

Operator

Hello and welcome to the Gold Fields CEO media call. My name is Jess and I'll be your coordinator for today's event. [Operator instructions]. I will now hand over to your host, Chris Griffith, to begin today's call. Thank you.

Presentation

CHRIS GRIFFITH

Chief Executive Officer

Thanks Jess and hi, good afternoon everyone and thanks very much for your time and thanks for the opportunity for me just to make a few comments up front and then we're going to be open to questions. Both myself and Avishkar here are very happy to take any of your questions thereafter.

So I think this is a great opportunity, a great deal for us today and I'm very delighted to say that Gold Fields has entered into an agreement to acquire all of the outstanding common shares of Yamana Gold at an exchange ratio of 0.6 times, which implies a valuation for Yamana of \$6.7 billion. This is a significant strategic step for the Company and will be transformational for Gold Fields.

Through this acquisition, the outcome of which we'll be forming a new global gold major that will be very well positioned at all stages of the project pipeline and something that we don't have, post the delivery of Salares Norte, we don't have any projects in our pipeline or any way of countering the decline in production that is due to come from Gold Fields over the next number of years after Salares Norte's delivery.

This combination adds long-term value creation, so think of it like two pieces of the puzzle, some of which we bring up front and some of which Yamana in addition to their quality portfolio they bring now, bring growth potential and project exploration pipeline potential. So this truly is a combination for long-term value creation. It focuses both on quality growth, financial disciplines and shareholder returns, so that means that we're not about to change the DNA of Gold Fields because of this deal. This is complementary to what we do. We will be the team running this combined company and the DNA of the Company focusing on growth, financial disciplines and shareholder return will remain in place.

This is certainly going to help us deliver on our purpose of creating enduring value beyond mining and also directly aligns with this third pillar of our strategy, which is to grow the value and the quality of our portfolio of assets. That's a very important thing to say. That's how we got to this point, is by focusing on delivery of our strategy and Yamana ticks the boxes and accelerates the delivery of our strategy.

We think that today's transaction is incredibly symbiotic, it is truly two portfolios that complement each other. Yamana and Gold Fields bring complementary strengths and assets and so the result is a combination with a much greater capacity and potential value than the sum of the parts. Last year we announced a vision to be the preferred gold mining company delivering sustainable superior value and we think this combination accelerates that goal and accelerates the delivery of our strategy, establishing Gold Fields at the forefront of the gold sector.

So the question is, so why Yamana Gold? Yamana is, after an incredible amount of due diligence, our team have seen that Yamana is a strong strategic fit to our portfolio, so our pipeline, our portfolio, the culture and our ESG commitments, but then also very importantly our long-term strategy. Yamana's asset base in the Americas and the assets that they hold in Canada are also really big strategic fits to the Company's portfolio where we have sought to expand our footprint in South America so that we don't only have one of our operating mines in Peru and one in Chile.

This combination of both project and operating assets and the majority of those are the three biggest assets in Yamana's portfolio, we would want to own on an individual basis even if they weren't part of a portfolio of assets. So they are really, truly world-class, low cost, in good jurisdiction assets. We think that the complementary production but also the cash flow generation profiles of both of these companies will create long-term value.

We have a bit more detail a bit later in the presentation today, I will show what the projects are in Canada, we've got the Canadian Malartic is a 50/50 JV with Agnico, certainly one of the best assets in Canada. Also new development project called Wasamac in Canada. There are several assets in South America. In Brazil there's Jacobina mine, an asset, as I mentioned, we would want to own. Whether we could go out and buy an asset like that, we'd want to own an asset like that.

In Argentina we've got both the Cerro Moro mine, which is quite a small mine, but two great projects, one of which is MARA, one of the best undeveloped copper/gold assets in the world and offers a significant long-term growth opportunity. We think that only in a much bigger portfolio such as this can you actually deliver the value of a project like MARA.

Then in Chile, Yamana has a large mine called El Penon, another great operation that we'd like to own. But then also a smaller mine called Minera Florida. But certainly close to our Salares project and certainly is a lot of synergy in Chile, although this project is not premised on synergies, that's the one area where we think there is synergy potential.

So the combination of our two sets of assets will have a great mix of long-life flagship assets that span the world's premier goldmining destinations and certainly complement our jurisdictional attractiveness of Gold Fields. So, I think there's some amazing things and I'm really excited about what we can do together, these two sets of assets. We are going to grow both the value and quality of our portfolio in Gold Fields, which is something that we need to do but Yamana brings about that in a much, we believe, in a lower cost and in an accelerated way.

With the strong pipeline that we now have, we will be able to focus with capital discipline and capital competition over the next period of time, we've then got those assets to be able to, in a very disciplined way, continue to replace our declining assets

and grow in a disciplined way and I think the combination over, say, the next 10 years, is very, very exciting.

So I'll stop there potentially because I think in addition to all of that, the culture and the focus of Yamana on their people and on ESG, is very complementary and very similar to Gold Fields and I think this is a great combination. And the value and the premium that we plain we can see easily with potential, with lots of upside for our shareholders and for the combined company shareholders. So with that, ladies and gents, thanks for the opportunity to provide that introduction. Very happy to hand over to you for questions.

Q&A Session

Operator

[Operator instructions]. The first question comes from the line of Ed Stoddard from the *Daily Maverick*. Please go ahead.

Ed Stoddard – Daily Maverick

Yes, hi, I just convened. Good day and well done. I guess as the one Canadian on the call, I'm going to say congratulations for being a South African company scooping up this Canadian asset. But I just wanted to ask, your share price seems to be down quite a bit today, what do you attribute that to?

Chris Griffith

Hi Ed. Yes, so that's not unexpected. So I think normally what you see in a deal like this where there's a premium offered. You anticipate to see the acquirer share price reduces for a while and the target share price rises, so that is not unexpected, something that we even reminded each other at the Board last night to say, as we did the final approvals, you should expect to see in the short term our share price come under pressure, the target share price increase over normally a short period of time, if your shareholders are supporting the deal and they can see the value, then those share prices normally rate. So that's not unexpected today and it's not a train smash the quantum of the decline that we've seen.

Ed Stoddard – Daily Maverick

Okay, great, thanks.

Chris Griffith

Thanks Ed.

Operator

The next question comes from the line of Brendan Ryan from Miningmx. Please go ahead.

Brendan Ryan – Miningmx

Hi Chris, with this greatly expanded overseas exposure, does this do anything to change your attitude on where Gold Fields should be listed?

Chris Griffith

Thanks Brendan. So no, we did have a look at all sorts of structures as to what the best structure is to do this deal and look, as the change of control implications of this is very material tax leakage if we were to change our tax domiciliation from South Africa, so that's not something that added value, as we were really focused on the value, although we've got a small footprint in South Africa. And our view is that yes sometimes people talk about a South African discount, but our view is generally that happens when you're not running your assets properly and it's a lot smaller and the tax loss that we would incur would not make up for any perceived small discount that there may be for our postal address. So no, at the moment we're not, given that it's a massive tax leakage, Brendan, we're not looking at anything. We're not looking at changing our tax domiciliation.

Brendan Ryan – Miningmx

So just to confirm, you're going to remain a solely JSE listed company?

Chris Griffith

So we are listed in the JSE and also secondary listing on the New York Stock Exchange with our ADSs and it doesn't necessarily mean in the future that we can't look at a different listing, but our tax domiciliation likely to stay in South Africa. So yes, you could potentially see different listings in the future, but that'll be subject of a different process potentially in the future.

Brendan Ryan – Miningmx

Sorry Chris, I meant primary listing in Jo'burg, but you said different listings, could you be more explicit on that?

Chris Griffith

No, I don't want us to go down the rabbit hole, Brendan. I mean the fact is that we can't change our tax domiciliation, so where the Company's tax is domiciled. That doesn't necessarily mean the same as a primary listing, but I don't want to – what we're trying to do is not mix up a potential different listing. We always have to have some listing on the JSE. Could we have a different listing going forward? Potentially. But I don't want to go down that rabbit hole. At the moment we'll be listed on JSE with secondary listing on New York Stock Exchange.

Brendan Ryan – Miningmx

Thank you.

Chris Griffith

Thanks Brendan.

Operator

We currently have no questions in the queue. [Operator instructions]. The next question comes from the line of David McKay from Miningmx. Please go ahead.

David McKay – Miningmx

Afternoon Chris. Just in terms of the projects that this transaction brings, which would be the priority? Would it be the Canadian one that you referred to, Wasamac I think it was, given that you will only have one operating asset in Canada?

Chris Griffith

So I guess it's a little early for us to say. Wasamac is well advanced as the feasibility, so haven't executed yet, but they are very close, Brett, I understand, to execution. Then MARA, which I think would take a bit longer in terms of the work that has to be done, but again, at the end of this year, it's expected that Yamana will be delivering their feasibility study. I think for MARA, another way to think about MARA, David, is it's not greenfields mine and it used to be the old Alubrera mine so there is a plant, there's a tailings dam, there's the pipeline down to the coast, there's the filtration plant at the coast, there's the rail line to the port. All of that is in place.

Now the Alubrera mine mined out, but the plant is still in good shape, our due diligence team have reported back, so it hasn't been – so the care and maintenance and the way they've looked after that mine means that the plant will need very little capital to be fully operational with all that you would expect of a new project. So all you have to do is you have to start the mine on the mine next door. So this is actually not nearly as complex. It's still a big capital number but because of the plant and the mine and the pipeline and the logistics are in place, means that this massive copper/gold project that'll be certainly in the top 20 copper-gold projects in the world when it's developed, that that is not nearly as complex and about half of the capital that you would normally spend.

So what I'm saying is we don't yet know and don't want to commit to saying we will invest in project A, B or C because we still have to look at it and we have to look at what spending is underway, but it'll go into that pipeline. But it is very exciting. Those two big projects and there's also some of the smaller low CapEx volume expansion projects on each of the operations that exist, which are also very interesting. So we put those into our process to filter out and our capital discipline and our capital competition and for the first time now, because after Salares, we don't have any projects in our pipeline, we will be able to have competition for capital again.

So yes, both of those projects look exciting but so do the smaller, less capital intensive volume growth projects in this portfolio as well.

David McKay – Miningmx

Are they all growth, Chris or are they replacement?

Chris Griffith

At this point in time, all of those are growth. But then again, these are not massive numbers, but for example, Jacobina, they're in the final phases of delivering phase

two, that will get them to 220,000, 230,000 ounces, then there's a phase three that we haven't valued, but is part of what we can see as the value because that's just a logical next step. That'll go to about 350,000 ounces and then phase four can be above that. So what I'm sharing with you is we've got an existing mine, it's got all the infrastructure, all the capital invested and those will be – there still could be 200,000 extra ounces for Jacobina.

The region there, David, is absolutely massive. There are exploration projects all around, some of them advanced projects. There's one project that is very likely heap leach project that will come on. So potential tenements, well the tenements that we will have and the potential from those tenements is huge. So yeah, there's opportunity and why I like that is because that could be low capital growth, so you're going to be reducing the unit costs, you're going to be adding a lot of value and you don't have to take big bets on capital.

Then we can have the discipline of probably running one big project at a time, much like we're doing with Salares now, because we are executing a big project, some smaller projects and we've got very, very significant cash returns to shareholders. So, I think we can – and certainly that's the intent, that we maintain that focus, David, that we can continue growing, continue replacing and we can continue and increase the returns to shareholders and we think we can do both. But with this new portfolio, it gives us the opportunity to invest in the big projects, for the best.

David McKay – Miningmx

Just one quick add-on question Chris, if I may, so how does the production growth curve look like when you push it out five, six, seven years, as you've done with Gold Fields already? What would it look like now with Yamana in place?

Chris Griffith

So we put the two together, we will be the two companies together will be at 3.4 million ounces pro forma for last year. When Salares deliveries, we go to 3.8 million ounces, the combined Company. And then with smaller mind projects, with Wasamac and MARA, so I'm saying if you look at the potential of those three together over the next 10 years, that could add another million ounces on top of that. There is stuff over above that, but at this point in time I think that's a more logical and expected outcome.

Then those other opportunities can either be replacement or longer-term growth, so I think that's the way we would think about it. But again, we're not forecasting that. We would need to get our teeth into that and we'd need to understand is that the right profile for the Company, is that the right – have we got the projects to replace those. But it's a very exciting potential and the great thing is that you're not forced to do anything at any particular time. So it's a great position to be in because now you sit with options which up to now we didn't have. And the price that we're paying for those options is relatively speaking very, very good value.

David McKay – Miningmx

Yes, okay, thank you.

Chris Griffith

Thanks David.

Operator

The next question comes from the line of Dineo Faku from *Sunday Times*. Please go ahead.

Dineo Faku – The Sunday Times

Hello everyone, thank you for the opportunity. Just wanted to, if you could take us back as to how long this acquisition has been in the pipeline, how long have you been in search and looking for it? Then is this one of many profitable acquisitions to come and how many employees does this acquisition bring for you? Thank you.

Chris Griffith

Sorry, Dineo, what was the third question, how many what do we bring?

Dineo Faku – The Sunday Times

Employees.

Chris Griffith

Okay, great, thanks Dineo. Okay, so when we started and when we landed on our new strategy and the end of last year, Dineo, because remember that was building on a very successful execution of the previous strategy by the previous CEO, Nick Holland and our executive team. And you'll remember, Dineo, when you first started when I took over Gold Fields, I said the Company's strategy is in good shape and it's not like we were going left and now we need to go right or we need to fix a broken company. This was a company that was in a position to say, now that we have pretty much executed on that strategy and even South Deep, which was troublesome for many years, was now coming out of that and is starting to deliver some of the potential that we saw, Salares Norte was getting to now very close to execution. But now the Company could truly say, okay what is new, what is next for Gold Fields.

And it's on the back of that we launched our new strategy, which was really a build on our previous strategy. But the one thing we did say is we need to do something about our portfolio and about our pipeline, so we liked what we had, but we had nothing for the future. Okay, so we did that at the end of last year, but on the back of that and of course lots of work that had happened in the Company before, Brett Mattison, our Head of Strategy and his team of course with all the other executive team, built our network and really, really did a lot of work at the end of last year. Already at the end of last year, as we were evaluating hundreds of projects across the world, greenfields projects, projects that were in execution, projects that were in production, mines, companies, our team did a very extensive evaluation on that.

The one project already at the end of last year that we said actually ticked the boxes that we were looking for, take us down the cost curve, not up, don't take us into jurisdictions that we don't like that are dilutive from a jurisdictional quality point of view, et cetera. So generate cash flows that didn't take us backwards in ESG. All of those lenses that we were looking at kept coming back to saying Yamana, that's the

company that we want to chase because we think it's got – it ticks our strategic boxes. And it adds value to us in jurisdiction, it adds quality, we're putting quality assets into this combination, lowers our unit costs, improves our ESG. So as we did that, we already started at the end of last year getting ourselves ready to have this conversation. So it's been I know a long answer, but I really wanted to explain the process from the end of last year we started having discussions with Yamana.

Is there more to come? I think we've got enough on our plate now, we need to integrate this business into our Company. But because this is an all-share deal, we haven't used up our firepower on our balance sheet. That means we can still invest in some of the projects we've got. Often you end up buying so much in the project, you can't invest in it. And we don't have that problem. So yes, we can still be opportunistic for either distressed assets or things that really come up that are exciting, but that's not something that we are targeting on at the moment. We've got to integrate this business. And we will be adding 5600 people to our number of employees in the Company, which employees and contractors are about 22,000.

Dineo Faku– The Sunday Times

Thank you so much.

Chris Griffith

Thanks Dineo. Okay, I'm getting hands waved at me here saying that we're done. So if there's any further questions, please feel free to reach out to Avishkar and we have got the call, the market presentation now and if we didn't get to any of your questions, feel free. If you're on that call, feel free to raise them, otherwise reach out to us and we'll return your call. Thanks. Thanks everyone.

Operator

Thank you for joining today's call. [Operator instructions]

[End]