. Helena		(13.4)	
Depreciation and amortization	198.6	188.1	113.3
Write-down of mineral rights	3.6		
Profit on sale of mineral rights	(27.1)		
Exchange rate difference	(35.5)	(25.7)	(6.2)
Stock compensation			4.8
Unrealized gains on loans	(3.6)	(4.0)	(17.3)
Unrealized gains on financial instruments	(39.2)	(35.7)	(45.9)
Increase in provision for environmental rehabilitation	8.4	5.3	4.7
(Decrease)/increase in provision for post-retirement health care costs	(5.2)	(5.0)	6.6
Payment against post-retirement health care provision	(4.5)	(25.7)	(2.0)
Other	(4.7)	2.8	(7.1)
Cash flow from operations before taxation and working capital changes	232.1	464.3	449.3
Income and mining taxes paid	(75.7)	(73.1)	(30.0)
Effect of changes in operating working capital items:			
Receivables	(25.6)	18.2	9.5
Inventories and heap leach pads	10.7	6.0	(20.3)
Accounts payable and provisions	56.9	(4.0)	16.1
NET CASH PROVIDED BY OPERATIONS	198.4	411.4	424.6
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	(377.9)	(224.3)	(144.5)
Proceeds on disposal of property, plant and equipment	56.8	1.8	0.6
Proceeds on sale of non-current investments	29.3	72.1	
Proceeds on disposal of St. Helena		11.9	

Acquisition of subsidiaries	(23.0)		(212.9)
Purchase of listed investments	(79.4)	(7.0)	(13.5)
Investment in environmental trust fund	(6.0)	(5.1)	(5.1)
NET CASH UTILIZED IN INVESTING ACTIVITIES	(400.2)	(150.6)	(375.4)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans raised	586.7		235.2
Loans repaid	(40.7)	(140.4)	(51.6)
Increase/(decrease) in minority funding	9.1	(9.8)	(2.1)
Dividends paid to Company shareholders	(92.6)	(184.3)	(59.2)
Dividends paid to minority shareholders		(5.8)	
Ordinary shares issued	219.7	4.5	5.7
NET CASH PROVIDED BY/(UTILIZED IN) FINANCING ACTIVITIES	682.2	(335.8)	127.9
EFFECT OF EXCHANGE RATE MOVEMENTS ON CASH AND CASH EQUIVALENTS	42.3	13.5	(5.6)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	522.7	(61.5)	171.5
CASH AND CASH EQUIVALENTS JULY 1	133.6	195.1	23.6
CASH AND CASH EQUIVALENTS JUNE 30	656.3	133.6	195.1

The principal non-cash transactions are the issue of shares as consideration for business acquisitions and the mark-to-market of certain listed investments. See notes 3 and 12.

The accompanying notes are an integral part of these consolidated financial statements

Table of Contents

Gold Fields Limited

Consolidated Statements of Comprehensive Income
For the years ended June 30,
($ in millions unless otherwise noted)

	2004	2003	2002
	$ m	$ m	$ m
Income before cumulative effect of change in accounting principles	48.9	258.3	239.1
Cumulative effect of change in accounting principles, net of tax		(1.3)	
Net income	48.9	257.0	239.1
Other comprehensive income			
Mark-to-market adjustment of listed investments held	(17.4)	(3.4)	20.6
Foreign currency translation adjustment	230.4	318.6	(231.5)
Other comprehensive income/(loss)	213.0	315.2	(210.9)
Comprehensive income	261.9	572.2	28.2

The accompanying notes are an integral part of these consolidated financial statements

Gold Fields Limited

Notes to the Consolidated Financial Statements ($ in millions unless otherwise noted)

1 GENERAL

Gold Fields Limited (formerly Driefontein Consolidated Limited (Driefontein), the Company or the Group) was originally incorporated in South Africa and listed on the JSE Securities Exchange S.A. (JSE) during 1968 as East Driefontein Gold Mining Company Limited. Following a merger with West Driefontein Gold Mining Company Limited, it was renamed Driefontein on June 15, 1981. On May 10, 1999, Driefontein completed a business combination, with another South African company listed on the JSE, Gold Fields Limited (Old Gold Fields). Old Gold Fields evolved through a series of transactions in 1998, whereby it acquired substantially all of the gold mining assets and interests previously held by Gold Fields of South Africa Limited, Gencor Limited, New Wits Limited and certain other shareholders in the companies owning the assets and interests. These assets and interests included publicly traded gold mining companies, mineral rights and service agreements. Driefontein, the surviving entity, was renamed Gold Fields Limited, and Old Gold Fields was renamed GFL Mining Services Limited, effective from that date.

The Company is engaged in gold mining and related activities, including exploration, extraction, processing and smelting. Gold bullion, the Company s principal product, is currently produced in South Africa, Ghana and Australia and sold in South Africa (primarily to the Rand Refinery) and internationally.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) **USE OF ESTIMATES:** The preparation of the consolidated financial statements in conformity with United States generally accepted accounting principles requires the Company s management to make estimates and assumptions about current and future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience, current and expected economic conditions, and in some cases actuarial techniques. Actual results ultimately may differ from those estimates.

The more significant areas requiring the use of management estimates and assumptions relate to mineral reserves that are the basis of future cash flow estimates and unit-of-production depreciation, depletion and amortization calculations; environmental, reclamation and closure obligations; estimates of recoverable gold and other materials in heap leach pads; asset impairments (including impairments of goodwill, long-lived assets, and investments); write-downs of inventory to net realizable value; post employment, post retirement and other employee benefit liabilities; valuation allowances for deferred tax assets; reserves for contingencies and litigation; and the fair value and accounting treatment of financial instruments.

The following are accounting policies used by the Company which, except as described in note 2(d) and note 2(n) below, have been consistently applied:

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

(b) **CONSOLIDATION**: The Group s financial statements include the financial statements of the Company, and its subsidiaries, and its investments in associates. A company in which the Group has, directly or indirectly, through subsidiary undertakings, a controlling interest is classified as a subsidiary undertaking. In addition, the Company reviews its relationships with other entities to assess if the Company is the primary beneficiary of a variable interest entity. If the determination is made that the Company is the primary beneficiary, then that entity is consolidated. See recent accounting pronouncements in note 2(w). The results of subsidiaries acquired or disposed of are included in the Group statements from the effective dates of acquisition or excluded from such statements as from the effective dates of disposal. Investments in companies, which the Company does not control, but has the ability to exercise significant influence over their operating and financial policies, are accounted for by the equity method.

Any excess between the purchase price and the fair value of the attributable net assets of subsidiaries and associates at the date of acquisition is capitalized as goodwill and not amortized; however it is subject to an annual assessment for impairment.

Inter-company transactions and balances are eliminated on consolidation.

(c) (i) **FOREIGN CURRENCY TRANSACTIONS:** Foreign currency transactions are recorded at the prevailing exchange rate at the date of the transaction. Monetary assets and liabilities designated in foreign currencies are translated at the exchange rate ruling at year-end. Gains and losses arising from these translations are recognized in earnings.

(ii) **FOREIGN ENTITIES:** The Group s foreign entities are regarded as those entities that are considered to be self-sustaining. The balance sheet and statements of operations of foreign subsidiaries are translated on the following basis:

Assets and liabilities are translated at the prevailing exchange rate at year-end. Statement of operations items are translated at the average exchange rate for the year. Exchange differences on translation are accounted for in shareholders equity. These differences will be recognized in earnings upon realization of the underlying foreign entity.

(iii) **FUNCTIONAL CURRENCY:** The functional currencies of the Group s South African operations are the South African Rand, Australian operations, the Australian dollar and the Ghanaian operations, the U.S. dollar. The translation differences arising as a result of converting the South African Rand and the Australian dollar to U.S. dollars (reporting currency) using the current exchange rate method are included as a separate component of shareholders equity.

(d) **PROPERTY, PLANT AND EQUIPMENT**

(i) **MINING ASSETS:** Mining assets, including mine development costs and mine plant facilities, are recorded at cost.

Once an economically feasible orebody with proven and probable ore reserves has been established, expenditure incurred to further develop the orebody, to further define mineralization in the orebody, and to establish or expand productive capacity, are capitalized until commercial levels of production are achieved, at which time the costs are amortized as set out below. Development of orebodies includes the development of shaft systems and waste rock removal. These costs are capitalized until the reef horizons are intersected and commercial levels of production can be obtained on a sustainable basis. Access to the individual orebodies exploited by the Company is limited to the time span of the Company s respective mining leases. Mine development costs in the ordinary course to maintain production are expensed as incurred.

Borrowing costs incurred in respect of assets requiring a substantial period of time to prepare for their intended future use are capitalized to the date on which the assets are substantially completed and ready for their intended use.

(ii) **LAND:** Land is shown at cost and is not depreciated.

(iii) **MINERAL INTERESTS:** Mineral interests represent mineral and surface use rights for parcels of land both owned and not owned by the Company. Mineral interests and other tangible assets include acquired mineral use rights in production, development and exploration stage properties. The amount capitalized related to mineral interests represents its fair value at the time it was acquired, either as an individual asset purchase or as part of a business combination.

Production stage mineral interests represents mineral interests in operating properties that contain proven and probable reserves. *Development stage* mineral interests represent interests in properties under development that contain proven and probable reserves. *Exploration stage* mineral interests represent interests in properties that are believed to potentially contain (i) *other mineralized material* such as inferred material within pits, measured, indicated and inferred material with insufficient drill spacing to qualify as proven and probable reserves; and inferred material in close proximity to proven and probable reserves; (ii) *around-mine exploration potential* such as inferred material not immediately adjacent to existing reserves and mineralization but located within the immediate mine infrastructure; (iii) *other mine-related exploration* potential that is not part of measured, indicated or inferred material and is comprised mainly of material outside of the immediate mine area; or (iv) *greenfield exploration potential* that is not associated with any other *production, development or exploration stage* property as described above. The Company s mineral use rights are enforceable regardless of whether proven or probable reserves have been established. In certain limited situations, the nature of a use right changes from an exploration right to mining right upon the establishment of proven and probable reserves. The Company has the ability and intent to renew mineral use rights where the existing term is not sufficient to recover all identified and valued proven and probable reserves and /or undeveloped mineral interests.

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

On April 30, 2004 the Financial Accounting Standard Board (FASB) amended Statements of Financial Accounting Standards (SFAS) No. 141, Business combinations (SFAS No. 141) and SFAS No. 142, Goodwill and other Intangible Assets (SFAS No. 142) to provide that certain mineral use rights are considered tangible assets and that mineral use rights should be accounted for based on their substance. The FASB Staff Position (FSP) is effective for the first reporting period beginning after April 29, 2004, with early adoption permitted. As a result, the Company has adopted this FSP from July 1, 2003 and has reclassified all of its mineral use rights from intangible assets to property, plant and equipment in its balance sheets for all periods presented and effective July 1, 2003, ceased amortization on exploration stage interests prior to the commencement of production.

The pro forma effect of adopting the new accounting principle on income before cumulative effect of change in accounting principles, net income, basic earnings per share before change in accounting principles, fully diluted earnings per share before change in accounting principles, basic earnings per share and fully diluted earnings per share for the year ended June 30, 2004, are as follows:

	2004
	$ m
Income before cumulative effect of changes in accounting principle as reported	48.9
Less: Amortization of exploration stage mineral interests, net of deferred tax of $8.2 million	(19.1)
Pro forma income before cumulative effect of changes in accounting principle	29.8
Pro forma basic earnings per share before cumulative effect of change in accounting principle	6.1
Pro forma fully diluted earnings per share before cumulative effect of changes in accounting principle	6.1
Net income as reported	48.9
Less: Amortization of exploration stage mineral interests, net of deferred tax of $8.2 million	(19.1)
Pro forma net income	29.8
Pro forma basic earnings per share	6.1
Pro forma fully diluted earnings per share	6.1

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

(iv) **AMORTIZATION AND DEPRECIATION OF MINING ASSETS:** Mining assets, mine development and evaluation costs, and mine plant facilities are amortized over the lives of the mines using the units-of-production method, based on estimated above infrastructure proven and probable ore reserves. Proven and probable ore reserves reflect estimated quantities of economically recoverable reserves, which can be recovered in future from known mineral deposits.

(v) **AMORTIZATION OF MINERAL INTERESTS:** Mineral interests associated with production stage mineral interests are amortized over the life-of-mine using the units-of-production method in order to match the amortization with the expected underlying future cash flows. Mineral interests associated with development and exploration stage mineral interests are not amortized until such time as the underlying property is converted to the production stage.

(vi) **DEPRECIATION OF NON-MINING ASSETS:** Other non-mining assets are recorded at cost and depreciated on a straight-line basis over their expected useful lives as follows:

- Vehicles	20%
- Computers	33.3%
- Furniture and equipment	10%

(vii) **MINING EXPLORATION:** Expenditure on exploration activities incurred prior to the completion of a final feasibility study to establish proven and probable reserves is charged against income.

(viii) **IMPAIRMENT:** Recoverability of the long-lived assets of the Group, which include development costs, is reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and annually at the end of the fiscal year. To determine whether a long-term asset may be impaired, the estimate of future undiscounted cash flows, calculated on an area-of-interest basis, is compared to its carrying value. An area-of-interest is defined by the Company as its lowest levels of identifiable cash flows, generally an individual operating mine, including mines which are included in a larger mine complex.

If impairment exists on this basis then reductions in the carrying value of the long-lived asset are recorded to the extent the remaining investment exceeds the estimate of future discounted cash flows, calculated on an area-of-interest basis. The expected future discounted cash flows from the use of a long-lived asset is determined by applying a discount rate to the anticipated pre tax future cash flows. The discount rate used is commensurate with the risks involved and is determined with reference to the Group s weighted average cost of capital as determined by the capital asset pricing model. The revised carrying amounts are amortized in line with Group accounting policies.

Management s estimate of future cash flows is subject to risk and uncertainties. It is therefore reasonably possible that changes could occur which may affect the recoverability of the Group s mining assets.

The following estimates and assumptions were used by management when reviewing the Beatrix 4 shaft long-lived asset impairment as at June 30, 2004:

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

A gold price of $350 per ounce at an exchange rate of R7.50 to $1.00, which represents the 3-year average gold price and the 3-year average Rand/$ exchange rate, respectively.

The extraction of proven and probable reserves as per the approved life-of-mine plan.

Working costs and capital expenditure estimates as per the approved life-of-mine plan.

The following estimates and assumptions were used by management when reviewing the Agnew mine long-lived asset for impairment as at June 30, 2003:

A gold price of A$550 per ounce at an exchange rate of A$1.510 to $1.00, which represents the 3-year average gold price and the expected long-term A$/$ exchange rate, respectively.

The extraction of proven and probable reserves as per the approved life-of-mine plan.

Working costs and capital expenditure estimates as per the approved life-of-mine plan.

(ix) **LEASES:** Operating leases are charged against income as incurred.

(e) **DEFERRED TAXATION:** Deferred taxation is calculated on the comprehensive basis using the balance sheet approach. Deferred tax liabilities and assets are recognized by applying expected tax rates to the temporary differences existing at each balance sheet date between the tax values and their carrying amounts. These temporary differences are expected to result in taxable or deductible amounts in determining taxable profits for future periods when the carrying amount of the asset is recovered or the liability is settled. The effect on deferred tax of any changes in tax rates is recognized in the income statement during the period in which the change occurs.

The principal temporary differences arise from depreciation on property, plant and equipment, provisions and tax losses carried forward. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if it is more likely than not that such assets will not be realized.

(f) **NON-CURRENT INVESTMENTS:** Non-current investments comprise (i) investments in listed companies which are classified as available-for-sale and are accounted for at fair value, with unrealized holding gains and

losses excluded from earnings and reported as a separate component of shareholders   equity; and
(ii) investments in unlisted companies for which a fair value is not readily determinable, and are accounted for at cost. Realized gains and losses are included in the determination of net income or loss.

Unrealized losses are included in the determination of net income or loss where it is determined that a decline, other than a temporary decline, in the value of the investment has occurred.

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

(g) **MATERIALS CONTAINED IN HEAP LEACH PADS:** The recovery of gold from certain oxide ores is best achieved through the heap leaching process. Under this method, ore is placed on leach pads where it is permeated with a chemical solution, which dissolves the gold contained in the ore. The resulting pregnant solution is further processed in a leach plant where the gold in solution is recovered. For accounting purposes, value is added to leach pads based on current mining costs, including applicable depreciation and amortization relating to mining operations. Value is removed from the leach pad as ounces are recovered in circuit at the leach plant based on the average cost per recoverable ounce of gold on the leach pad.

The engineering estimates of recoverable gold on the heap leach pads are calculated from quantities of ore placed on the pads (measured tonnes added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery percentage (based on the leach process and the ore type). In general, the leach pad production cycles project recoveries of approximately 50% to 70% of the placed recoverable ounces in the first year of leaching, declining each year thereafter until the leaching process is completed.

Although the quantities of recoverable gold placed on the leach pads are reconciled by comparing the grades of ore placed on the pads to the quantities of gold actually recovered (metallurgical balancing), the nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is constantly monitored and engineering estimates are refined based on actual results over time. Variations between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write-downs to net realizable value are accounted for on a prospective basis. The ultimate recovery of gold from the pad will not be known until the leaching process is terminated.

The current portion of leach pad inventories is determined based on engineering estimates of the quantities of gold at the balance sheet date that are expected to be recovered during the next twelve months.

(h) **INVENTORIES**: Inventories are valued at the lower of cost or net realizable value. The Company s inventories comprise consumable stores, gold-in-process, ore stockpiles and mineral rights and are accounted for as follows:

Consumable stores: Consumable stores are valued at average cost, after appropriate provision for surplus and slow moving items.

Gold in process: Gold in-process inventories represent materials that are currently in the process of being converted to a saleable product. Conversion processes vary depending on the nature of the ore and the specific mining operation, but include mill in-circuit, leach in-circuit, flotation and column cells, and carbon in-pulp inventories. In-process material is measured based on assays of the material fed to process and the projected recoveries of the respective plants. In-process inventories are valued at the average cost of the material fed to process attributable to the source material coming from the mine, stockpile or leach pad plus the in-process conversion costs, including applicable depreciation relating to the process facility, incurred to that point in the process.

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

Gold bullion: Gold bullion inventories represent saleable gold ore or gold bullion and are valued at the average cost of the respective in-process inventories incurred prior to the refining process, plus refining costs.

Stockpiles: Stockpiles represent coarse ore that has been extracted from the mine that is available for further processing. Stockpiles are measured by estimating the number of tonnes (via truck counts and/or in-pit surveys of the ore before stockpiling) added and removed from the stockpile, the number of contained ounces (based on assay data) and the recovery percentage (based on the process for which the ore is destined). Stockpile tonnages are verified by periodic surveys. Stockpiles are valued based on mining costs incurred up to the point of stockpiling the ore, including applicable depreciation and amortization relating to mining operations. Value is added to a stockpile based on the current mining cost per tonnes plus applicable depreciation and amortization and removed at the average cost per recoverable ounce of gold in the stockpile.

Mineral rights: Mineral rights not linked to any specific operation are valued at the lower of cost and net realizable value.

(i) **FINANCIAL INSTRUMENTS:** Financial instruments carried on the balance sheet include cash and cash equivalents, investments, receivables, derivative financial instruments, accounts payable and accrued liabilities. The particular recognition method for each financial instrument item is disclosed in its respective significant accounting policy description.

(j) **HEDGING**: The Company account for its hedging activities in accordance with SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, (SFAS No. 133), as amended by Statements of Financial Accounting Standards 137, 138 and 149.

Under SFAS No. 133, all derivatives are recognized on the balance sheet at their fair value, unless they meet the criteria for the normal purchases normal sale exemption. On the date a derivative contract is entered into, the Company designates the derivative as (1) a hedge of the fair value of a recognized asset or liability (fair value hedge), (2) a hedge of a forecasted transaction (cash flow hedge), or (3) a hedge of a net investment in a foreign entity. Certain derivative transactions, while providing effective economic hedges under the Company s risk management policies, do not qualify for hedge accounting. Hedging activities are conducted in accordance with guidelines established by the Audit Committee which allow for the use of various hedging instruments.

Changes in the fair value of a derivative that is highly effective, and that is designated and qualifies as a fair value hedge, are recorded in earnings, along with the change in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Changes in the fair value of a derivative that is highly effective, and that is designated and qualifies as a cash flow hedge, are recognized directly in shareholders equity. Amounts deferred in shareholders equity are included in earnings in the same periods during which the hedged firm commitment or forecasted transaction affects earnings.

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

Recognition of derivatives which meet the criteria for the normal purchases normal sales exception under SFAS No. 133 is deferred until settlement. Under these contracts, the Group must deliver a specified quantity of gold at a future date at a specified price to the contracted counter party.

Hedges of net investment in foreign entities are accounted for similarly to cash flow hedges.

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in the statement of operations, under the caption entitled gains and losses on financial instruments. The fair value recognized on the balance sheet is included under the caption financial instruments.

The Group formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking derivatives designed as hedges to specific assets and liabilities or to specific firm commitments or forecasted transactions. The Group also formally assesses, both at the hedge inception date and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

(k) **CASH AND CASH EQUIVALENTS:** Cash and cash equivalents comprise cash on hand, demand deposits and investments in money market instruments. These are all highly liquid investments with a maturity of three months or less at the date of purchase.

The carrying amount of cash and cash equivalents is stated at cost which approximates fair value.

(l) **TRADE RECEIVABLES:** Trade receivables are carried at anticipated realizable value. Estimates are made for doubtful debts based on a review of all outstanding amounts at year-end. Irrecoverable amounts are written off during the year in which they are identified.

(m) **PROVISIONS:** Provisions are recognized when information is available prior to the issuance of the financial statements which indicates that it is probable that an asset has been impaired or a liability had been incurred at the date of the financial statements and the amount can be reasonably estimated.

(n) **REHABILITATION COSTS:** SFAS No. 143, Accounting for asset retirement obligations (SFAS No. 143) was adopted by the company with effect from 1 July 2002.

SFAS No. 143 applies to legal obligations associated with the retirement of a long-lived asset that result from the acquisition, construction, development and/or the normal operation of a long-lived asset. Under SFAS No. 143 the Company records the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the Company correspondingly capitalizes the cost by increasing the carrying value of the related long-lived asset. Over time, the liability is increased (accretion) to reflect an interest element considered in its initial measurement at fair value, and the capitalized cost is amortized over the useful life of the related asset. Upon settlement of the liability, the Company will record a gain or loss if the actual cost incurred is differs from the liability recorded. The adoption of SFAS No. 143 resulted in the Company recording an increase in property, plant and equipment, net of $16.9 million; an increase in provision for environmental rehabilitation of $20.8 million; a decrease in minority interest of $2.7 million; a decrease in deferred tax liabilities of $5.3 million and a $ 1.3 million debit cumulative effect of a change in accounting principle, net of tax.

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

Following the adoption of SFAS No. 143, the total amount of recognized liabilities for asset retirement obligations was $ 79.6 million. These liabilities mainly relate to the obligations to perform reclamation and remediation activities to meet existing environmental laws and regulations that govern the Company s operations at the Company s active mines.

Environmental liabilities, other than rehabilitation costs which relate to liabilities from specific events, are expensed as incurred.

(o) **ENVIRONMENTAL TRUST FUNDS:** Contributions are made to the Group s trust funds, created in accordance with statutory requirements, to fund the estimated cost of pollution control, rehabilitation and mine closure at the end of the life of the Group s South African mines. Contributions are determined on the basis of the estimated environmental obligation over the life of the mine. Income earned on monies paid to environmental trust funds is accounted for as investment income. The funds contributed to the trusts plus growth in the trust funds are included under investments on the balance sheet.

(p) **EMPLOYEE BENEFITS**

(i) **PENSION AND PROVIDENT FUNDS:** The Group operates a defined benefit pension plan and defined contribution retirement plan and contributes to a number of industry based defined contribution retirement plans. The retirement plans are funded by payments from employees and the Company.

The expected costs of the defined benefit pension plan are assessed in accordance with the advice of independent actuaries. The cost of experience adjustments or planned amendments is expensed to operations over the expected average remaining service lives of the relevant employees. Any shortfalls are funded either immediately or as increased employer contributions to ensure the ongoing soundness of the fund.

Contributions to defined contribution funds are expensed to operations as incurred.

These funds are governed by the Pension Fund Act of 1956 (as amended).

(ii) **POST-RETIREMENT HEALTH CARE COSTS:** Medical coverage is provided through a number of schemes.

Post-retirement health care in respect of existing employees is recognized as an expense over the remaining service lives of the relevant employees.

The Company has an obligation to provide medical benefits to certain of its pensioners and dependents of ex-employees. These liabilities are unfunded and have been provided in full, calculated on an actuarial basis. A significant portion of the pensioners and dependents were recently bought out of the scheme.

Valuation of these obligations is carried out annually by independent actuaries using appropriate mortality tables, long-term estimates of increases in medical costs and appropriate discount rates.

Gold Fields Limited

Notes to the Consolidated Financial Statements ($ in millions unless otherwise noted)

(iii) **SHARE-BASED COMPENSATION PLANS:** The Company has elected to follow Accounting Policies Board Opinion No. 25 Accounting for Stock Issued to Employees (APB No. 25) and its related interpretations in accounting for its share option schemes. Under APB No. 25, because the exercise price of the Company s and subsidiary s employee stock options equaled the market price of the underlying share on the date of the grant, no compensation expense was recognized in the Company s financial statements, other than on occasions where the terms of share option vesting schedules are modified or accelerated. Where the terms of share option vesting schedules are accelerated, the Company applies variable accounting until the options are exercised.

Pro forma information regarding net income and earnings per share is required by SFAS No. 123 Accounting for Stock-Based Compensation . This information is required to be determined as if the Company had accounted for its employee stock options granted subsequent to December 31, 1995 under the fair value method of that statement. The fair value of the options granted during 2004, 2003 and 2002 reported below has been estimated at the date of grant using a Black-Scholes option pricing model with the following weighted average assumptions:

	2004	2003	2002
Expected life (in years)	6	6	6
Risk free interest rate	8.4%	10.7%	11.5%
Volatility	53.0%	54.5%	54.3%
Dividend yield	2.4%	4.5%	0.9%

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Because the Company s options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the value estimate, in the opinion of management, the existing models do not necessarily provide a reliable single measure of the fair value of its options. The weighted average estimated fair value of employee stock options granted during fiscal 2004, 2003 and 2002 under the employee share option scheme was R44.18, R61.89 and R46.74 per share, respectively.

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

For purposes of pro forma disclosure, the estimated fair value of the options is recognized as an expense over the options   vesting period. The Company   s pro forma information follows (millions except for per share information):

	2004	2003	2002
	$ m	$ m	$ m
Income before cumulative effect of change in accounting principles as reported	48.9	258.3	239.1
Add back: share compensation expense under APB No. 25			4.8
Less: Share compensation expense under SFAS No. 123	(10.8)	(7.6)	(11.1)
Pro forma income before cumulative effect of change in accounting principles	38.1	250.7	232.8
Pro forma basic earnings per share before cumulative effect of change in accounting principles (in cents)	7.9	53.1	50.2
Pro forma fully diluted earnings per share before cumulative effect of change in accounting principles (in cents)	7.8	52.8	49.7
Net income as reported	48.9	257.0	239.1
Add back: share compensation expense under APB No. 25			4.8
Less : Share compensation expense under SFAS No. 123	(10.8)	(7.6)	(11.1)
Pro forma net income	38.1	249.4	232.8
Pro forma basic earnings per share (in cents)	7.9	52.9	50.2
Pro forma fully diluted earnings per share (in cents)	7.8	52.5	49.7

The impact on pro forma income before cumulative effect of change in accounting principles, pro forma net income, pro forma basic earnings per share before cumulative effect of change in accounting principles, pro forma fully diluted earnings per share before cumulative effect of change in accounting principles, pro forma basic earnings per share and pro forma fully diluted earnings per share in the table above which shows the effect on the scheme of recognizing share compensation expense using the fair value method rather than the intrinsic method, may not be indicative of the effect in future years. The Company continues to grant share options to certain employees. This policy may or may not continue.

(q) **REVENUE RECOGNITION:**

(i) Revenue arising from gold and by-product sales is recognized when the risks and rewards of ownership and title pass to the buyer under the terms of the applicable contract and the pricing is fixed and determinable. Sales revenue excludes value-added tax but includes the net profit and losses arising from hedging transactions from matched gold sales contracts, which are designated as normal sales contracts. Revenue from silver and other by-products sales are credited to production costs as a by-product credit.

(ii) Dividends are recognized when the right to receive payment is established.

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

(iii) Interest is recognized on a time proportion basis taking account of the principal outstanding and the effective rate to maturity on the accrual basis.

(r) **DIVIDENDS DECLARED:** Dividends proposed and the related taxation thereon are recognized only when the dividends are declared. Dividends are payable in South African Rand.

(s) **SEGMENT REPORTING:** The Group is a gold mining company operating geographically in South Africa, Ghana and Australia. The business segments comprise geographical operations based on locations and operating units.

(t) **EARNINGS/(LOSS) PER SHARE** is calculated based on the net income/(loss) divided by the weighted average number of common shares in issue during the year. Diluted earnings per share is presented when the inclusion of potential ordinary shares has a dilutive effect on earnings per share.

(u) **COMPARATIVES:** Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current fiscal year.

(v) **RECENT ACCOUNTING PRONOUNCEMENTS:**

In January 2003, the FASB issued interpretation No. 46 (FIN 46), Consolidation of Variable Interest Entities. FIN 46 requires the primary beneficiary of a variable interest entity to consolidate that entity. A variable interest entity is created when (i) the equity investment at risk is not sufficient to permit the entity from financing its activities without additional subordinated financial support from other parties, or (ii) equity holders either (a) lack direct or indirect ability to make decisions about the entity, (b) are not obliged to absorb expected losses of the entity or (c) do not have the right to receive expected residual returns of the entity if they occur. The primary beneficiary of a variable interest entity is the party that absorbs a majority of the variable interest entity s expected losses, receives a majority of the entity s expected residual returns, or both, as a result of ownership, contractual or other financial interests is the entity. Expected losses are the expected negative variability of an entity s net assets exclusive of its variable interest, and expected residual returns are the expected positive variability in the fair value of an entity s assets, exclusive of variable interests. Prior to the issuance of FIN 46, an enterprise generally consolidated an entity when the enterprise had a controlling financial interest in the entity through ownership of a majority voting interest.

In December 2003, the FASB issued a revision of FIN 46 (FIN 46-R), clarifying certain provisions of FIN 46. Gold Fields adopted the provisions of FIN 46-R on February 1, 2003 to the extent that they related to variable interest entities created on or after that date. For variable interest entities created before January 31, 2003, FIN 46-R was deferred to the end of the first interim or annual period ending after March 15, 2004. The Company fully adopted FIN 46-R effective June 30, 2004. The Company completed its evaluation of FIN 46-R and did not identify any variable interest entities that would be subject to consolidation under FIN 46-R.

The Emerging Issues Task Force (EITF) formed a committee to evaluate certain mining industry accounting issues, including issues arising from the application of SFAS No. 141 and SFAS No. 142 to business combinations within the mining industry, accounting for goodwill and other intangibles and the capitalization of costs after the commencement of production, including deferred stripping. The

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

issues discussed also included whether mineral interests conveyed by leases represent tangible or intangible assets and the amortization of such assets. In March 2004, the EITF reached a consensus, subject to ratification by the FASB, that mineral interests conveyed by leases should be considered tangible assets. The EITF also reached a consensus, subject to the ratification by the FASB, on other mining related issues involving impairment and business combinations.

On March 31, 2004, the FASB ratified the consensus of the EITF on other mining related issues involving impairment and business combinations. This did not have an impact on the Company s financial statements since it did not change the Company s accounting. The FASB also ratified the consensus of the EITF that mineral interests conveyed by leases should be considered tangible assets subject to the finalization of a FSP in this regard.

On April 30, 2004, the FASB issued an FSP amending SFAS No. 141 and SFAS No. 142 to provide that certain mineral use rights are considered tangible assets and that mineral use rights should be accounted for based on their substance. The FSP is effective for the first reporting period beginning after April 29, 2004, with early adoption permitted. As a result, the Company has reclassified all of its mineral interests from mineral interests and other intangible assets to property, plant and equipment, net in its balance sheets and ceased amortization on exploration stage mineral interests on July 1, 2003. See note 2(d)(iii) above.

The committee of the EITF is continuing its evaluation of mining industry accounting issues, which may have an impact on the Company in the future.

3 ACQUISITION AND DISPOSAL OF BUSINESSES

(a) Acquisition of St. Ives and Agnew Gold Mining Assets

On November 30, 2001, the Company acquired from WMC Limited and WMC Resources Limited the St. Ives and Agnew gold mining assets in Western Australia for a total consideration of $233.1 million. The purchase consideration comprised of a cash payment of $180.0 million and 12 million Company shares with a value of $53.1 million. The differences between the purchase price and the historical book value of the net assets acquired amounted to $168.3 million, of which $144.9 million has been allocated to mining tenements and $23.4 million to undeveloped properties to reflect their respective fair values.

(b) Acquisition of Abosso Goldfields Limited (Abosso)

On January 23, 2002 the Company acquired from Ranger Minerals Limited a 71.1% interest in Abosso for a total cash consideration of $32.9 million. Abosso owns and operates the Damang mine in Ghana which is adjacent to the Company s Tarkwa mine in Ghana. The shortfall of the purchase price compared to the historical book value of the net assets acquired amounted to $75.4 million which was set off against property, plant and equipment to reflect their fair value.

(c) St Helena Gold Mines Limited (St Helena)

On October 30, 2002, the Company disposed of the St. Helena gold mining operation to the ARMGold/Harmony Free Gold Joint Venture Company (Proprietary) Limited (Freegold) for $11.9 million in cash and a monthly royalty payment of 1% of net revenues from gold sales of the St. Helena Gold

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

Mining Operations, payable to the Company for a period of four years subsequent to the disposal of the St. Helena operations. The Company realized a gain of $13.4 million on disposal of the St. Helena operations.

(d) Acquisition of remaining 49% stake in Arctic Platinum Project

The Company s investment in the Arctic Platinum Project was achieved through an earn-in agreement with Outokumpu Mining Oy. The Arctic Platinum Project is an exploration project for platinum group metals and as such all contributions by the Company to the project to date have been classified as exploration expenditure and expensed as incurred. On September 11, 2003, the Company exercised its rights of first refusal to acquire the remaining 49% stake in the Arctic Platinum Project it did not already own for $31.7 million, consisting of $23 million in cash and Gold Fields ordinary shares worth $8.7 million. These costs have been capitalized as part of mineral interests within property, plant and equipment.

(e) Pro forma information relating to the acquisition of St. Ives, Agnew and Abosso

The consolidated statement of operations reflect the operating results of St. Ives, Agnew and Abosso from the date of acquisition. The following pro forma unaudited summarized financial information assumes that the above acquisitions had occurred on July 1, for the fiscal year ended June 30, 2002:

	2002
	$ m
Revenues	1,356.6
Income before cumulative effect of change in accounting principle	244.0
Net income	244.0
Basic earnings per share (cents)	52.01
Weighted average number of shares used in the computation	469,146,677

These pro forma amounts have been prepared for comparative purposes only and do not purport to be indicative of the results of operations which actually would have resulted had the acquisitions been in effect on July 1, 2001 or future results of operations of the Company.

4 OTHER INCOME

	2004	2003	2002
	$ m	$ m	$ m
Proceeds from insurance claims		0.8	
Other income	1.7	3.9	0.5
	1.7	4.7	0.5

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

5 IMPAIRMENT OF ASSETS

	2004	2003	2002
	$ m	$ m	$ m
Beatrix 4 shaft	61.8		
Mineral rights	5.9		
Intangible asset Biox technology	5.0		
Agnew mine		29.6	
	72.7	29.6	

Beatrix 4 shaft

During fiscal 2004, the life-of-mine plan was updated for a revised gold price of $350 per ounce at an exchange rate of R7.50 to $1.00. At this revised Rand gold price, the estimated future cash flows from the updated life-of-mine plan did not support the carrying value of the shaft on an undiscounted basis. Accordingly, an asset impairment of $61.8 million was charged against income, which reduced the carrying value of Beatrix 4 shaft to $11.9 million.

Mineral rights

New regulations in South Africa will result in mining companies forfeiting certain mineral rights not likely to be mined or explored. Accordingly, an asset impairment of $5.9 million was charged against income.

Intangible asset Biox technology

During 2004, an asset impairment charge of $5.0 million was required to adjust the carrying value of the Biox technology to its recoverable amount.

Agnew mine

The allocation of the purchase price to the Agnew and St. Ives mines was based upon geological and other information available to the Company at the purchase date. During fiscal 2003, the Company revised the Agnew life of mine plan based upon the latest reserves and mineralized material. The life of mine plan was revised because the results of the Agnew mine following the acquisition had been below those anticipated due to lower recovered gold content, and certain events which rendered certain mineralized material unexploitable. The revised mine plan did not support the original allocation of the purchase price to the Agnew mine orebody, mining tenements and undeveloped properties. For management reporting purposes, the Company reallocated part of the initial purchase price from the Agnew mine orebody, mining tenements and undeveloped properties to the St. Ives mine orebody, mining tenements and undeveloped properties. US GAAP does not permit a company to reallocate the purchase price more than a year beyond the acquisition date, when sufficient data was available to make the initial purchase price allocation. Accordingly, an impairment write down of $29.6 million was recorded to reflect the Agnew mine assets at their fair value.

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

6 FINANCE EXPENSE/(INCOME)

	2004	2003	2002
	$ m	$ m	$ m
Interest paid Mvelaphanda loan	18.2		
Interest paid other	9.0	4.8	5.2
Realized (gain)/loss on foreign debt	(11.4)	(5.0)	1.0
Unrealized gain on foreign debt	(3.6)	(4.0)	(14.5)
	12.2	(4.2)	(8.3)

7 INCOME AND MINING TAX EXPENSE

	2004	2003	2002
	$ m	$ m	$ m
South Africa	(10.1)	(64.3)	(64.2)
Ghana	(12.7)	(10.3)	(6.8)
Australia	(7.1)	(5.7)	(3.1)
Current income and mining taxes	(29.9)	(80.3)	(74.1)
South Africa	53.9	(34.6)	35.3
Ghana	(26.8)	(25.6)	(15.2)
Australia	(9.0)	6.7	(22.6)
Deferred income and mining taxes	18.1	(53.5)	(73.0)
Total income and mining tax expense	(11.8)	(133.8)	(147.1)

The Company s pre-tax income before minority interests and cumulative effect of change in accounting principles comprise:

2004	2003	2002

	$ m	$ m	$ m
South Africa	(84.1)	309.5	257.4
Ghana	118.3	85.4	60.2
Australia	48.3	11.6	80.8
	82.5	406.5	398.4

South African mining tax on mining income is determined on a formula basis which takes into account the profit and revenue from mining operations during the year. Non-mining income is taxed at a standard rate.

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

Deferred tax is provided at the estimated effective mining tax rate on temporary differences. Major items causing the Group s income tax provision to differ from the South African maximum mining statutory rate of 46% (2003 and 2002: 46%) were:

	2004	2003	2002
	$ m	$ m	$ m
Tax on income at South African maximum mining statutory rate	(38.0)	(187.0)	(183.3)
Rate adjustment to reflect estimated effective mining tax rate in South Africa of 40% (2003 and 2002: 40%) and tax rate in Ghana of 32.5% (2003 and 2002: 32.5%) and tax rate in Australia of 30% (2003 and 2002: 30%)	17.6	1.0	23.6
South African mining tax formula rate adjustment	7.0	18.4	15.9
Valuation allowance raised against deferred tax assets		(0.4)	(1.8)
Non-taxable income/additional deductions	15.1	30.6	(2.7)
Use of assessed losses not previously recognized		13.7	11.5
Prior year adjustment	(1.0)		(0.4)
South African capital gains tax	(1.7)	(2.1)	
Foreign levies and royalties	(19.8)	(16.1)	(9.9)
Other	9.0	8.1	
Income and mining tax expense	(11.8)	(133.8)	(147.1)

The components of the Company s consolidated deferred income and mining tax liabilities are as follows:

	2004	2003
	$ m	$ m
Deferred income and mining tax liabilities:		
Mining assets	968.4	765.0
Financial instruments	30.0	20.6
Investment in environmental trust fund	21.0	14.1
Loans		2.3
Other	7.8	10.4
Total deferred income and mining tax liabilities	1,027.2	812.4
Deferred income and mining tax assets:		
Provisions, including rehabilitation accruals	68.4	57.8
Tax losses	60.7	40.1
Unredeemed capital expenditure	166.1	101.4
	295.2	199.3

Valuation allowance for deferred tax assets	(37.0)	(34.2)
Total deferred income and mining tax assets	258.2	165.1
Net deferred income and mining tax liabilities	769.0	647.3
Net deferred income and mining tax liabilities comprise of:		
Current deferred income and mining tax liabilities		
Non-current deferred income and mining tax liabilities	769.0	647.3
Net deferred income and mining tax liabilities	769.0	647.3

The classification of deferred income and mining tax liabilities or assets is based on the related liability or asset creating the deferred tax.

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

The Company has established a valuation allowance for certain deferred tax assets which management believe will not be realized based on projections as of June 30, 2004. The valuation allowance at June 30, 2004 relates primarily to a full valuation allowance against certain foreign net deferred tax assets of $37.0 million (2003: $34.2 million), raised on exploration costs incurred in Orogen Investments SA (Luxembourg).

As at June 30, 2004 the Group had unredeemed capital expenditure and tax loss carry forwards available for deduction against future mining income at its South African mining operations as follows:

Unredeemed capital expenditure at GFI Mining South Africa (Proprietary) Limited (GFIMSA) of $313.9 million. This comprises $1.9 million at the Driefontein operation, $37.0 million at the Kloof operation and $275.0 million at the Beatrix operation.

Estimated and assessed tax losses at GFI Mining South Africa (Proprietary) Limited of $8.4 million, all of which relates to the Beatrix operation.

Unredeemed capital expenditure at Beatrix Mining Ventures Limited of $Nil million (2003: $189.9 million) in respect of the Beatrix and Oryx combined tax entity. With the rationalization of the Group s South African mining operations into GFI Mining South Africa (Proprietary) Limited, the unredeemed capital expenditure at Beatrix Mining Ventures Limited was transferred to GFI Mining South Africa (Proprietary) Limited.

These future deductions are utilizable against income generated by the individual tax entity concerned and do not expire unless the tax entity ceases to commercially mine these operations for a period longer than one year. Under South African mining tax ring-fencing legislation, each tax entity is treated separately and as such these deductions can only be utilized by the tax entities in which the deduction have been generated.

The Group has estimated capital allowances to be offset against future income of $116.2 million (2003: $46.2 million) and $8.4 million (2003: $31.9 million) at Gold Fields Ghana Limited and Abosso Goldfields Limited respectively. The estimated capital allowances do not have an expiration date. In terms of current Ghanaian taxation legislation, tax losses not utilized by Gold Fields Ghana Limited and Abosso Goldfields Limited are forfeited after 5 years. Gold Fields Ghana Limited and Abosso Goldfields Limited currently have no tax losses available for utilization against future profits.

The Group has tax losses available of $121.8 million (2003: $85.4 million) at Orogen Investments SA (Luxembourg), which can only be used to offset future interest income generated by Orogen Investments SA (Luxembourg). In terms of current Luxembourg taxation legislation, losses incurred in accounting periods subsequent to December 31, 1990, can be carried forward indefinitely. Losses incurred prior to this date could only be carried forward for 5 years. All losses incurred by Orogen Investments SA (Luxembourg) were incurred subsequent to December 31, 1990.

The Group has estimated capital allowances to be offset against future income of $52.5 million (2003: $13.5 million) at Gold Fields Australia (Proprietary) Limited. The estimated capital allowances do not have an expiration date. In terms of current Australian taxation legislation, tax losses incurred by Gold Fields Australia (Proprietary) Limited are carried forward indefinitely. Gold Fields Australia (Proprietary) Limited currently has no tax losses available for utilization against future profits.

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

8 EARNINGS PER SHARE

	For the year ended June 30, 2004		
	Income Numerator	**Shares Denominator**	**Per-share Amount**
	$ m		**cents**
Basic earnings per share before cumulative effect of change in accounting principle			
Shares outstanding July 1, 2003		472,364,872	
Weighted average number of shares issued during the year		12,656,094	
Income available to common stockholders	48.9	485,020,966	10.08
Fully diluted earnings per share before cumulative effect of change in accounting principle			
Effect of dilutive securities		2,677,465	
Income available to common stockholders	48.9	487,698,431	10.03
Basic earnings per share			
Shares outstanding July 1, 2003		472,364,872	
Weighted average number of shares issued during the year		12,656,094	
Income available to common stockholders	48.9	485,020,966	10.08
Fully diluted earnings per share			
Effect of dilutive securities		2,677,465	
Income available to common stockholders	48.9	487,698,431	10.03

	For the year ended June 30, 2003		
	Income Numerator	**Shares Denominator**	**Per-share Amount**
	$ m		**cents**
Basic earnings per share before cumulative			

effect of change in accounting principle			
Shares outstanding July 1, 2002		470,522,224	
Weighted average number of shares issued during the year		1,291,882	
Income available to common stockholders	258.3	471,814,106	54.75
Fully diluted earnings per share before cumulative effect of change in accounting principle			
Effect of dilutive securities		3,480,133	
Income available to common stockholders	258.3	475,294,239	54.35
Basic earnings per share			
Shares outstanding July 1, 2002		470,522,224	
Weighted average number of shares issued during the year		1,291,882	
Income available to common stockholders	257.0	471,814,106	54.47
Fully diluted earnings per share			
Effect of dilutive securities		3,480,133	
Income available to common stockholders	257.0	475,294,239	54.07

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

	For the year ended June 30, 2002		
	Income Numerator	**Shares Denominator**	**Per-share Amount**
	$ m		**cents**
Basic earnings per share before cumulative effect of change in accounting principles			
Shares outstanding July 1, 2001		455,836,608	
Weighted average number of shares issued during the year		8,310,069	
Income available to common stockholders	239.1	464,146,677	51.51
Fully diluted earnings per share before cumulative effect of change in accounting principles			
Effect of dilutive securities		4,508,336	
Income available to common stockholders	239.1	468,655,013	51.02

9 RECEIVABLES

	2004	2003
	$ m	$ m
Gold sale trade receivables	31.4	34.7
Other trade receivables	14.0	8.0
Deposits	2.0	
Value added tax	36.4	11.7
Interest receivable	1.6	1.5
Payroll debtors	3.2	2.1
Pre-paid expenses	6.9	4.6
Proceeds outstanding on sale of listed investments		3.0
Debt issuance costs	5.1	
Other	15.8	9.3
	116.4	74.9

10 INVENTORIES

	2004	2003
	$ m	$ m
Ore stockpiles	26.0	38.2
Gold-in-process	5.3	4.3
Consumable stores	32.0	26.2
Mineral rights	0.6	8.1
	63.9	76.8

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

11 PROPERTY, PLANT AND EQUIPMENT

	2004	2003
	$ m	$ m
Mining properties, mine development costs and mine plant facilities	2,579.8	1,962.2
Asset retirement cost	19.5	26.2
Other non-mining assets	206.2	242.6
	2,805.5	2,231.0

Included in the cost of property, plant and equipment is cumulative capitalized interest relating to the Tarkwa mine amounting to $1.7 million (2003 and 2002: $1.7 million).

Depreciation of property, plant and equipment amounted to $198.6 million in 2004 (2003: $188.1 million, 2002: $113.3 million).

12 NON-CURRENT INVESTMENTS

	2004	2003
	$ m	$ m
Listed investments (a)	93.4	61.0
Unlisted investments (b)	32.3	1.9
Amounts contributed to environmental trust fund (c)	52.6	35.3
Equity investees (d)	0.4	1.4
Other investments	1.1	1.4
	179.8	101.0

(a) Listed investments mainly consist of 4,212,137 shares in Western Areas Gold Mining Company valued at $4.28 per share (2003: 4,212,137 shares at $4.51 per share), Nil shares in African Rainbow Minerals Gold Limited (2003: 1,872,700 shares at $9.53 per share), 10,800,000 shares in Sino Gold Limited valued at $1.61 per share (2003: 10,800,000 shares at $1.29 per share), 4,350,000 shares in Mvelaphanda Resources Limited valued at $2.83 per share (2003: Nil shares), 12,344,444 shares in Bolivar Gold Corporation valued at $1.08 per share (2003: Nil shares) 18,000,000 shares in Zijn Mining Group Company Limited valued at $0.34 per share (2003: Nil shares), and Nil shares in Glamis Gold Limited (2003: 88,128 shares at $11.05 per share).

The fair value of listed investments at June 30, 2004 of $93.4 million comprises a cost of $81.9 million and a net unrealized gain of $11.5 million. The net unrealized gain comprises a gross unrealized gain of $23.9 million partly offset by a gross unrealized loss of $12.4 million. The gross unrealized loss of $12.4 million comprises equity investments in listed entities. None of these 15 equity investments have been in a continuous unrealized loss position for more than 12 months. The fair value of these equity investments at June 30, 2004 was $39.3 million. The fair value of listed investments at June 30, 2003 of $61.0 million comprises cost of $36.2 million and a net realized gain of $24.8 million. The net realized gain of $24.8 million comprises a gross unrealized gain of $26.8 million partly offset by a gross unrealized loss of $2.0 million. The gross unrealized loss of $2.0 million comprises equity investments in listed entities. None of these 11 equity investments were in a continuous unrealized loss position for more than 12 months. The fair value of these equity investments at June 30, 2003 was $5.2 million.

(b) Unlisted investments include investments in various unlisted companies in South Africa for which a fair value is not readily determinable. The directors of the Company obtain independent valuations of the investments on an annual basis to ensure that no permanent diminution in the value of the investments has occurred. Unlisted investments mainly consist of preference shares in Mvelaphanda Resources Limited with a cost of $28.6 million (2003: $Nil).

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

(c) The environmental trust fund is an irrevocable trust under the Group s control. The monies in the trust are invested primarily in interest bearing investments. The future realization of this asset is intended to fund environmental rehabilitation obligations of the Group s South African mines. While this asset is under the Company s control, it is not available for the general purposes of the Company. All income from this asset is reinvested or spent to meet these obligations. These obligations are described in note 15, Provision for Environmental Rehabilitation .

(d) Equity investees comprise the following:

		Ownership %		Market value	
Investments	**Description of business**	**2004**	**2003**	**2004**	**2003**
				$ m	**$ m**
Rand Refinery Limited	Refining of gold bullion and by-products	33.1	33.1		

Rand Refinery Limited (Rand Refinery) acts as a sale agent on behalf of the Company s African operations. The market value of the Company s investment in Rand Refinery is not readily determinable. During the years ended June 30, 2004 and 2003, the Company received dividends from Rand Refinery of $0.8 million and $1.9 million, respectively. At June 30, 2004 an amount of $25.2 million was owing from Rand Refinery (2003: $27.7 million).

13 ACCOUNTS PAYABLE AND PROVISIONS

	2004	2003
	$ m	**$ m**
Trade payables	82.1	68.4
Accruals	76.9	26.4
Payroll and other compensation	26.8	25.7
Leave pay provisions	38.5	33.2
Amounts owing under derivative financial instruments	25.4	
Net interest payable on Mvelaphanda loan	17.2	
Foreign levies payable	3.3	4.5
Amounts owing to group companies and trusts not consolidated	3.9	4.9
Other (including provisions)	16.5	21.6
	290.6	184.7

14 LONG-TERM LOANS

	2004	2003

	$ m	**$ m**
Secured		
Mvelaphanda loan agreement (a)	643.2	
Syndicated credit facility (b)		29.5
Two-year term loan facility (c)		12.1
	643.2	41.6
Current portion included in current liabilities		(20.5)
Total long-term loans	643.2	21.1

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

(a) **Mvelaphanda loan agreement**

On March 17, 2004, Mvelaphanda Gold (Proprietary) Limited, a wholly owned subsidiary of Mvelaphanda Resources Limited, advanced an amount of $591.3 million to GFIMSA, (the Mvela Loan). The loan bears interest at a fixed rate of 10.57% nominal annual compounded semi-annually and is guaranteed by Gold Fields, Gold Fields Australia and Gold Fields Guernsey. Interest is payable semi-annually and the loan amount is repayable five years from the date of advance. While the Mvela Loan is outstanding, Gold Fields and any of its material subsidiaries, which is defined as any subsidiary whose gross revenue in the most recently ended financial year represents more than 5% of the consolidated gross revenue of Gold Fields and its subsidiaries, may not, subject to certain exceptions, (i) sell, lease, transfer or otherwise dispose of any assets, (ii) enter into any merger or similar transaction, or (iii) encumber its assets. The Mvela Loan will become immediately due and payable upon the occurrence of any event of default, identified in the contract.

On the date the loan is repaid, Mvelaphanda Gold (Proprietary) Limited is obligated to use the entire proceeds of the loan repayment to subscribe for new shares in GFIMSA such that after the subscription it will own 15% of the enlarged equity of GFIMSA.

In addition, starting one year after the subscription by Mvela Gold of the GFIMSA shares, each of Gold Fields and Mvela Gold will be entitled to require the exchange of Mvela Gold s GFIMSA shares for ordinary shares of Gold Fields of an equivalent value based on an exchange ratio equal to 15% of a discounted cash flow calculation as applied to GFIMSA s operations divided by the same calculation as applied to Gold Fields operations, with certain adjustments. In the event that the parties do not agree on the number of Gold Fields ordinary shares to be issued to Mvela Gold in such exchange, then the exchange ratio will be determined by an independent merchant bank or investment bank appointed by the parties. Mvela Gold is entitled to dispose of the GFIMSA shares and any Gold Fields ordinary shares it may hold only in accordance with the terms of a pre-emptive rights agreement entered into by the parties.

In connection with the Mvela loan, GFI Mining South Africa (Proprietary) Limited entered into two interest rate swaps, an amortizing and an accreting swap. The amortizing swap for $236.2 million and the accreting swap of $355.1 million reflect the profile of the Mvela loan and have been designated as a fair value hedge. The fixed rate receivable on these interest rate swaps is equal to the interest rate payable on the loan from Mvelaphanda Gold (Proprietary) Limited and the floating rate payable is the three month Johannesburg Interbank Agreed Rate, or JIBAR rate plus a margin of 1.025%.

	2004	**2003**
	$ m	**$ m**
Loan advanced	591.3	
Fair value adjustment in relation to interest rate swaps	(13.8)	
Translation	65.7	
Fair value of loan at end of year	643.2	—

The fair value adjustment in relation to the interest rate swaps is calculated using cash flows over the remaining period of the debt discounted at the five year forward curve of the three month JIBAR rate plus a margin of 1.025%.

Long-term debt repayment schedule

The Mvela loan is repayable in full on March 17, 2009.

(b) **Syndicated credit facility**

On November 26, 2001, the Company entered into a syndicated credit facility of $250.0 million. This syndicated facility includes a $160.0 million term loan facility and a $90.0 million revolving credit facility. These two facilities bear interest at LIBOR plus 1.15%.

On November 30, 2001 the full $160.0 million of the term loan and $5.0 million of the revolving credit facility was drawn down. The amounts drawn down were used to fund the acquisition of the St. Ives and Agnew mines.

The term loan facility was repayable in ten equal semi-annual installments over five years, with the first repayment of $16.0 million being made during May 2002. Following the pre-payments of $82.5 million made during fiscal 2003, the outstanding portion of the loan is repayable in seven semi-annual installments of $4.2 million. Interest on this facility is payable at either monthly, three-monthly or six-monthly intervals at the Company s option. The Company has elected to make interest payments at six-monthly intervals.

The revolving credit facility is available through November 2006, with the draw down of $5.0 million repayable on the last day of each period. Interest on this facility is payable at either monthly, three monthly, or six monthly intervals.

The full facility is collateralized by the Company s shares in St. Ives and Agnew. All repayments under the facility have been guaranteed by the Company and several of its subsidiaries. The terms of the facility require the Company to maintain a foreign exchange strategy over the life of the facility to reduce the impact of fluctuations in the Australian dollar/US dollar exchange rate on the cash flows of St. Ives and Agnew.

(c) Two-year term facility

On December 31, 2001, the Company entered into a bilateral two-year term loan and letter of credit facility of $35.0 million and a two-year loan term facility of $15.0 million. These two facilities bear interest at LIBOR plus 0.95%.

On January 23, 2002, the full $35.0 million of the bilateral two-year term loan and letter of credit facility was utilized, $32.9 million to finance the acquisition of 71.1% of Abosso Goldfields Limited, $2.0 million to replace the existing letter of credit for Abosso Goldfields Limited and the remaining $0.1 million for general corporate purposes.

On January 23, 2002, the full $15.0 million of the bilateral two-year term loan facility was utilized. $10.0 million was utilized to refinance existing debt of Abosso and the remaining $5.0 million was utilized for general corporate purposes.

On December 31, 2003 the $33.0 million bilateral two-year term loan was fully repaid in terms of the agreement, and the $2.0 million letter of credit facility terminated on June 30, 2003. During fiscal 2003 $20.9 million was repaid against this loan. The $15.0 million two-year term loan facility was repayable in full on January 23, 2004, but was fully repaid by the end of fiscal 2002. Interest on the two-year $35.0 million term facility is payable at either monthly, three-monthly or six-monthly intervals. The Company has elected to make interest on a monthly basis.

Both facilities have been secured by Gold Fields shares in Abosso Goldfields Limited. All payments under the two facilities have been guaranteed by Gold Fields Limited and several of its subsidiaries.

The Mvela loan is repayable in full on March 17, 2009.

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

15 PROVISION FOR ENVIRONMENTAL REHABILITATION

	2004	2003
	$ m	$ m
Asset retirement obligations		
The following is a reconciliation of the total liability for asset retirement obligations:		
Balance at July 1	99.2	58.8
Revision to estimated cash flows	(6.7)	
Impact of the adoption of SFAS No. 143		20.8
Additions to liabilities		2.8
Liabilities settled on disposal of St. Helena		(4.9)
Liabilities settled	(1.6)	(1.9)
Accretion expense	8.4	5.3
Foreign currency translation adjustment	16.7	18.3
Balance at June 30	116.0	99.2

The Company intends to finance the ultimate rehabilitation costs of the South African operations from the monies invested with the environmental trust fund, ongoing contributions, as well as the proceeds on sale of assets and gold from plant clean-up at the time of mine closure. The Company will finance the ultimate rehabilitation costs of the non-South African operations from funds to be set aside for that purpose.

On a pro forma basis, the liabilities for asset retirement obligations would have been $65.9 million at July 1, 2001 and $79.6 million at June 30, 2002 respectively, had the provisions of SFAS No. 143 been applied at the beginning of fiscal 2002.

The following table presents the pro forma effect on the years ended June 30, 2003 and 2002 as if the change had been in effect for that period.

	2003	2002
	$ m	$ m
Decrease to net income	(3.8)	(0.1)
Provision for environmental rehabilitation	(2.2)	0.8
Depreciation and amortization	(4.2)	(1.1)
Income tax benefit	2.1	0.1
Minority interest	0.5	0.1
Net loss before cumulative effect of change in accounting principles	(3.8)	(0.1)

Basic loss per share before cumulative effect of change in accounting principles (in cents)	(0.81)	(0.01)
Fully diluted earnings per share before cumulative effect of change in accounting principles (in cents)	(0.80)	(0.01)

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

The following table presents pro forma income before cumulative effect of change in accounting principles, pro forma basic earnings per share before cumulative effect of change in accounting principles and pro forma fully diluted earnings per share before cumulative effect of change in accounting principles for the years ended June 30, 2003 and 2002, as if the company had adopted FAS 143 as of July 1, 2000.

	2003	2002
	$ m	$ m
Income before cumulative effect of changes in accounting principle as reported	258.3	239.1
Change in accounting method - SFAS No. 143	(3.8)	(0.1)
Pro forma income before cumulative effect of change in accounting principle	254.5	239.0
Pro forma basic earnings per share before cumulative effect of changes in accounting principle (in cents)	53.9	51.5
Pro forma fully diluted earnings per share before cumulative effect of changes in accounting principle (in cents)	53.5	51.0

The following table represents pro forma net income, pro forma earnings per share, and pro forma fully diluted earnings per share for the years ended June 30, 2003 and 2002, as if the Company had adopted SFAS No. 143 as of July 1, 2001.

	2003	2002
	$ m	$ m
Net income as reported	257.0	239.1
Change in accounting method - SFAS No. 143	(3.8)	(0.1)
Pro forma net income	253.2	239.0
Pro forma basic earnings per share (in cents)	53.7	51.5
Pro forma fully diluted earnings per share (in cents)	52.3	51.0

16 PROVISION FOR POST-RETIREMENT HEALTH CARE COSTS

	2004	2003
	$ m	$ m
Accrued post-retirement health care costs	18.9	23.9

The Group has certain liabilities to subsidize the contributions payable by certain pensioners and dependants of ex-employees on a pay-as-you-go basis. The Group s contributions to these schemes on behalf of current and retired employees amounted to $2.6 million in fiscal 2004 (2003: $3.4 million and 2002: $2.0 million). The obligation has been actuarially valued and the outstanding contributions will be funded over the lifetime of these pensioners and dependants. During fiscal 2004 approximately 6% (2003: approximately 61%) of these pensioners and dependants were bought out of the scheme at a premium of 15%.

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

The following table sets forth the funded status and amounts recognized in the Company s consolidated financial statements for the post-retirement health care costs:

	2004	2003
	$ m	$ m
Actuarial present value	18.9	23.9
Plan assets at fair value		
Accumulated benefit obligation in excess of plan assets	18.9	23.9
Prior service costs		
Unrecognized net (gain)/loss		
Post-retirement health care liability	18.9	23.9

The following is a reconciliation of the benefit obligation:

	2004	2003
	$ m	$ m
Benefit obligation at beginning of year	23.9	44.7
Service cost	1.3	1.5
Interest cost	1.7	4.0
Benefits paid	(0.6)	(3.4)
Benefits forfeited	(2.6)	
Buy out of members during year	(3.9)	(22.3)
Premium on buy out	0.7	3.0
Release of cross subsidy liability following buy out	(6.2)	(13.5)
Foreign currency translation adjustment	4.6	9.9
Benefit obligation at end of year	18.9	23.9

The obligation has been valued using the projected unit credit funding method on past service liabilities. The valuation assumes a health care cost inflation rate of 11% per annum (2003 and 2002: 11%) and a discount rate of 13% per annum (2003 and 2002: 13%).

The net periodic benefit cost is explained as follows:

	2004	2003	2002
	$ m	$ m	$ m

Service cost	1.3	1.5	2.8
Interest cost	1.7	4.0	3.8
Recognized actuarial loss	—	—	—
Net periodic benefit cost	3.0	5.5	6.6

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one percentage point increase in assumed health care cost trend rates would have increased the aggregate of service and interest cost for 2004 by $0.3 million (2003: $0.4 million). The effect of this change on the accumulated post-retirement health care benefit obligation at fiscal year-end 2004 would be an increase of $1.8 million (2003: $2.5 million). A one percentage point decrease in assumed health care cost trend rates would have decreased the aggregate of service and interest cost for 2004 by $0.4 million (2003: $0.4 million).

The effect of this change on the accumulated post-retirement health care benefit obligation at fiscal year-end 2004 would be a decrease of $1.5 million (2003: $2.2 million).

17 EMPLOYEE BENEFIT PLANS

RETIREMENT BENEFITS: The Gold Fields Limited Corporate Pension Fund is a defined benefit scheme, which has 14 active members. Membership to the scheme is closed. The scheme is valued at intervals of not less than three years using the projected unit credit method. This is the only defined benefit scheme in the Group.

The last actuarial valuation was carried out at June 30, 2004 and showed the fund to be under funded by approximately $0.4 million, which has been fully provided for. This scheme is in the process of being wound up. On June 1, 2004, all active members were transferred to the Gold Fields Retirement Fund, a defined contribution scheme. Pensioner members will be transferred from the scheme to a retirement scheme of their choice by June 30, 2005.

Contributions to the various retirement schemes are fully expensed during the year in which they are funded. The cost of providing retirement benefits for the Company s defined contribution plans for the year amounted to $38.7 million (2003: $26.6 million and 2002: $21.7 million).

SHARE OPTION SCHEMES: At the annual general meeting held on November 10, 1999 shareholders approved the adoption of the GF Management Incentive Scheme (New Scheme) to replace the scheme (Old Scheme) in place prior to the down stream merger with Driefontein by the Company on June 1, 1999. As a result of introducing the New Scheme consequent upon the composite transaction, participants transferred to the New Scheme on terms no less favorable to them than those applicable to them in terms of the Old Scheme. The fair value of the awards granted to members of the Old Scheme was included in the determination of the purchase consideration as part of the composite transaction. The New Scheme was introduced to provide an incentive for certain officers and employees of the Group to acquire shares in the Company. In terms of the New Scheme s rules, up to a maximum of 3% of the Company s authorized issued ordinary shares, being 13,451,600 shares, may be offered to eligible Company employees. The exercise price of each ordinary share which is the subject of the option is the weighted average of the middle market price at which the ordinary shares traded on the JSE on the trading day immediately preceding the date on which the Board of Directors grants the options. At the annual general meeting held on October 31, 2001, the shareholders approved an increase in the maximum number of shares to 5% of the Company s issued ordinary shares, as at June 30, 2001 being 22,791,830 shares. For the convenience of the reader, the Rand amounts have been converted to U.S. dollars at the balance sheet rates for the respective fiscal years.

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

Details of the Scheme are as follows:

	Number of options granted	Weighted Average option price	
		Rand	$
Outstanding as of July 1, 2001	8,445,650	21.74	2.70
Granted during the year	1,214,900	70.78	6.81
Exercised and released	(2,685,616)	19.99	1.92
Forfeited	(396,822)	22.72	2.19
Outstanding as of July 1, 2002	6,578,112	31.45	3.03
Granted during the year	3,128,700	89.30	11.46
Exercised and released	(1,842,648)	21.64	2.78
Forfeited	(40,000)	92.95	11.93
Outstanding at July 1, 2003	7,824,164	56.58	7.26
Granted during the year	2,910,900	88.25	14.01
Exercised and released	(1,300,977)	20.83	3.31
Forfeited	(740,248)	74.21	11.78
Outstanding as June 30, 2004	8,693,839	63.52	10.08

In terms of the New Scheme rules, options currently expire no later than seven years from the grant date and vest as follows. Upon the second anniversary of the grant date, a third of the total option grant vests, and then annually upon future anniversaries of the grant date, a further third of the total option grant vests. Proceeds received by the Company from the exercise of options are credited to common stock and additional paid-in capital. The options exercisable on June 30, 2004, 2003 and 2002 were 3,376,816, 1,599,202, and 2,533,531 respectively. The range of exercise prices for options outstanding at June 30, 2004 was R13.55 to R154.65. The range of exercise prices for options is wide primarily due to the fluctuation of the price of the Company s stock over the period of the grants.

On March 20, 2002, the vesting of options granted to an employee at prices between R22.97 and R46.23 were accelerated to vest as at July 1, 2002. These options have been marked to market with reference to the difference between the grant price and the Company stock price at June 30, 2002, with the difference recognized in earnings as stock compensation expense.

Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

The following tables summarize information relating to the options outstanding under the New Scheme as of June 30, 2004: (Tables are denominated in South African Rands where applicable).

				Outstanding options Weighted average		
			Number of	Contractual life (in years)	Exercise price	
	Rand	**$**	**options**		**Rand**	**$**
Range of prices	13.55 14.19	2.15-2.25	603,868	0.98	14.05	2.23
	19.47-23.60	3.09-3.75	624,328	2.49	21.57	3.42
	25.67-29.45	4.07-4.67	1,308,168	2.53	25.93	4.12
	36.07-57.50	5.73-9.13	1,123,335	4.39	45.62	7.24
	57.51-73.29	9.13-11.63	81,000	6.84	70.25	11.15
	73.80-84.17	11.71-13.37	3,049,440	5.99	83.38	13.23
	84.59-119.90	13.43-19.03	1,612,600	5.90	96.03	15.24
	125.37-154.65	19.90-24.55	291,100	4.97	141.02	22.38
Total			8,693,839	4.62	64.73	10.27

				Exercisable options	
	Rand	**$**	**Number of options**	**Weighted average exercise price Rand**	**Weighted average exercise price $**
Range of prices	13.55-14.19	2.15-2.25	603,853	14.05	2.23
	19.47-23.60	3.09-3.75	606,928	21.67	3.44
	25.67-29.45	4.07-4.67	1,393,434	25.82	4.10
	36.07-57.50	5.73-9.13	535,901	45.92	7.29
	84.50-119.90	13.41-19.03	186,100	100.93	16.02
	125.37-154.65	19.90-24.55	50,600	154.65	24.55

Total			3,376,816	32.23	5.12

These options will expire if not exercised at specific dates ranging from June 17, 2005 to May 31, 2011. Market prices of shares for which options were exercised during the fiscal years ended June 30, 2004 and 2003 ranged from R66.00 to R153.50.

At the annual general meeting held on October 31, 2001, shareholders approved the adoption of the GF Non-Executive Director Share Plan (the Plan). The Plan was introduced to provide an incentive for non-executive directors of the Company to acquire shares in the Company. In terms of the Plan s rules, up to a maximum of 0.5% of the Company s authorized issued ordinary shares as at June 30, 2001, being 2,279,183 shares may be offered to non-executive directors.

Under the Plan, the aggregate number of ordinary shares acquired by any one participant cannot exceed 0.1% of the issued share capital from time to time without the approval of the shareholders in a general meeting and the JSE. The exercise price of each ordinary share which is the subject of an option is the weighted average price of the ordinary shares on the JSE on the day immediately preceding the date on which the Non-Executive Directors Remuneration Committee resolves to grant the option.

Under the Plan, all options granted may only be exercised no less than twelve months and no more than five years after the date on which the option was accepted by the participant. Should a participant cease to hold office for any reason, he will be entitled within thirty days to exercise those share options which he was entitled to exercise immediately prior to his ceasing to hold office, failing which the options shall automatically lapse. For the convenience of the reader, Rand amounts have been converted to U.S. dollars at the balance sheet rates for the respective fiscal years.

Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

Details of the Plan are as follows:

	Number of options granted	Average option price	
		Rand	$
Outstanding as of October 31, 2001	145,000	43.70	5.61
Granted during the year			
Exercised and released			
Outstanding as of June 30, 2002	145,000	43.70	5.61
Granted during the year	87,000	110.03	14.12
Exercised and released	(10,000)	43.70	5.61
Outstanding as of June 30, 2003	222,000	69.69	8.95
Granted during the year	100,000	88.38	14.03
Exercised and released	(19,000)	43.70	6.94
Outstanding as June 30, 2004	303,000	77.49	12.30

The following tables summarize information relating to options outstanding under the Plan as of June 30, 2004. (Tables are denoted in South African Rand where applicable)

			Outstanding options Weighted average			
				Contractual life (in years)	Exercise price	
	Rand	$	Number of options		Rand	$
Range of prices	43.70-65.55	6.94-10.40	116,000	2.34	43.70	6.94
	88.38-110.03	14.03-17.47	187,000	3.96	98.45	15.63

Total			303,000	3.34	77.49	12.30

				Exercisable options Weighted average		
				Contractual	Exercise price	
	Rand	$	Number of options	life (in years)	Rand	$
Range of prices	43.70-65.55	6.94-10.40	116,000	2.34	43.70	6.94
	88.38-110.03	14.03-17.47	87,000	3.45	110.03	17.47
Total			203,000	2.82	72.13	11.45

These options will expire if not exercised at specific dates ranging from 1 November 2006 to 20 November 2008. Market prices of shares for which options were exercised during the fiscal years ended June 30, 2004 and 2003 ranged from R100.00 to R129.10.

18 DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE AND CREDIT RISK OF FINANCIAL INSTRUMENTS

Risk management activities

In the normal course of its operations, the group is exposed to commodity price, currency, interest rate, liquidity and credit risk. In order to manage these risks, the group has developed a comprehensive risk management process to facilitate control and monitoring of these risks. General corporate hedging unrelated to any specific project is not routinely undertaken. The Group does not hedge its exposure to gold price fluctuation risk and sells at market spot prices, except when specifically required by financing arrangements, to protect cash flows on a project specific basis and to safeguard the viability of higher cost operations.

Concentration of credit risk

The Group s financial instruments do not represent a concentration of credit risk as the Group deals with a number of major banks. Accounts receivable are regularly monitored and assessed and where necessary an adequate level of provision is maintained.

A formal process of allocating counterparty exposure and prudential limits is applied under the supervision of the Group s executive committee.

No margin facilities are engaged.

Foreign currency and commodity price risk

In the normal course of business the Group enters into transactions for the sale of its gold, denominated in U.S. dollars. In addition, the Group has assets and liabilities in a number of different currencies (primarily U.S. dollars and Australian dollars). As a result, the Group is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates.

Prior to fiscal 2002 the Group did not hedge its exposure to foreign currency exchange rates. During fiscal 2002, this policy was amended and the Group entered into foreign currency forward sales and zero cost collars relating to its Australian and South African operations. During fiscal 2003, the Group entered into Rand/U.S. dollar purchase contracts to hedge the Group s commitment in respect of the Tarkwa mill and owner mining projects. This contract matured on June 3, 2004 and was rolled forward to December 3, 2004. On January 7, 2004, the Australian instruments were closed in U.S. dollars and subsequent to this on May 7, 2004, the future U.S. dollar values were fixed in Australian dollars. On January 7, 2004 a strip of Australian dollar/U.S. dollar call options were purchased in order to participate in any further Australian dollar appreciation. These instruments were not designated as hedges and accordingly, gains and losses are recognized in earnings.

Interest rate and liquidity risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk. The Group entered into an interest rate swap in connection with the Mvelaphanda Resources transaction.

Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

In the ordinary course of business, the Group receives cash proceeds from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure surplus funds are invested to maximize returns while ensuring that capital is safeguarded to the maximum extent possible by investing only with top financial institutions.

Substantial contractual arrangements for uncommitted borrowing facilities are maintained with several banking counterparties to meet the Group s normal contingency funding requirements.

Fair value

The fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The carrying amounts of receivables, accounts payable and cash and cash equivalents are a reasonable estimate of their fair values due to the short-term maturity of such instruments. The investments in the environmental trust fund approximate fair value, as the monies are invested in short-term maturity investments. The listed investments are carried at market value. Long-term loans approximate fair value, as they are subject to market based floating rates.

Derivative contracts as at June 30, 2004

Foreign currency contracts

The following tables summarize the foreign currency contracts held by the Company as at June 30, 2004:

(a) A$/$ currency contracts

	Call options	
Various maturity dates in fiscal years ending	$m Notional	A$1=$ Strike price
June 30, 2005	87.5	0.7670
June 30, 2006	100.0	0.7670
June 30, 2007	75.0	0.7670
	262.5	0.7670

(b) $/ZAR currency contracts

Forward sales	
$m	ZAR1 = $

Maturity date	Notional	Strike price
December 3, 2004	50.0	0.1506

The mark-to-market value of these contracts amounted to $1.7 million at June 30, 2004, which value is based on the prevailing interest rates and volatility at the time.

Interest rate swap contracts

In terms of the Mvelaphanda loan, GFI Mining South Africa (Proprietary) Limited pays Mvelaphanda Gold (Proprietary) Limited interest on the Rand denominated Mvela loan at a fixed rate, semi-annually. The interest rate was fixed with reference to the 5 year ZAR swap rate, at 9.6179% nominal annual compounded semi-annually plus a margin of 0.95%. GFI Mining South Africa (Proprietary) Limited simultaneously entered into interest rate swap agreements converting the fixed interest rate exposure to a floating rate. In terms of the swap, GFI Mining South Africa (Proprietary) Limited is now exposed to the 3 month JIBAR rate plus a margin of 1.025%.

The marked-to-market value of the interest rate swap was a loss of $13.8 million at June 30, 2004, to which hedge accounting has been applied. In terms of hedge accounting, the liability that exists in the balance sheet is decreased by the $13.8 million. The mark-to-market value was based on the prevailing interest rates at the time.

Derivative contracts as at June 30, 2003

Foreign currency contracts

(a) A$/$ currency contracts

	Zero cost collars			Forward sales	
Various maturity dates in fiscal years ending	$m	A$1=$ Average downside protection	A$1=$ Average upside benefit cap	$m	A$1=$ Strike price
June 30, 2004				37.5	0.49339
June 30, 2005	37.5	0.51905	0.42885	50.0	0.49339
June 30, 2006	50.0	0.51905	0.42885	50.0	0.49339
June 30, 2007	37.5	0.51905	0.42885	37.5	0.49339
	125.0	0.51905	0.42885	175.0	0.49339

The zero cost collars which are held with two counterparties for half of the respective total amounts disclosed above respectively, work as follows as at June 30, 2003 and 2002:

With counterparty one

If the U.S. dollar/Australian dollar exchange rate is $0.51820 per A$1.00 or more at the end of the relevant quarter, the Company will receive Australian dollars from the counterparty at an exchange rate of $0.51820 per A$1.00.

If the U.S. dollar/ Australian dollar exchange rate at the end of the relevant quarter is less than $0.51820 per A $1.00 and greater than $0.42820 per A $1.00, the Company will not receive or sell any Australian dollars pursuant to this arrangement.

If the exchange rate is $0.42820 or less per A$ 1.00 at any time during the relevant quarter, the Company is obligated to sell U.S dollars for Australian dollars to the counterparty at an exchange rate of $0.50320 per A $1.00 regardless of the exchange rate at the end of the relevant quarter. This is referred to as a knock-in feature.

With counterparty two

If the U.S dollar/Australian dollar exchange rate is $.051990 per A$1.00 or more at the end of the relevant quarter, the Company will receive Australian dollars at an exchange rate of $0.51990 per A $1.00 from the counterparty.

If the U.S dollar/Australian dollar exchange rate at the end of the relevant quarter is less than $0.51990 per A $1.00 and greater than $0.42950 per A$1.00, the Company will not receive or sell any Australian dollars pursuant to this arrangement.

If the exchange rate is $0.42950 or less per A $1.00 at any time during the relevant quarter, the Company is obliged to sell U.S. dollars for Australian dollars to the counterparty at an exchange rate of $0.50490 per A $1.00 regardless of the exchange rate at the end of the relevant quarter. This is referred to as a knock-in feature.

Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

(b) $/ZAR currency contracts

	Forward sales	
Maturity date	**$ m**	**ZAR1=$**
June 3, 2004	36.0	0.1145

The mark-to-market value of these contracts amounted to a positive $67.7 million at June 30, 2003, which value is based on quotes from brokers.

19 ADDITIONAL CASH FLOW INFORMATION

(a) Supplemental cash flow disclosures

The income and mining taxes paid in the statement of cash flow represents actual cash paid.

The following amounts of interest paid were included in net cash provided by operating activities:

	Years ended June 30,		
	2004	**2003**	**2002**
	$ m	**$ m**	**$ m**
Interest paid	27.2	4.8	5.2

b) Non cash-items

Excluded from the statements of cash flows are the following:

i) **For the year ended June 30, 2004**

The $17.4 million loss on mark-to-market of listed investments.

ii) **For the year ended June 30, 2003**

The $3.4 million loss on mark-to-market of listed investments

iii) **For the year ended June 30, 2002**

The $53.1 million ordinary shares issued as part of the St. Ives and Agnew assets acquisition

The $20.6 million gain on mark-to-market of listed investments

c) Acquisitions of subsidiaries

Minority shareholders interest in Arctic Platinum

With effect from September 4, 2003, the Group acquired the minority shareholders interest in Artic Platinum.

Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

	Years ended June 30,		
	2004	**2003**	**2002**
	$ m	**$ m**	**$ m**
St Ives and Agnew mines			
With effect from November 30, 2001, the Group purchased the St. Ives and Agnew mines in Australia. The aggregate fair value of the assets acquired and the liabilities assumed were as follows:			
Fixed assets			221.8
Inventory			30.6
Accounts receivable			10.5
Long-term provisions			(13.2)
Accounts payable			(16.6)
Net assets purchased			233.1
Paid for by the issue of share capital			(53.1)
Paid for by cash			(180.0)
Cash and cash equivalents at acquisition			
Abosso Goldfields Limited			
With effect from January 23, 2002, the Group purchased the Abosso Goldfields Limited in Ghana. The aggregate fair value of the assets acquired and the liabilities assumed were as follows:			
Fixed assets			22.3
Inventory			17.0
Accounts receivable			13.0
Deferred taxation			16.1
Long-term provisions			(5.3)
Accounts payable			(21.8)
Net assets purchased			41.3

Outside shareholders interest			(8.4)
Paid for by cash			(32.9)
Cash and cash equivalents at acquisition			
Total cash paid for subsidiaries			(212.9)

Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

	Years ended June 30,		
	2004	**2003**	**2002**
	$ m	**$ m**	**$ m**
d) Disposal of St. Helena			
With effect from October 30, 2002, the Group disposed of the assets and liabilities of St. Helena to Freegold. The aggregate fair value of the assets and liabilities disposed of were as follows:			
Property, plant and equipment		0.2	
Inventory		0.1	
Environmental rehabilitation provision		(4.9)	
Environmental rehabilitation investment		3.1	
Net liabilities disposed of		(1.5)	
Profit on disposal of St. Helena		13.4	
Payment received in cash		11.9	

20 COMMITMENTS

	2004	**2003**
	$ m	**$ m**
Capital expenditure		
Authorized	520.7	607.6
Contracted for	57.5	34.5
Other guarantees	44.0	23.2

Guarantees consist of $19.1 million committed to guarantee Gold Fields environmental obligations with respect to its Ghanaian and Australian operations, $23.8 million to the Public Investment Commissioners (PIC) with regard to the Mvela loan and $1.1 million for numerous other obligations.

Under the PIC agreement, the Company has effectively guaranteed a loan of R150 million ($23.8 million) made by the PIC to certain lenders to Mvela, at an interest rate of 14.25%. Under the terms of the agreement, the PIC has the right to require the Company to assume all its rights and obligations under this loan together with its underlying security. The PIC is obliged to pay the Company a guarantee fee equal to 3.75% per annum on the date the loan is repaid.

Commitments will be funded from internal cash resources and borrowings as necessary.

Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

21 CONTINGENT LIABILITIES

World Gold Council

The Company is a member of the World Gold Council (WGC). In terms of the membership agreement, all members are responsible for certain costs, including core costs on a three year rolling basis, winding up costs, if applicable and various other contingent liabilities. Apportionment of certain liabilities, should they arise, is done proportionate to the members production relative to the total production of all members. To date no claims have been made of the Company.

Occupational health care

Occupational health care services are made available by Gold Fields to employees from its existing facilities. There is a risk that the cost of providing services could increase in the future depending upon changes in the nature of underlying legislation and the profile of employees. This increased cost, should it transpire, is currently indeterminate. The Company is monitoring developments in this regard.

22 LINES OF CREDIT

The Group had unused lines of credit available amounting to $90.0 million at June 30, 2004 (2003: $90.0 million). A commitment fee of 0.575% is payable quarterly on the unused amount.

23 RELATED PARTY TRANSACTIONS

Pro-Drilling & Mining (Proprietary) Limited

One of the Company s executive committee members sits on the board of and owns 50% of Pro-Drilling & Mining (Proprietary) Limited (Pro-Drilling) a privately owned drilling company. Pro-Drilling provides diamond drilling and core recovery services at the Driefontein operation pursuant to a contract which is valid until terminated by either party with one month s written notice. The Company paid Pro-Drilling $0.3 million, $0.2 million and $0.1 million for the years ended June 30, 2004, 2003 and 2002, respectively.

Mvelaphanda Resources Limited

Two of the Company s non-executive directors, are the executive chairman and a director of Mvelaphanda Resources Limited (Mvela) respectively. Mvela is a broad based black economic empowerment consortium.

On July 10, 2002, the Company announced that it had granted Mvela participation rights, varying between a minimum of 5% and a maximum of 15% in any new Gold Fields precious metals exploration projects in Africa, beginning March 1, 2002. In consideration for the transaction Mvela will issue the Company with options to subscribe in tranches for ordinary shares issued by Mvela, in Mvela at a 10% premium to the five day weighted average trading price on the JSE. Mvela initially issued the Company with options to subscribe for ordinary shares with a value of R10 million ($1 million). As at June 30, 2004 Mvela had issued the Company options to subscribe for ordinary shares with a value of R2.8 million ($0.4 million), of which the Company had subscribed for RNil

($Nil million) of the ordinary shares.

Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

The transaction with Mvela to acquire a 15% beneficial interest in the Company s South African mining operations for a total cash consideration of R4.1 billion ($591.3 million) became effective on March 15, 2004. The Company has provided Mvela with vendor financing of R300 million ($47.6 million) comprising R200 million of preference shares and R100 million of ordinary shares on commercial terms in connection with the transaction.

Rand Refinery

Rand Refinery, in which the Company holds a 33.1% interest, has an agreement with the Company whereby it refines all the Company s South African and Ghanaian operations gold production. The Company s chief financial officer is currently a director of Rand Refinery and has held his directorship of Rand Refinery since July 10, 2000. The Company paid Rand Refinery $3.40 million, $1.73 million, and $1.58 million in refining fees for the years ended June 30, 2004, 2003 and 2002 respectively. Refer to note 12 Non-current Investments for amounts owing by Rand Refinery to the Company as at June 30, 2004 and 2003, and the dividends received from Rand Refinery for the years ended June 30, 2004, 2003 and 2002 respectively.

On November 21, 2000, GFL Mining Services Limited (GFLMS) entered into an agreement with Rand Refinery in terms of which GFLMS acts as an agent for Rand Refinery with regard to the sale of a maximum of 50% of Gold Fields South African gold production. In June 1, 2004, GFLMS exercised its right, by giving notice to Rand Refinery, to sell all of Gold Fields South African gold production with effect from October 1, 2004. Gold Fields Ghana Limited and Abosso Goldfields Limited also have had agreements with Rand Refinery since March 2002 to transport, refine and sell substantially all of the gold production from the Tarkwa and Damang mines.

24 SUBSEQUENT EVENTS

Proposed IAMGold Transaction

On September 30, 2004, Gold Fields, Gold Fields Ghana Holdings Limited, Gold Fields Guernsey and IAMGold signed a definitive agreement pursuant to which, subject to, among other things, certain conditions precedent, all assets owned by Gold Fields subsidiaries and located outside the Southern African Development Community would be transferred to IAMGold in exchange for the issuance to Gold Fields or its subsidiaries of common shares of IAMGold which will result in Gold Fields owning, directly or indirectly, approximately 70% of the fully diluted equity of the enlarged company. In addition, immediately before completion, IAMGold shareholders registered as such on a record date, which will be a date shortly before completion, will receive a special cash dividend of C$0.50 per IAMGold share. Final approval of this transaction is subject to approval by the Gold Fields shareholders at an extraordinary shareholders meeting scheduled for December 7, 2004. For financial reporting purposes, the IAMGold transaction will be treated as an acquisition of IAMGold and this enlarged entity will become a subsidiary of the Company.

Harmony Offer

On October 18, 2004, Harmony announced an unsolicited and hostile tender offer to acquire the entire issued share capital of Gold Fields. Harmony has structured the tender offer to occur in two steps. The first step consists of an early settlement offer in which Harmony has offered to acquire up to 34.9% of the outstanding Gold Fields ordinary shares (including ordinary shares in the form of American Depositary Shares, or ADSs). In the early settlement offer, Harmony has offered to exchange 1.275 new Harmony Shares or ADSs, for every Gold Fields ordinary share or ADS, respectively.

Harmony has stated in its registration statement with the U.S. Securities and Exchange Commission that there are only two conditions to the early settlement offer. The first condition is that the issuance of new Harmony ordinary shares and ADSs upon closing of the early settlement offer shall have been duly approved by Harmony s shareholders at an extraordinary general meeting to be held for that purpose. The second condition is that the Form F-4 registration statement be declared effective by the SEC. On November 19, 2004, Harmony had publicly announced that both conditions had been met. The early settlement offer is stated to close on November 26, 2004.

As disclosed in Harmony s registration statement, it has irrevocably committed to commence a subsequent offer immediately after the completion of the early settlement offer. Harmony has stated that the subsequent offer will be made on the same terms as the early settlement offer, but will be subject to certain different conditions, including:

the proposed IAMGold transaction not being implemented for whatever reason;

Harmony receiving acceptances of the subsequent offer from Gold Fields shareholders holding in excess of 50% of the entire issued share capital of Gold Fields, including those Gold Fields ordinary shares and ADSs settled by Harmony under the early settlement offer and those Gold Fields ordinary shares in respect of which Norilsk has irrevocably undertaken to accept the subsequent offer;

the proposed IAMGold transaction not being implemented for whatever reason;

the proposed acquisition of Gold Fields being approved by the relevant competition authorities;

the approval of all regulatory authorities whose approval is required for the implementation of the further offers.

Mvelaphanda Transaction

On November 17, 2004, GFL Mining Services Limited, Mvela Gold, Mvela Resources and GFIMSA entered into a series of agreements to amend the existing terms of the Mvela Loan Transaction, including the Mvela Loan Agreement (including a second addendum) and Covenant Agreement relating to certain impacts from the proposed IAMGold transaction.

Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

25 GEOGRAPHICAL AND SEGMENT INFORMATION

Gold Fields is primarily involved in gold mining, exploration and related activities. Activities are conducted and investments held both inside and outside of South Africa.

The segment results have been prepared and presented in accordance with South African GAAP (SA GAAP) and reconciled to US GAAP, as SA GAAP information is what the Company s chief operating decision maker reviews in allocating resources and making investment decisions. The Company s gold mining operations are managed and internally reported based upon the following geographic areas: the Driefontein division, the Kloof Division, the Free State Beatrix and Free State St. Helena (until its disposal on October 30, 2002), in Ghana the Tarkwa and Damang mines and Australia. The Group also has exploration interests which are included in the Corporate and other segment. Corporate costs are allocated between segments based upon the time spent on each segment by members of the executive team.

	Fiscal year ended June 30, 2004								
	Driefontein Division South Africa	**Kloof Division South Africa**	**Beatrix South Africa**	**Tarkwa Ghana**	**Damang Ghana**	**Australia**	**Corporate and other**	**Reconciling items**	**Group consolidated**
Statement of operations									
Revenue	440.4	400.9	241.4	213.2	120.0	290.3			1,706.2
Operating costs [1]	(370.8)	(367.8)	(229.9)	(126.6)	(66.7)	(202.1)		(20.9)	(1,384.8)
Gold inventory change [2]					(0.2)	(6.6)		(0.3)	(7.1)
Operating profit	**69.6**	**33.1**	**11.5**	**86.6**	**53.1**	**81.6**		**(21.2)**	**314.3**
Amortization and depreciation	(33.8)	(36.0)	(12.3)	(14.6)	(8.1)	(60.1)	(14.3)	(19.4)	(198.6)
Net operating profit/(loss)	**35.8**	**(2.9)**	**(0.8)**	**72.0**	**45.0**	**21.5**	**(14.3)**	**(40.6)**	**115.7**
Exploration expenditure							(28.5)	(11.4)	(39.9)
Impairment Beatrix Shaft No. 4			(61.8)						(61.8)
Other items as detailed in the statement of operations	16.3	(8.8)	(8.6)	0.8		43.9	32.1	(7.1)	68.5

Current taxation	(2.1)	(0.7)	(0.7)	(8.1)	(4.7)	(7.1)	(6.5)		(29.9)
Deferred taxation	13.3	13.2	20.5	(21.3)	(5.6)	(14.1)	15.2	(3.1)	18.1
Profit/(loss) after taxation	**63.3**	**0.8**	**(51.4)**	**43.4**	**34.7**	**44.2**	**(2.0)**	**(62.3)**	**70.7**

Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

	Fiscal year ended June 30, 2004								
	Driefontein Division South Africa	**Kloof Division South Africa**	**Free State Beatrix South Africa**	**Tarkwa Ghana**	**Damang Ghana**	**Australia**	**Corporate and other**	**Reconciling items**	**Group consolidated**
Balance sheet									
Total assets	502.4	519.7	207.6	245.0	79.0	502.8	1,626.6	288.6	3,971.7
Total liabilities (excluding deferred taxation and minority shareholders interest)	173.6	190.1	125.8	36.1	15.7	82.8	51.4	407.4	1,082.9
Deferred tax liability/(asset)	170.8	161.6	(34.8)	61.6	0.2	59.7	110.4	239.5	769.0
Capital expenditure net	(11.1)	49.9	42.6	136.9	3.2	116.0	23.2	(11.4)	395.0

(1) Operating costs under S.A. GAAP includes: Corporate expenditure $20.3 million, Environmental rehabilitation $8.4 million and Employment termination costs $10.5 million, which are not included in production costs under U.S. GAAP. In addition, gold inventory change is included in production costs under U.S. GAAP.

(2) Reflects the change in quantity and value of broken ore and ore on the heap leach pad during the financial year.

Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

	Fiscal year ended June 30, 2002									
	Driefontein Division South Africa	Kloof Division South Africa	Free State Beatrix South Africa	Free State St. Helena South Africa	Tarkwa Ghana	Damang Ghana	Australia	Corporate and other	Reconciling items	Group consolidated
Statement of operations										
Revenue	372.2	290.1	187.8	32.9	152.7	45.7	135.0		(6.4)	1,210.0
Operating costs[1]	(218.5)	(189.4)	(116.0)	(29.8)	(99.6)	(28.6)	(77.8)		(2.5)	(762.2)
Gold inventory change[2]	3.7	(0.4)			10.2	(0.7)	(5.6)		9.2	17.2
Operating profit	**157.4**	**101.1**	**71.8**	**3.1**	**63.3**	**16.4**	**51.6**		**0.3**	**465.0**
Amortization and depreciation	(22.2)	(12.5)	(7.4)		(14.1)	(3.4)	(25.6)	(9.8)	(18.3)	(113.3)
Net operating profit/(loss)	**135.2**	**88.6**	**64.4**	**3.1**	**49.2**	**13.0**	**26.0**	**(9.8)**	**(18.0)**	**351.7**
Exploration expenditure								(9.0)	(7.5)	(16.5)
Other items as detailed in the statement of operations	(1.4)	0.6	0.8	1.9	0.8	(2.1)	54.1	14.2	(5.7)	63.2
Current taxation	(40.1)	(22.6)			(5.7)	(1.1)	(3.1)	(1.5)		(74.1)
Deferred taxation	(8.6)	(8.1)	2.5		(11.4)	(1.0)	(23.0)	4.5	(27.9)	(73.0)
Profit after taxation	**85.1**	**58.5**	**67.7**	**5.0**	**32.9**	**8.8**	**54.0**	**(1.6)**	**(59.1)**	**251.3**
Balance sheet										
Total assets	286.1	329.6	169.0	8.0	133.3	30.2	351.6	652.6	250.8	2,211.2
Total liabilities (excluding deferred taxation and minority shareholders interest)	84.8	62.0	23.9	9.4	29.1	21.4	177.4	70.6	4.6	483.2
Deferred tax liability/(asset)	123.4	124.1	(2.5)		22.7	(12.6)	23.2	81.3	88.6	448.2

Capital expenditure net	46.1	32.7	20.9	0.2	7.8	0.5	34.3	1.4		143.9

(1) Operating costs under S.A. GAAP includes: Corporate expenditure $12.3 million, Environmental rehabilitation $4.7 million, Management costs $11.6 million and Employment termination cost $6.4 million, which are not included in Production costs under U.S. GAAP. In addition, gold inventory charge is included in Production costs under U.S. GAAP

(2) Reflects the change in quantity and value of broken ore and ore on the heap leach pad during the financial year

Gold Fields Limited

Notes to the Consolidated Financial Statements

($ in millions unless otherwise noted)

	Fiscal year ended June 30, 2003									
	Driefontein Division South Africa	Kloof Division South Africa	Free State Beatrix South Africa	Free State St. Helena South Africa	Tarkwa Ghana	Damang Ghana	Australia	Corporate and other	Reconciling items	Group consolidated
Statement of operations										
Revenue	420.2	380.1	217.6	16.0	179.4	99.5	219.0		6.4	1,538.2
Operating costs[1]	(267.2)	(257.1)	(158.7)	(12.9)	(103.7)	(70.4)	(139)		(31.9)	(1,041.1)
Gold inventory change[2]	(4.2)	(0.5)			(1.8)	(1.1)	6.5		1.5	0.4
Operating profit	**148.8**	**122.5**	**58.7**	**3.1**	**73.9**	**28.0**	**86.5**		**(24.0)**	**497.5**
Amortization and depreciation	(25.0)	(24.4)	(9.4)		(15.6)	(7.1)	(56.2)	(10.1)	(40.3)	(188.1)
Net operating profit/(loss)	**123.8**	**98.1**	**49.3**	**3.1**	**58.3**	**20.9**	**30.3**	**(10.1)**	**(64.3)**	**309.4**
Exploration expenditure								(23.4)	(6.2)	(29.6)
Other items as detailed in the statement of operations	(2.9)	(0.1)	(0.3)	14.6	0.6	4.3	52.6	71.2	(13.3)	126.7
Current taxation	(30.2)	(25.9)	(0.6)	(3.0)	(6.7)	(3.6)	(5.7)	(4.6)		(80.3)
Deferred taxation	(10.6)	(5.8)	(19.9)		(17.6)	(7.3)	(14.7)	6.0	16.4	(53.5)
Profit after taxation	**80.1**	**66.3**	**28.5**	**14.7**	**34.6**	**14.3**	**62.5**	**39.1**	**(67.4)**	**272.7**

Balance sheet

Total assets	427.0	449.2	259.8	2.4	162.0	41.3	399.2	726.1	259.8	2,726.8
Total liabilities (excluding deferred taxation and minority shareholders interest)	104.2	67.5	26.8	3.9	29.5	15.7	76.0	58.2	19.6	401.4
Deferred tax liability/(asset)	176.9	172.4	19.9		40.3	(5.4)	43.4	101.8	98.0	647.3
Capital expenditure net	73.5	53.9	48.0		26.6	1.8	80.8	7.7		292.3

(1) Operating cost under S.A. GAAP includes: Corporate expenditure $16.6 million, Environmental rehabilitation $5.3 million and Employment termination costs $3.8 million, which are not included in Production costs under U.S. GAAP. In addition, gold inventory charge is included in Production costs under U.S. GAAP

(2) Reflects the change in quantity and value of broken ore and ore on the heap leach pad during the financial year

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

The following provides a breakdown of the reconciling items for each line item presented.

		2004	**2003**	**2002**
		$ m	**$ m**	**$ m**
Revenue				
Revenue recognition	(i)		6.4	(6.4)
			6.4	**(6.4)**
Operating costs				
On-mine exploration	(j)	(14.6)	(22.3)	
Provision for rehabilitation	(l)		(0.6)	(2.5)
Revenue recognition	(i)		(6.4)	
Deferred stripping	(o)	(6.3)	(2.6)	
		(20.9)	**(31.9)**	**(2.5)**
Gold inventory				
Revenue recognition	(i)			6.2
Amortization of reserves, inclusion of future costs	(g)(h)		4.1	3.0
Inventory at net realizable value	(q)	(0.3)	(2.6)	
		(0.3)	**1.5**	**9.2**
Amortization and depreciation				
Business combination formation of Original Gold Fields	(a)	(20.3)	(19.9)	(13.9)
Business combination formation of Gold Fields	(b)	(3.6)	(2.7)	(2.4)
Business combination purchase of St. Ives and Agnew	(c)	2.6	3.4	1.6
Business combination purchase of Abosso	(d)	0.4	1.3	1.6
Amortization of reserves	(g)	(3.3)	(21.0)	(8.5)
Amortization inclusion of future costs	(h)	6.3	(0.9)	2.4
Provision for rehabilitation	(l)	(1.5)	(0.5)	0.9

		(19.4)	**(40.3)**	**(18.3)**
Exploration expenditure				
Exploration costs	(j)	(11.4)	(6.2)	(7.5)
		(11.4)	**(6.2)**	**(7.5)**
Other items as detailed in the statement of operations				
Post-retirement medical benefits	(n)	4.5	12.0	(2.8)
Financial instruments	(p)			0.7
Provision for rehabilitation	(l)			1.2
Stock compensation	(k)			(4.8)
Investments in affiliates	(m)		4.3	
Impairment of Agnew	(r)		(29.6)	
Impairment of assets	(f)	(10.9)		
Mvelaphanda transaction interest paid	(s)	(12.4)		
Mvelaphanda transaction fair value hedge accounting	(s)	11.7		
		(7.1)	**(13.3)**	**(5.7)**

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

		2004	2003	2002
		$ m	**$ m**	**$ m**
Total liabilities excluding minority interests and shareholders interests				
Provision for rehabilitation	(l)	2.4	10.0	(13.2)
Post-retirement medical benefits	(n)	9.7	9.6	17.8
Mvelaphanda transaction debt issuance cost	(s)	5.1		
Mvelaphanda transaction fair value hedge accounting	(s)	(11.0)		
Mvelaphanda transaction classification of instrument	(s)	389.5		
Mvelaphanda transaction interest paid	(s)	11.7		
		407.4	**19.6**	**4.6**
Total assets				
Business combination formation of Original Gold Fields	(a)	55.9	62.0	60.4
Business combination formation of Gold Fields	(b)	69.8	63.6	48.7
Business combination purchase of St. Ives and Agnew	(c)	(11.5)	(11.5)	(11.2)
Business combination purchase of Abosso	(d)	(0.6)	3.0	1.1
Business combination acquired tax losses	(e)	(10.5)	(9.6)	(7.2)
Mvelaphanda transaction debt insurance costs	(s)	5.1		
Impairment of assets	(f)	345.2	299.3	224.5
Amortization of reserves	(g)	(38.5)	(28.5)	(5.5)
Amortization inclusion of future costs	(h)	8.1	2.1	2.4
Revenue recognition	(i)			0.1
Exploration costs	(j)	(78.2)	(80.9)	(14.8)
Provision for rehabilitation	(l)	(11.8)	(0.8)	(19.5)
Investments in affiliates	(m)			(28.2)
Deferred stripping	(o)	(9.2)	(3.0)	
Inventory at net realizable value	(q)	0.3	(1.5)	
Impairment of Agnew	(r)	(35.5)	(34.4)	

	288.6	**259.8**	**250.8**

Notes to the reconciliation of segment information to the historical financial statements

(a) Business combination formation of Original Gold Fields

For management reporting purposes, the formation of Original Gold Fields was accounted for as a uniting-of-interests. Under US GAAP, the Company accounted for the assets and liabilities acquired from Gold Fields of South Africa Limited at historical cost, and the assets and liabilities acquired from Gencor and outside shareholders as a purchase.

(b) Business combination formation of Gold Fields

For management reporting purposes, the difference between the purchase price and net asset value of acquired assets that arose on this transaction was set-off against shareholders equity. Under US GAAP, the excess purchase price was capitalized to property, plant and equipment and is being amortized over its useful life.

(c) Business combination purchase of St. Ives and Agnew

For management reporting purposes, traded equity securities issued as consideration in a business combination are valued on the date they are issued. Under US GAAP, traded equity securities issued as consideration in a business combination are valued a few days before and after the terms of the transaction are announced.

(d) Business combination purchase of Abosso

For management reporting purposes, traded equity securities issued as consideration in a business combination are valued on the date they are issued. Under US GAAP, traded equity securities issued as consideration in a business combination are valued a few days before and after the terms of the transaction are announced.

(e) Business combination acquired tax losses

For management reporting purposes, for tax losses acquired which result subsequently in deferred tax assets being recognized, the benefit is recorded in income. Under US GAAP, when tax losses which have been acquired for which deferred tax assets have been recognized, and against which a valuation allowance has been recorded which is subsequently released, the release of the valuation allowance recorded against deferred tax assets is first charged against goodwill and any other intangible assets, with the remaining balance of the valuation allowance release recognized in income.

(f) Impairment of assets

For management reporting purposes, a higher impairment charge was recognized based upon the higher values assigned to the assets acquired as part of the Original Gold Fields formation, than that which was recognized under US GAAP.

(g) Amortization of reserves

For management reporting purposes, a portion of ore resources at the Australian operations, based on the philosophy of endowment , is used for calculating depreciation and amortization. Under US GAAP, depreciation and amortization is calculated based upon existing proven and probable reserves.

(h) Amortization - inclusion of future costs

For management reporting purposes, future mine development costs are included in mining assets in calculating depreciation and amortization. Under US GAAP, future development costs are not included in the calculation of depreciation and amortization.

(i) Revenue recognition

For management reporting purposes, prior to fiscal 2003, revenue was recognized prior to title passing to the buyer. Under US GAAP, revenue is recognized when the risks and rewards of ownership and title pass to the buyer under the terms of the applicable contract and the pricing is fixed and determinable.

(j) Exploration costs

For management reporting purposes, exploration costs are capitalized from the date the drilling program confirms sufficient evidence of mineralization to proceed with a feasibility study. Under US GAAP, exploration costs are capitalized from the date a bankable feasibility study is completed.

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

(k) Share-based compensation

For management reporting purposes stock compensation is not recognized. Under US GAAP, the Company recognizes stock compensation expense for the accelerated vesting of an employee s stock options, based upon the difference between the option grant price and the market price at the date of exercise.

(l) Provision for rehabilitation

(i) Method of recognition

For management reporting purposes, environmental rehabilitation costs are provided for, based upon the net present value of the expected future obligation and a corresponding asset is raised. Under US GAAP, prior to fiscal 2003, environmental rehabilitation costs were provided for based on the units-of-production method based on the expected ultimate rehabilitation amount.

(ii) Amortization of rehabilitation asset

The rehabilitation asset s carrying value for management reporting purposes is different to that under US GAAP, which results in a differing amortization charge.

(iii) Disclosure of the accretion of the asset retirement obligation

For management reporting purposes, the accretion of the asset retirement obligation is split between interest expense and operating expense. Under US GAAP, the entire accretion of the asset retirement obligation is treated as an operating expense.

(m) Investments in affiliates

For management reporting purposes, certain investments are treated as available-for-sale securities with changes in fair value reflected in shareholders equity. Under US GAAP, such investments are accounted for under the equity method.

(n) Post-retirement medical benefits

For management reporting purposes, the actuarial assumptions used to value the post retirement medical benefit obligation are different to those used under US GAAP.

(o) Deferred stripping

For management reporting purposes, the Company defers the waste stripping costs in excess of the expected average pitlife stripping ratio. Under US GAAP waste stripping costs are expensed as incurred.

(p) Financial instruments

For management reporting purposes, prior to fiscal 2000, gains on the early close out of financial instruments were recognized immediately. Under US GAAP, such gains were deferred and recognized in the period in which the underlying instrument would have been delivered into.

Gold Fields Limited

Notes to the Consolidated Financial Statements
($ in millions unless otherwise noted)

(q) Inventory at net realizable value

For management reporting purposes, no adjustment is required to record inventory at net realizable value. Under US GAAP, due to the impact of the amortization adjustments on the inventory valuation, an adjustment is required to record inventory at net realizable value.

(r) Impairment of Agnew

For management reporting purposes the Agnew mine was not determined to be impaired. Under US GAAP the Agnew mine was determined to be impaired and an impairment charge was recognized.

(s) Mvelaphanda transaction

classification of instrument

For management reporting purposes the Mvela loan is split between a debt component and an equity component. Under US GAAP the Mvela loan is classified as debt.

interest paid

Due to the classification of the Mvela loan as debt under US GAAP, additional interest is charged to the income statement.

debt issuance cost

For management reporting purposes debt issuance cost is set off against debt. Under US GAAP debt issuance cost is recorded as a deferred cost within accounts receivable.

fair value hedge accounting

For management reporting purposes only the amortizing swap is treated as a fair value hedge in relation to the debt component of the Mvela loan. Under US GAAP both the amortizing and accreting swap are treated as a fair value hedge as the entire loan is classified as debt.

Table of Contents

REPORT OF THE INDEPENDENT ACCOUNTANTS

To the Board of Directors of Gold Fields Limited

We have audited the accompanying historical balance sheets of Abosso Goldfields Limited (the Company) as at June 30, 2001, and the related statements of operations, comprehensive income, cash flows and changes in shareholders equity for the year ended June 30, 2001. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with International Standards on Auditing and auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as at June 30, 2001 and the results of its operations, its cash flows and changes in shareholders equity for the year ended June 30, 2001.

International Accounting Standards vary in certain significant respects from accounting principles generally accepted in the United States of America. The application of accounting principles generally accepted in the United States of America would have affected the determination of the Company s shareholders equity and financial position as at June 30, 2001, and the determination of its results of operations for the year ended June 30, 2001, to the extent summarized in Note 23 to the financial statements.

PricewaterhouseCoopers
Chartered Accountants
Accra, Ghana

March 5, 2002

Abosso Goldfields Limited

Statement of Operations
for the year ended June 30, 2001
($ in thousands)

	Notes	For the year ended June 30, 2001
Turnover		86,685
Cost of sales and other expenses	1	(83,418)
Operating profit		3,267
Other income	2	18,138
Exploration expenditure		(1,504)
Results from operating activities		19,901
Finance costs	3	(4,397)
Profit before taxation		15,504
Taxation	4	(4,863)
Profit after taxation		10,641

The accounting policies and notes form an integral part of these financial statements.

Abosso Goldfields Limited
Balance Sheet
for the year ended June 30, 2001
($ in thousands)

	Notes	For the year ended June 30, 2001
Assets		
Current Assets		
Inventories	7	13,138
Accounts receivable	8	5,799
Bank and cash balances	9	7,008
Prepaid tax	4	55
Total current assets		26,000
Non-Current Assets		
Deferred finance cost		405
Staff loans		107
Rehabilitation asset		3,084
Inventories	7	15,527
Property, plant and equipment	6	94,748
Total non-current assets		113,871
Total Assets		139,871
Current Liabilities		
Deferred gain on close-out of financial instruments	10	9,231
Accounts payable and accrued liabilities	11	11,514
National reconstruction levy	4	124
Current portion of long-term loans	13	10,000
		30,869
Non Current Liabilities		
Deferred taxation	4	17,107
Environmental rehabilitation provision	12	5,188
Long-term loans	13	45,040
Deferred gain on close-out of financial instruments	10	4,615

	71,950
Total liabilities	102,819
Shareholders Equity	
Ordinary share capital	84
Retained earnings	36,968
	37,052
Total Liabilities and Shareholders Equity	139,871

The accounting policies and notes form an integral part of these financial statements.

Abosso Goldfields Limited
Statement of Changes in Shareholders Equity
for the year ended June 30, 2001
($ in thousands)

	For the year ended June 30, 2001
Ordinary Share Capital	84
Retained Earnings	
Balance at beginning of year	26,327
Retained profit for the year	10,641
Balance at end of year	36,968
Total Shareholders Equity	37,052
Ordinary Share Capital	
Authorized	
60,000,000 shares of no par value divided into 54,000,000 class A and 6,000,000 class B shares	
Issued	
60,000,000 shares of no par value divided into 54,000,000 class A shares (2000: 54,000,000) and 6,000,000 class B shares (2000: 60,000,000)	
Balance at beginning of year	84
Balance at end of year	84

The accounting policies and notes form an integral part of these financial statements.

Abosso Goldfields Limited
Cash Flow Statement
for the year ended June 30, 2001
($ in thousands)

	Notes	For the year ended June 30, 2001
Cash Flow from Operating Activities		
Cash generated by operations	14	27,314
Tax paid	4	(69)
Interest paid		(5,418)
Interest received		1,481
Cash generated by operating activities		23,308
Cash Flow from Investing Activities		
Rehabilitation costs		(157)
Purchase of property, plant and equipment	6	(3,960)
Proceeds from sale of property, plant and equipment		3
Cash utilized in investing activities		(4,114)
Cash Flow from Financing Activities		
Loan draw down		
Loan repaid	13	(22,922)
Cash utilized in financing activities		(22,922)
Decrease in Cash and Cash Equivalents		(3,728)
Movement in Cash and Cash Equivalents		
At beginning of year		10,736
Decrease during year		(3,728)
At end of year	15	7,008

The accounting policies and notes form an integral part of these financial statements.

Abosso Goldfields Limited
Statement of Comprehensive Income
for the year ended June 30, 2001
($ in thousands)

	For the year ended June 30, 2001
	($ in thousands)
Profit after taxation	10,641
Comprehensive income	10,641

The accounting policies and notes form an integral part of these financial statements.

Table of Contents

Abosso Goldfields Limited
Financial Statements
for the year ended June 30, 2001

Nature of Operations

The Company owns the Damang gold mine in Ghana. The Company is engaged in gold mining and related activities, including exploration, extraction, processing and smelting. Gold bullion, the Company s principal product, is currently produced and sold in Ghana.

Accounting Policies

The financial statements have been prepared in accordance with and comply with International Accounting Standards and the principles of the historical cost convention. The accounting policies adopted are consistent with those of the previous year.

Set out below is a summary of the significant policies adopted by the Company in the preparation of the financial statements.

(a) Use of estimates

The preparation of the financial statements in conformity with International Accounting Standards requires the Company s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(b) Cash and cash equivalents

Cash and cash equivalents are stated in the balance sheet at cost which approximates market value. Cash and cash equivalents comprise cash on hand, demand deposits and investments in money market instruments that are readily convertible to cash. These are highly liquid investments with a maturity of three months or less at the date of purchase.

(c) Development expenditure

Following the completion of a bankable feasibility study, development costs incurred to place new mines into production and to complete major development projects at operating mines are capitalized. Ongoing costs to maintain production are expensed as incurred.

(d) Mine properties

Mine properties represent the accumulation of all development expenditure incurred by or on behalf of the Company in which mining of a mineral reserve has commenced.

Amortization of costs is provided on the unit-of-production method using estimated proven and probable reserves.

(e) Exploration expenditure

Expenditure on exploration activities incurred prior to the completion of a final feasibility study to establish proven and probable reserves is charged against income.

Table of Contents

Abosso Goldfields Limited
Financial Statements
for the year ended June 30, 2001

(f) Property, plant and equipment

The cost of each item of property, plant and equipment is written off over its expected economic life on a straight-line basis, as follows:

Buildings	12.5%
Office equipment	33.3%
Furniture and fittings	25%
Motor vehicles	25%
Field equipment	Volume of tonnes mined over total tonnes to be mined

The economic life of property, plant and equipment has due regard to their own physical life limitations and to present assessments of economically recoverable reserves and possible future variations of those assessments. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessment for major items.

The total net carrying values of property, plant and equipment are reviewed regularly and, to the extent to which these values exceed their recoverable amounts, that excess is fully provided against in the financial year in which this is determined.

(g) Capitalization of borrowing costs

Borrowing costs incurred in respect of assets requiring a substantial period of time to prepare for their intended future use are capitalized to the date on which the assets are substantially complete.

(h) Inventories

Inventories of broken ore and bullion are physically measured or estimated and valued at the lower of cost and net realizable value.

Cost comprises direct material, labor and transportation expenditure in getting such inventories to their existing location and condition, together with an appropriate portion of fixed and variable overhead expenditure, based on weighted average costs incurred during the period in which such inventories were produced.

Net realizable value is the amount estimated to be obtained from the sale of the item of inventory in the normal course of business, less any anticipated costs to be incurred prior to its sale.

Inventories of broken ore require further processing by, or on behalf of the Company to convert them to trading inventories. Broken ore stockpiles, classified as non-current, are not expected to be produced into final product and realized through sale within twelve months from the balance sheet date.

Inventories of consumable supplies and spare parts expected to be used in production are valued at weighted average cost. Obsolete or damaged inventories of such items are valued at net realizable value. A regular and ongoing review is undertaken to establish the extent of surplus items, and a provision is made for any potential loss on their disposal.

Abosso Goldfields Limited
Financial Statements
for the year ended June 30, 2001

All broken ore stock piles are expected to be processed in accordance with the life of mine plan. The current life of mine plan calls for the processing of all economically viable stock piles by the end of the 2007 fiscal year. The life of mine plan takes into account the known mineral reserves, current plant capacity and mine design. The Company assesses the financial viability of processing an individual stock pile based on an estimated gold price at the date of processing, less all costs to be incurred in treating the stockpiled ore, inclusive of handling, processing and administrative costs. The current life of mine plan anticipates a gold price of $285/ounce, based upon which all ore stock piles can be processed economically. Currently the ore stockpiles consist of oxide ore. The life of mine plan calls for the highest grade stockpiles (1.24 g/t) to be processed first followed by the lower grade stock piles. The ore stock piles are processed together with run of mine ore (greater than 2g/t) in a ratio of approximately 2:1. Ore with a run of mine ore cutoff (1.1g/t to 2.0g/t) will be processed when mining ceases and can be processed economically at a gold price of $250/ounce.

(i) Restoration, rehabilitation and environmental expenditure

The provision in the accounts reflects the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the balance sheet date. The costs so provided are capitalized and depreciated using the units of production method based on estimated proven and probable reserves.

Annual increases in the provision are split between finance costs relating to the change in the net present value of the provision, inflationary increases in the provision estimate and restoration costs relating to additional environmental disturbances that have occurred.

(j) Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The principal temporary differences arise from depreciation on property, plant and equipment, gains or losses on financial instruments, provisions and unrealized foreign exchange gains or losses. Deferred tax assets relating to the carry forward of unused tax losses are recognized to the extent it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

Deferred tax is provided at the currently enacted tax rate for temporary differences.

(k) Revenue recognition

Revenue is recognized only when there has been a passing of legal title and risk to the customer, and:

- the gold product is in a form suitable for delivery and no further processing is required to be undertaken by the Company;
- the quantity and quality of the gold product can be determined with reasonable accuracy;
- the gold product has been dispatched to a recognized gold refiner and is no longer under the physical control of the Company; and

the selling price can be determined with reasonable accuracy.

Abosso Goldfields Limited
Financial Statements
for the year ended June 30, 2001

Sales revenue represents the net proceeds receivable from the customer less any costs of transportation to be borne by the Company in delivering the product to the customer.

(l) Trade receivables

Trade receivables are carried at anticipated realizable value. Estimates are made for doubtful debts based on a review of all outstanding amounts at year-end. Irrecoverable amounts are written off during the year in which they are identified.

(m) Foreign currency

The Company s functional currency is the United States dollar. The United States dollar is the functional currency because a significant proportion of the Company s transactions are carried out in this currency.

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Assets and liabilities designated in foreign currencies are translated at the exchange rate ruling at year-end. Gains and losses resulting from these transactions are recognized in the statement of operations.

Resulting exchange differences are brought to account in determining the profit and loss for the year.

(n) Employee entitlements

The Company does not provide defined contribution or defined benefit post-retirement benefits to employees. Liabilities for wages and salaries and annual leave are recognized and measured as the amount unpaid at the reporting date at current pay rates in respect of employees services up to that date.

(o) Trade and other creditors

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid.

(p) Commodity hedging

Hedging is undertaken in order to avoid or minimize possible adverse financial or cash flow effects of movements in commodity prices and exchange rates. Premiums received or costs arising upon entering into forward sales, options and other derivative contracts intended to hedge specific future production, together with subsequent realized and unrealized gains or losses, are deferred until the hedged production is delivered.

In those circumstances where a hedging transaction is closed out prior to maturity because the hedged production is no longer expected to be produced, any previously deferred gains and losses are recognized in the profit and loss account on the date of termination. If the hedging transaction is closed out prior to its maturity date and the hedged transaction is still expected to occur, deferral of any gains and losses that arose prior to termination continues and those gains and losses are included in the measurement of the hedged transaction.

(q) Maintenance and repairs

Maintenance, repair costs and minor renewals are charged as expenses when incurred. Where the economic benefit of major overhauls will be realized over a period of more than a year, the costs are capitalized and amortized over the life of the asset, or until the next major overhaul, whichever is sooner.

(r) Royalties and other mining taxes

Royalties and other mining taxes are accrued and charged against earnings when the liability from production or sale of the mineral crystallizes.

(s) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation resulting from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(t) Impairment

Recoverability of the long-lived assets of the Company, which include development costs, is reviewed at each balance sheet date. If an asset is deemed impaired, an impairment loss is measured and recorded based on the fair value of the asset, which is computed using discounted cash flow. Estimated future net cash flow from the mine is calculated using estimates of future production, sales prices (considering historical and current prices), price trends and related factors, production costs and capital expenditures.

Management s estimate of future cash flows is subject to risk and uncertainties. It is therefore reasonably possible that changes could occur which may affect the recoverability of the Company s mining assets.

(u) Dividends

Dividends proposed are recognized only when dividends are declared.

(v) Deferred finance costs

Costs incurred to refinance long-term loans are capitalized as deferred financing costs. Costs capitalized are amortized over the loan repayment period based on the outstanding loan balance.

Abosso Goldfields Limited
Notes to the Financial Statements
($ in thousands unless otherwise noted)

1 Cost of sales and other expenses

Included in cost of sales and other expenses are the following items:

	2001
Mining costs	30,958
Milling costs	22,481
Mine geology costs	785
Employee costs (Note 5)	7,887
Royalties	2,601
Depreciation and amortization property, plant and equipment	13,712
Amortization rehabilitation asset	598
Environmental rehabilitation charges inflation adjustment	148
Audit fees	25
Management fees	1,517
Exchange gain	(3,262)
Directors emoluments	112
Unrealized loss on foreign exchange contracts	3,504

2 Other income

	2001
Gain on financial instruments	8,907
Amortization of deferred gain on close-out of financial instruments	9,231
	18,138

3 Finance costs

	2001
Interest expense	
Syndicated project loans	1,854
Ranger Minerals loans	3,436
Finance charges from local bank transactions	465
Interest income from local bank deposits	(1,481)
Environmental rehabilitation charges interest adjustment	123
	4,397

Abosso Goldfields Limited
Notes to the Financial Statements
($ in thousands unless otherwise noted)

4 Taxation

Income tax expense

	2001
Deferred taxation	4,688
National reconstruction levy	175
	4,863

Tax charge reconciliation	
The effective taxation differs from the statutory taxation as follows:	
Profit before tax	15,504
Prima facie tax calculated at a statutory tax rate of 32.5% (2000: 35%)	5,039
Expenses not deductible for tax purposes	515
Income not subject to taxation	(478)
Deferred tax rate change	(388)
Under provision in prior years	
Effective tax charge before national reconstruction levy	4,688
National reconstruction levy	175
	4,863

Taxation in balance sheet

2001	Balance July 1	Paid during year	Charged to statement of operations	Balance June 30
Deferred taxation	12,419		4,688	17,107

Other taxes				
Prepaid tax	(37)	(18)		(55)
National reconstruction levy		(51)	175	124
Total	12,382	(69)	4,863	17,176

Deferred taxation

Movement in deferred taxation	2001
Balance at beginning of the year	12,419
Transferred through the statement of operations	4,688
Balance at end of the year	17,107

Abosso Goldfields Limited
Notes to the Financial Statements
($ in thousands unless otherwise noted)

Deferred taxation components

The detailed components of the net deferred taxation liability which results from the differences between the amounts of assets and liabilities recognized for financial reporting and taxation purposes in the different accounting periods are:

	2001
Rehabilitation asset	1,002
Property, plant and equipment	28,608
Unutilized capital allowances	(12,195)
Gain on financial instruments	(4,500)
Provisions	(1,686)
Unrealized foreign exchange gains	5,878
	17,107

The Company has unutilized capital allowances of $37.5 million as at June 30, 2001 for which a deferred tax asset of $12.2 million has been recognized. The allowances have no expiry date and are available for set-off against future assessable profit. There are no tax losses and no provision has been made for corporate tax for both years because capital allowances exceed assessable profit.

Ghanaian National Reconstruction Levy is assessed at 2.5% of accounting profit before tax. The levy is not tax deductible.

5 Employee costs

	2001
(a) Operating staff	1,225
Mining	3,590
Milling	(203)
Exploration	5,018
(b) Administrative staff	
Administration	2,869

	7,887

The average number of employees in 2001 was 308, of whom 19 were employed on a temporary basis.

Abosso Goldfields Limited
Notes to the Financial Statements
($ in thousands unless otherwise noted)

6 Property, plant and equipment

Cost	Buildings	Field equipment and motor vehicles	Furniture and fittings and office equipment	Mine properties	Development expenditure	Total
At July 1, 2000	7,153	59,671	2,497	62,620	1,999	133,940
Additions	61	1,719	133		2,047	3,960
Disposals		(68)				(68)
Transfers between asset categories	167	150		2,814	(3,131)	
At June 30, 2001	7,381	61,472	2,630	65,434	915	137,832
Accumulated Depreciation						
At July 1, 2000	2,564	11,140	2,160	13,569		29,433
Charge for year	944	5,394	282	7,092		13,712
Disposals		(61)				(61)
At June 30, 2001	3,508	16,473	2,442	20,661		43,084
Net book value at June 30, 2001	3,873	44,999	188	44,773	915	94,748

Included in property, plant and equipment is cumulative capitalized interest amounting to $7.6 million.

7 Inventories

	2001
Bullion (at cost)	1,612
Ore stockpiles (at net realizable value)	18,556
Consumables and spares (at cost)	8,497

Goods-in-transit (at cost)	
	28,665
Classification:	
Current portion	13,138
Long-term portion of ore stockpiles	15,527
Bullion (at cost)	1,612
Ore stockpiles (at net realizable)	18,556

Abosso Goldfields Limited
Notes to the Financial Statements
($ in thousands unless otherwise noted)

8 Accounts Receivable

	2001
Trade receivables	3,560
VAT recoverable	215
Prepayments	927
Other debtors	1,097
	5,799

9 Bank and Cash Balances

	2001
Bank balances	6,999
Cash in hand	9
	7,008

10 Deferred gain on close-out of financial instruments

	2001
Balance at beginning of the year	23,077
Deferred during the year	
Amortization of deferred gain	(9,231)
	13,846
Classification:	
Current portion	9,231
Long-term portion	4,615
	13,846

11 Accounts payable and accrued liabilities

	2001
Trade creditors	2,153
Withholding tax	1,035
Other creditors	97
Trade accruals	2,680
Liability for foreign exchange contract loss	3,504
Other accrued liabilities	2,045
	11,514

Abosso Goldfields Limited
Notes to the Financial Statements
($ in thousands unless otherwise noted)

12 Environmental rehabilitation provision

	2001
Balance at beginning of the year	5,074
Interest adjustment	123
Inflation adjustment	148
Cash spent	(157)
Balance at end of the year	5,188

13 Long-term liabilities

2001	Balance July 1	Interest	Exchange difference	(Repayment) /draw down	Balance June 30
Ranger Minerals loan	51,840	3,436	(4,168)	(11,068)	40,040
Syndicated project loan	25,000	1,854		(11,854)	15,000
Total	76,840	5,290	(4,168)	(22,922)	55,040
Less current portion of long-term loans	16,000				10,000
	60,840				45,040

Ranger Minerals loan

This represents a debenture loan from Ranger Minerals Limited. The unpaid principal of the loan attracts interest from the date of advance to maturity at the rate for 90-day Australian dollar bank bills quoted by the Westpac Banking Corporation on the last bank-trading day of each quarter plus 2 percent. The loan is not collateralized and has no fixed repayment period.

Syndicated project loan

The loan was established for the purpose of developing the Damang gold mine. The facility is collateralized by a charge over the assets of the Company, held by a syndicate of banks. The interest rate for the loan is equal to LIBOR plus 2%. The loan is nominally repayable in equal installments commencing on 7 January 2001 with the final payment due on June 30, 2003.

14 Cash generated by operations