GOLD FIELDS

Operator

Good day, ladies and gentlemen, and welcome to the Gold Fields media round table conference call. All participants will be in listen only mode. There will be an opportunity to ask question when prompted. If you should need assistance during the call, please signal for an operator by pressing * then 0. Please note that this event is being recorded. I would now like to hand the conference over to Mr Chris Griffith. Please go ahead, sir.

Chris Griffith – CEO

Judith, thanks very much. And good morning and thank you for dialling in to today's call. Before we open up for questions, I'd like to just say a few words about the announcement that we made earlier today. Over the past month, Gold Fields and Yamana have engaged extensively with shareholders. I think these meetings have been productive. Today we're providing on the back of that an update to the market to give further clarity on certain elements of the transaction, how we evaluated the potential of the opportunity, and our growing conviction on cash flows.

Alongside this we are also announcing two developments to the proposed transaction. The first is that we will be revising the dividend pay-out policy from 25% to 35% to 30% to 45% of normalised earnings. Furthermore, our intention is to pay a dividend at the top end of the revised range equivalent to a 45% pay-out of normalised earnings for the 2023 financial year dividend cycle. That is post completion. Secondly, we will be applying to have Gold Fields securities listed on the Toronto Stock Exchange subject to the completion of the transaction. And that's to provide shareholders additional flexibility at limited incremental cost.

The TSX listing will be in addition to Gold Fields' existing primary listing on the Johannesburg Stock Exchange and our secondary listing on American depository shares on the New York Stock Exchange. Additional listing on the TSX will have no effect on where our corporate headquarters and our registered domicile is. We have a longstanding listing on the JSE, and our headquarters will remain in Johannesburg, South Africa.

I want to reiterate the key reasons why we believe that this is the right next step for Gold Fields and Yamana. Gold Fields has consistently invested to grow the value and the quality of our portfolio, and the successful execution of this strategy over many years has seen shareholders rewarded with superior returns. Our delivery track record has led us to a position of strength despite systemic challenges facing the broader gold industry. This transaction is motivated by capturing long-term value. This is an investment in sustainable long-term growth to enable us to continue to maintain and grow shareholder distributions beyond the medium term.

Gold Fields is confident that now is the right time to invest in the right asset pipeline given the global scarcity of quality assets that are long life, low cost and located in appealing jurisdictions. It is within that context that the logic of this deal is based on three factors. Firstly, we think this is a winning combination. So, Gold Fields presently benefits from strong near-term growth outlook with Salares Norte mine coming on stream in early

2023. We are acquiring a ten to 15 year quality replacement and a growth profile that Yamana provides. We see that as a logical strategic fit that will result in long-term growth of the quality and value of the combined portfolio of assets.

Secondly, we are unlocking world class assets. Gold Fields has the unique combination of technical capability and financial capacity to unlock the full potential of Yamana's assets. Thirdly, we have an enhanced capital markets profile that is based on comparable scale, liquidity, diversification and operating metrics to major peers with a material value discount presently. The Yamana acquisition represents the next phase of our strategy, and Gold Fields is investing in growing the value and quality of our portfolio, and proactively addressing industry-wide production and reserve replacement challenges.

Before I conclude, I would like to say that I have been greatly encouraged by the constructive discussions that we've had with our shareholders. The board and management team remain steadfast in their belief in the long-term benefits that this deal will bring to both sets of shareholders. With that, I'd like to hand the call over to our operator and we'll answer any questions that you may have.

Operator

Thank you very much, sir. Ladies and gentlemen, at this time if you'd like to ask a question, you're welcome to press * then 1 on your touchtone phone or the keypad on your screen. If you decide to withdraw your question, you are welcome to press * then 2 to exit the question queue.

Chris Griffith – CEO

Judith, there are a number of attendees in the room. I'm assuming you won't have to press * or whatever.

Operator

It's fine, sir. Are you going to take questions from the lines first, or are you going to come to it last?

Chris Griffith – CEO

Let's start with the conference call and then we'll come round to the attendees in the room. Thanks.

Operator

Thank you very much, sir. The first question comes from Lisa Steyn of Fin24.

Lisa Steyn – Fin24

Morning. Can you all hear me?

Chris Griffith – CEO

I can hear you fine. Thanks Lisa.

Lisa Steyn – Fin24

Hi Chris. Can you just give us a flavour of your engagements with shareholders, particularly those who are hesitant about this deal? Do you get the sense that they see something different for long term growth for Gold Fields, or is it really their concern about short and medium-term returns? Thanks.

Chris Griffith – CEO

Thanks, Lisa. The reality is that the shareholders in Gold Fields and Yamana – perhaps let me start with Gold Fields. We've got 30% of our shareholding in South Africa. We've got 50% of our shareholding in the US and about another 20% or so in the UK and Europe. Even that shareholding base is quite different. And then likewise Yamana has got Canadian shareholders and they've got shareholders in the US and Europe and the like. So, not that dissimilar to us, but coming from different places. And it's not surprising that many of the shareholders have got different views.

So, for example, in Gold Fields shareholders I think mostly our shareholders are saying they get the industrial logic. They get the strategy. Many of them are saying but they don't like the short-term dilution. And this I think is probably one of the biggest issues that is raised fairly consistently across all the Gold Fields shareholders. I think for the Yamana shareholders they say that they have been at a substantially higher valuation. So, they are saying is this a fair price. Although some parts of the shareholding are saying they don't like the dilution and they don't like the premium, on the other side the Yamana shareholders say that they don't believe that fair value is being paid. I think that's the tension that you're always going to have between the acquirer and the target.

In the case of Gold Fields, the fact that we're in a very good position now means that many of our shareholders are saying this is great, we can see what's happening over the next three years, we like it, and we don't want you to do anything. We're quite happy. And neither did we think you needed to do anything. So, I'm giving you a roundabout answer, Lisa, to say that actually all shareholders aren't the same. They come from different places. But one consistent message is that shareholders have largely said we don't like the short-term dilution. Some shareholders have said we've trying to understand the strategy, and this feels like it's come quite quickly on the basis of this great growth that's still to come. Gold Fields is in a really good position.

So, a number of shareholders are trying to understand the strategy, they're trying to understand the timing, and they clearly have got comments around the value that we're paying. Some shareholders are absolutely frank with us to say they understand that management and the board have got to look after long-term strategy, and that often can be at odds with shareholders' short-term expectations. But overall, this is the point around engaging with shareholders. I think we can get shareholders to see what we are seeing and why we see this as a very good deal for the long-term strategy. And actually, we can still to a large extent look after shareholders' short-term expectations.

Perhaps one final comment before we conclude this question, Lisa, is that we spent an extensive period of time evaluating these options. And therefore, it's not unsurprising that many shareholders on day one are not going to entirely see what we spent seven months getting to see. Yes, this is a fairly complex deal from the types of companies that we're putting together and from their jurisdictions. The deal itself is not that complex. But we acknowledge that this is going to take time for shareholders to see what we can see. And also, the value that we can see, and the value that we can add to these assets. So, a little bit about a sense of shareholders coming from different places, but the summary around that is trying to understand the strategy, trying to understand the timing, and then also some concern around short-term dilution. Thanks, Lisa.

Lisa Steyn – Fin24

Thanks, Chris.

Operator

At this stage I have no further questions on the lines. I will now hand over for questions from the room. Thank you.

Ed Stoddard – Business Maverick

Ed Stoddard with Daily Maverick / Business Maverick. I'm just wondering, Chris. Your enhanced dividend policy, do you think that will help get more shareholders on board? I'm wondering why you're making that announcement now while we're discussing this.

Chris Griffith – CEO

Ed, thanks. I think what you've seen is we haven't changed the structure of the deal. The structure of the deal remains the same. But for shareholders who are worried, saying are we going to take all the cash that they were expecting – they were expecting dividends – what they have come to know about Gold Fields is there was disciplined capital allocation so that we would focus on returning cash to shareholders, investing in the business and also investing in growth. People are saying we know Gold Fields like that, and we've come to like it, and that's what we invest in. Now we're worried that you're ging to put all this money into your growth projects or into the alternatives that you're now getting. That's the first thing. People are saying, are you going to change? Are we going to still see cash returning to shareholders, or is this going to go somewhere else?

And then the second is there is absolutely short-term dilution in cash flow metrics. As we put the two companies together, there is short-term dilution. So, what we're trying to do is send a message firstly that we continue to see very strong cash flows from the business. And that's why we can increase the dividend range. The second thing is in an attempt to show there is some offset to the dilution on the cash flow metrics, the short-term metrics, we're trying to say that in the 2023 year once the deal is done because we don't have to put cash into a lot of other bolt-on acquisitions we will be able to pay a higher dividend.

So, it's really to give comfort in the first place that there is going to be cash returned to shareholders, and at a higher range than before. That sends a message we hope that there is going to be cash returns and that we're not going to be taking all the cash and spending it on something else. So, the focus of the business will remain the same. Secondly, in an attempt to show some offset to the short-term cash flow dilution, we give a higher dividend. But it's not changing the structure of the deal. It's sending a message around the confidence we have in the business and in the combined business going forward.

Ed Stoddard – Business Maverick

Thanks.

David

I've got a question. When do you have to start putting in capex in order to keep production at 3.2 million?

Chris Griffith – CEO

There is already capex. If you look at the capex of the combined business, we've been spending about $1.1 billion. They have been spending about $400 million. So, they are already investing in growth and sustaining their production at Malartic and some of their smaller assets. The capex that's required for small growth in their assets is quite low intensity. And that just happens in the course of business. And then potentially for the longer term projects that will start in probably three to four years from now. That's not material because Salares capital comes off.

So, as Salares capital comes off and some of that picks up, we actually see a fairly stable until we start spending in MARA, which is probably a good number of years out. And that's not committed yet. So, all of those, David, we will still be able to in the combined company have a look at how we now have competition for capital, where is capital going into the best returning assets. All of that will happen now in the combined company. But there is not material increase in capital over the next number of years.

David

Three to four years or so, but at a point in time you will have to embark on the big ticket projects.

Chris Griffith – CEO

Correct.

David

And the gold price might go for a ball. There might be other unforeseen events, stress on your balance sheet. You're paying out a higher range of earnings. So, the stress in the company that you're building in in order to achieve this ambition, do you think you are making Gold Fields a higher risk company as a result of this?

Chris Griffith – CEO

I think we're doing exactly the opposite. So, first of all, let's look at the structure of the deal. The structure of the deal is in shares, so we don't have to incur cash out in the business to get this combined business. You get replacement assets. You get all this optionality, and you get existing growth coming from a share deal. So, we're not putting stress on the balance sheet. We see that the payments that are coming out are not coming out of debt. We are not paying dividends out of debt. We're paying dividends out of cash flow. And we are able to spend on capital.

I guess the question could be, why don't we commit beyond 2023 to a very high dividend pay-out right now? And that's for exactly the reasons you say. We need to see what the world looks like at that time. We've got confidence that we can increase the range. We can get confidence in the short term that the cash generation that comes from Salares and from extra South Deep production will generate the cash to pay this higher dividend. But it's not putting pressure on the balance sheet. That's exactly what it's not doing.

And we're not taking over a company that has got a lot of debt. Seldom do you get the opportunity to acquire a business like this that doesn't have balance sheet issues that you have to go out and sell assets to repair the balance sheet. We don't have any of that. Their net debt to EBITDA ratio is very similar to ours. We don't need to add debt to the balance sheet to get the deal done. So, I think we're actually in a really good position, so it's the opposite I think of what you suggested. We don't have debt. We don't take on a company with any material debt. So, 0.4x net debt to EBITDA is a really good place. We think that we're going to be reducing that over the next while.

There are not big capital commitments. And if we go into a period of time where the world is more uncertain with lower gold prices, of course you can decide not to do those things. But you've got the optionality. And going forward any cash deals or trying to get assets are going to become more expensive. We think both from a position of strength now where the company is and the cash flow growth over the next number of years is a fantastic time to look at doing this deal as opposed to waiting until you're in trouble and potentially the world is a much tougher place.

If the world is much tougher in a number of years going forward, we can still keep all of our optionality. Even now over the last number of years we've been able to very judiciously pay cash back to shareholders, invest in the business on sustaining capital and look after the business, and invest in one big project at a time. So, we are easily able to do that. And going forward if we're investing in smaller growth, low capital intensity and one big project at a time, it will be very similar to what we're doing now. We will just have higher cash flows to be able to do that. I don't think we're putting stress on the balance sheet at all.

<u>Question</u>

Just a shareholder question. What is the shareholding of the combined group, the geographic breakdown of the combined group? Where are the shareholders?

<u>Avishkar Nagaser – EVP: Investor Relations and Corporate Affairs</u>

They have quite a big chunk in the US. It will be 50% US. And South Africa might come down to 20%. And then probably 20% will be UK/Europe. And 5% Canada, something like that.

<u>Question</u>

Okay, so the Canadian share of it falls.

<u>Avishkar Nagaser</u>

Well, we don't have any.

<u>Question</u>

You don't have any.

<u>Chris Griffith – CEO</u>

Like them they don't have South Africa, so South Africa will come down. Canada will come down. The US will probably grow as a percentage of it. And then about 20% in Europe.

<u>Hillary</u>

Just going back to your first answer about shareholders, is there a sense in which shareholders in general are quite reluctant to look long term? Is it the case that one of the hurdles you are hitting is that shareholders in this current cycle just want to harvest and companies are going along with that? Is that a trend in general, not just related to this deal? And second, when you look ahead for the gold market, what would you be saying to them for the long term? What is the outlook?

<u>Chris Griffith – CEO</u>

Hillary, thanks. Look, shareholders, even us as individuals are shareholders, and I guess not one of us will have a similar outlook in life to the others. So, there will be some of us who will have a longer term view, there will be some who have a short term view, and we each will have different perspectives. Even in our own shareholders we've got index funds that are – what is the percentage? 30% are index funds. So, even that will change. A big component of shareholders are index, and some of that will come out because they will come out of small indexes for Yamana. They will flow into bigger indexes in the combined company. That's already a big component that has less of an emotion attached to it. That will operate in a certain way.

We are seeing shareholders, unsurprisingly, many are short term. And even the guys who say they're long term, their long term is like a year or two. And then I think many shareholders say that you've got to find a way to look after us and the long term. So, some shareholders absolutely want management to do the right thing but would prefer not to have any of the downsides of investing in the long term. I think the answer to that is shareholders are not universal. Mostly they are more short term, and particularly when a company is in a good space. Some of these shareholders have also been around through tough times. They are saying now that we are in a good space, we expect to see a higher return from that. Again, that's not unexpected.

So, I think generally shareholders are saying they acknowledge the need to invest long term. I think it's not something that people want to acknowledge particularly in the gold industry that there is this ongoing need to reinvest in the future. And I think it is not something producers and shareholders really want to admit to, the fact that it's becoming harder to get assets. There are much less new assets in good jurisdictions that are becoming available through exploration. So, it's getting harder and it's getting more expensive. And the quality of the assets and the jurisdictions are getting worse. So, it's not something we all want to acknowledge. I think shareholders look to companies that either have less of a need to invest long term or are better at navigating it than others.

So, I think it's quite a complex question. And I think this is what we're trying to do, demonstrate that we've done well from the execution of our strategy. And many of the things that shareholders are saying – why are you investing, why are you acquiring things? – actually the whole of Gold Fields has been acquired. The whole of Gold Fields, absolutely everything. South Deep, the Australian assets, the Ghanaian assets, the Peruvian assets into Salares. All of those were acquisitions. It's not unique now to Gold Fields. This is actually something that has been done in Gold Fields for over 100 years. And the fact is, if we want to be around for another 100 years, we've got to continue looking at the future.

So, Gold Fields is in a really good position now. And it's in a good position because it's still got growth, and it's in a good position because it's still got cash flow growth. And it has done well in investing in its existing portfolio. But now we don't have those same options that we've had int eh past. And we're going to have to do more of what was done in the past and look to the future. And we think we're in a really good position to do that now.

We acknowledge the Gold Fields short-term shareholder dilution in the cash flow metrics. And we're trying to find some way to help them look at that. So, I think our message to our shareholders is in this deal we haven't forgotten you. What we've always focussed on is returning cash to shareholders and disciplined capital allocation, growing margins and growing life. That is not going to change in Gold Fields. And we think it's a really super – I mean this is, we think, quite a clever way to [break in audio] without putting stress on the balance sheet.

We get this really symbiotic combination of the two companies. Yes, Yamana shareholders benefit in the short term. In the longer term, Gold Fields shareholders benefit from not having to go out and chase worse jurisdictions, not having to chase weaker quality assets. And then the benefit for both sets of shareholders is actually the sum of this combined deal is greater than the individual components. And we're going to try and demonstrate more of that today in the presentation to show what it is that we see about these assets that excites us and what it is that we see bringing our technical expertise that we can actually make more of Yamana's assets.

Actually, even Yamana in the future business gets more because the pie gets bigger than both pieces put together. That's what we want to show shareholders, and I think we can do that. So, I think there are benefits for shareholders, even short term shareholders, and even for those who don't want to acknowledge the challenges in the gold mining industry and also the challenges that Gold Fields faces going forward.

David

Why will it be harder to chase assets tomorrow rather than today? Do you feel we're at the tail end of the consolidation cycle in the gold sector?

Chris Griffith – CEO

No, I think the consolidation has only started. David, we're going to show one graph later that S&P uses to show that investment over time in exploration money and the exploration finds – I mean the gold industry is known well to everyone. Everyone has got this tail. And companies have got potential in their businesses to keep growing, even some of our assets like the Australian assets. The benefit of that is that we've been able to keep those growing. Therefore, the belief is that you'll just be able to keep doing that in your whole company forever. And that's just frankly not correct.

So, it's getting harder to find the assets. And where they're being found is not in the tier one jurisdictions. So, they are going into much riskier places. The quality of what is being found, lower grades, deeper, we're seeing more assets going underground, and the fact is there is just less of it available. That means the competition for that I think is going to increase materially over time. And if that's the case, then of course they just get more expensive. And if you look at that – every analyst has done some version of it – what is cost, what the average over the last five years or ten years?

The difficulty with that is when you take an average cost, as an example, over the last ten years or the last five years, it doesn't show that actually over the last few years they're getting much more expensive. And when you see where the deals are being done, they are being done in much less attractive places. So, it's not so easy to draw a line through them and say because you're able to do them now, you'll be able to do them in the future. I think the competition for those assets is going to increase. I think you're going to see much more M&A in the gold industry because there is just less new stuff being found. You're going to have to join up where you can potentially solve, very similar to what we do.

I think there is going to be much more of that going forward, and that's why I think this is a clever deal at this time. For example, Yamana may not be around in some time to come. But if you look at their value, they will have a growth in value if they keep doing what they're doing now. The value in a year or two's time will be higher than where it is now. And we will have to pay a higher price for that. So, we think actually it's a really good time. If you look at a five year window – I think I will make one comment and then I will go back to this five year window.

The way we structured the deal as a share exchange, so at this point 6x, as the share prices move up and down, you're not trying to either with cash or locking in the share prices, which has got all sorts of dangers as the share prices move up and down. Locking in that exchange ratio of 61:30, so 0.6, which is the 61:39, if you go back five years, for three of those five years they traded over 0.6. So, even with the premium, as they came down over the last two years to the 0.45, actually it's a really good time to do the deal. Because then if you pay a premium, you get back to the five year average anyway. So, over a five year period there actually isn't a premium.

If you look at it like that, contrary to the notion of why didn't you wait until your shares are better so that you've got higher share price – because yes, we do believe that our share price will rise – their share price will rise we think at a faster rate. And so, we think this actually is quite a good time to do this deal and that we're not overpaying. And yes, we pay a premium to the market price at the time, but not to fair value and certainly not to the value that we can see in our hands for this combined company. So, we think this is a good time.

We think the competition gets much tougher going forward. And I think you're going to have to compete in much trickier jurisdictions. If you look at some of the other benefits that come with this deal, just on the face of it the three top assets make up 85% of what we're paying, so very low risk to the acquisition price. If you look at the optionality that comes, it actually comes at a very low price than if you had to go out and buy that optionality. So, you're getting a huge amount of optionality very cheap.

Then if you look at why it actually makes really good sense, the geographies that we're buying these assets in bulk up our South American operations, so they are complementary to our portfolio. Getting into Canada, when you try to come into Canada from the outside, we have looked at that Abitibi region probably for the last ten years. We've got Matt Crawford, our Head of Exploration, on the call today. If you ask him, what does he see, because he was part of the due diligence team. They tried for over ten years to get into that area of Canada. When you try to come in from outside to buy an asset, number one, the prices are very expensive. It's not that different to Australia.

So, we get into Canada in one of the best parts of Canada in one of the best jurisdictions for mining in the world. You get one of the best ore bodies in the world with Canadian Malartic. We get it as part of the deal. Actually, if you look over the five years, there is very little premium. And as Canadian Malartic grows and as they convert resources, the value of that asset is going to become massive compared to what it is now. So, it is a really good time to buy into that. But we don't have to do that from the outside in. We get that.

So, the jurisdiction is a really super fit to our portfolio. The geographies and the mining methods are very similar to ours. The three different types of mining on ore bodies that they do are exactly what we do. The orogenics in Canada are exactly what we do in Australia. The paleoplacers in Jacobina is exactly what we do in South Deep and Tarkwa. And then the ore bodies around Salares is exactly what we've got in El Peñón and Minera Florida. So, we can bring all of the technical expertise that we know how to do. When our guys go into those assets they say, we know this, it looks like us.

Question

With the mining methods is it all mechanised as well pretty much? There is nothing conventional in Yamana.

Chris Griffith – CEO

No. For example, when we do the criteria that we told the guys, for example we don't know blockading as an example for our company. So big blockades for our expertise is not something where we've got expertise. Cut and fill mining and conventional bord and pillar, those are the sorts of things that we know how to do. We do them all the time at our open pit operations. So, everything that we see in Yamana is either mining methods that we know and geology that we know.

So, the compatibility with the geographies, the compatibility with the mining methods, the compatibility with the culture around ESG, technology is all very similar. When our guys walk in there, they say we know this stuff. Luis said if we just put the Gold Fields badge on the wall, it will feel like a Gold Fields operation at Jacobina. The exploration guys when they walked in at Jacobina said the size of this thing is four times Tarkwa, to help us fellows here in the corporate office to understand what they see.

So, number one, yes, we've got growth on the existing assets. Yes, we think we can do that maybe faster. We think there are things on the recovery that we will be able to put in that over time will make their recoveries better. But they are not scrap assets. They are certainly not as difficult as the assets we bought in Australia when we bought those assets. So, what we're going to be doing today is because there has been quite a lot of criticism to say this doesn't have a lot of synergies. You can't cut this much overheads or there are no mines to put together. Number one, nobody believes it when mining companies talk about synergies anyway. Secondly, most people just put a line through it.

But the fact is, always the smallest amount of money you can make is chopping a couple of people out, making it less and taking away this bell or whistle that company has got. It's the operational synergies that are quite difficult to quantify yet. But the fact is, when we see these assets, we know how to do them. We've got better technical skills than they have, and we've got a bigger company, for example, to be able to put the right exploration in at the right assets.

So, when we look at the operational synergies that will absolutely get delivered, we've demonstrated that in Australia when we took over those assets. We can build mines, number one. They can't. They have never built a mine. But they have bought things, they have put them together, they have looked after them and they have fixed them. So, these are not bad assets. They are good assets in good shape. We can just do more with them. They have never actually built a mine. We can build mines. We can do more on the life extension, the brownfields exploration than we think they can. And the fact is that they've been driven by M&A, but M&A is not something we don't understand. And the integration of those into our business is something that we've done many times before and can do that again.

And then the third area of synergy that we see is around the potential now in the combined company to be able to divest of some of the higher cost, smaller assets. Again, we want to be careful about how we say that. I mean, the reality is that that is what we're going to do. We have sold mines before and we're likely to do that again. It just gets easier when you've got more assets and you've got more potential to rationalise that portfolio.

They have got two small assets with higher cost. But one of them, for example at Cerro Moro in Argentina, I think we have used between 5% and 10% of that tenement. So, we have only touched a small little portion. There is massive optionality there. One wants to be very careful. Just because you want to wave your arms around and say look how much we can do, we will chop this out, you may give away huge optionality that is basically coming very cheaply. But let's say we don't think we can do anything with that. Could we divest from some of those smaller assets, including some of our assets that are coming towards the end of their life? There is a huge potential to do that. And of course, that also contributes to lower unit costs.

So, there is some overhead synergy, but I am less stressed about that. You will chop some things out, we will do that, and we won't carry anything that we don't need. But the real operational synergies are the geographies we operate, the mining methods, our technical expertise and then the potential for rationalisation of the portfolio. There is way more opportunity in our combined hands than just what we're announcing on the overhead synergies, as an example.

So, the underlying logic of this deal we think is really, really amazing. And the way we've structured it puts us in a very good place. And then the outcome of that is if you look at this company together it will be competing with the other three majors. All of the underlying metrics, life of mine, cash flow, production growth, all-in sustaining costs, if you look at all of that, we're comparable to the top three. So, if we're comparable to all that, we will be at the same size as them with a much lower share price. The potential for the re-rating of this company is in our view material. So, all round that's the reason why we remain excited about this deal.

Ed Stoddard – Business Maverick [?]

Can you give us a rough timeline? I'm just wondering when the shareholders are going to vote and that kind of thing, and to get regulatory approval. When do you expect to have the deal done if it's going to get done?

Avishkar Nagaser – EVP: Investor Relations and Corporate Affairs

The current timeline is the circulars will be out the second week of September. And the shareholder vote will be held a month later. So, the current timing is 12th of October. Things that are impacting that may be financial information that needs to be prepared. One of the key things is we need to do pro forma reviewed financials which we will do with the H1 results, which is the 24th of October. So, we need to have that done shortly after. Early September is when the circular will go out. Those are the big ones. Then it needs JSE approval, TSX approval, Reserve Bank approval and Investment Canada, which is the Competition Commission in Canada. Those are the big ones.

Ed Stoddard – Business Maverick

So, you're looking at basically October?

Avishkar Nagaser – EVP: Investor Relations and Corporate Affairs

Yeah. After the shareholder vote I think it's two weeks for closing. So, end of October.

Question

Are there exchange control issues involved in this kind of deal?

Avishkar Nagaser – EVP: Investor Relations and Corporate Affairs

No.

Question

Nothing. It makes the shareholders [inaudible] when South African shares hold their shares on the South African market.

Chris Griffith – CEO

Gold Fields shareholders either have shares on the JSE or they have shares on the New York Stock Exchange through the ADS. And in the future the shareholders can opt to have either of those. So, as we issue the new 530 million shares or so, they can opt to either have Gold Fields shares on the JSE or they can opt to have them on the – now there will be a third option of Toronto.

Question

Toronto. And you're much freer now than you used to be to move cash around the group anyway in terms of…?

Chris Griffith – CEO

Yes. In the existing companies where we operate, we pay our taxes, pay our royalties. And then the funding flows and the dividend withholding tax comes through SA.

Avishkar Nagaser – EVP: Investor Relations and Corporate Affairs

We don't have any cash movement issues at all within the current group.

Chris Griffith – CEO

Do you want to go back to the line to see…?

Avishkar Nagaser – EVP: Investor Relations and Corporate Affairs

Is there anybody else on the line? Any other questions?

Operator

Thank you very much, sir. Ladies and gentlemen, just a reminder, if you would like to ask a question, you are welcome to press * and then 1. The next question comes from Martin Creamer of Mining Weekly.

Martin Creamer – Mining Weekly

Hi Chris. Great to chat to you. Would you not agree that there is an element of the tail wagging the dog with this deal? You went through earlier on. Now you've rushed out. You've got to get on the Toronto Stock Exchange when there is already a North American possibility there. You've got to give bigger dividends after your company has thought this out for years and years. Is it not populist chanting from retail investors and the institutional investors having to just sit back and listen? Is there not an element of the tail wagging the dog and you're bending over backwards here?

Chris Griffith – CEO

Martin, thanks for the question. Look, I think we were clear, Martin, that the structure of the deal remains the same. So, I don't think we're running out and because of different views changing the structure of the deal. The structure of the deal remains as is when we announced. What we are trying to do is listen to people when they talk to us and give us feedback. And if there are challenges that people are seeing, try and find ways to address that within the structure of the deal. So no, I think it's not the tail wagging the dog. I think it's just prudence to find ways to make as many people happy as you can. That's how I would describe it. I think the TSX, the reality is that the other three big gold mining companies are listed on the TSX. So, if we're going to be competing head to head in that club, I think we must be on the same field.

So, we think that it is the right thing to list on the TSX. Originally, we said Yamana will delist from the TSX. And we didn't see a need to do that. But after talking to shareholders and looking at the rationale for why you would want to be on the TSX, actually we think that it doesn't add a lot of work to us. For example, we don't have to become quarterly reporters. And the cost is negligible. If that's the case, then we think why not be where the other major companies are? There are some other minor benefits.

But no, I don't think it's the tail wagging the dog. I think it's prudent. And without changing the structure we are trying to see if we can through what we've announced today make it easier for both Canadian and North American shareholders. It gives them another option. It doesn't add a lot of work to us. It doesn't add a lot of cost. Being on the TSX, therefore, I think is a good move, which is why we've announced that. It wasn't a reversal. It wasn't being forced to do something we didn't want to do. I think it was just applying our minds to what people were saying and saying that actually we think it will be a good idea to be on the TSX.

The dividend we commented about earlier. I think it's sending a message of confidence. We would have started paying more dividends anyway. I think, Martin, it is trying to acknowledge people's challenges. And where they've got difficulties, is there a way to try and do that so we can make as many shareholders as possible happy without amending the key elements of the transaction.

Martin Creamer – Mining Weekly

Have you bent over backwards sufficiently now, or are you prepared to bend over backwards even further?

Chris Griffith – CEO

Martin, I think we've shown you that we're going to the top end of our range on the new and revised dividend policy. So, we won't move beyond that. So, I think we've done what we can, but we have not changed the elements of the key structures of the deal. There has been no bending over backwards there. The main components of the deal are still as we originally announced. I think the other thing, Martin, that I think is important to say is yes, we saw a big share price reduction on the day. And we did expect to actually see a reduction, not as big as that for sure, but given the premium that we were paying.

So, there was the share price reduction and reaction. What has happened is in the month our deal has been out there, we've seen a reduction of the whole market. So, if we look at the gold index, the whole gold index is down 17% since we started. So, if you look at us on the JSE, actually we're down 17%. We're actually exactly the same now as the market. So, we have pretty much caught up on the JSE all of that. On the New York Stock Exchange, we were down 24% or so, and the GDX, the gold index, is down by 17%. So, we are still down 8%. You can see versus the market we have caught up from that 24% down.

Why I'm saying that is that actually we are catching up, but it's just quite difficult to see because of how bad the overall market has been. Gold itself has remained fairly resilient, even though it has come off about 4% or so over the last month. Compare that to the other commodities, how far they've come off, and the other shares that are associated with those commodities. It has been a really brutal month. And I think Gold Fields and the gold index has actually remained fairly resilient and we're starting to come back.

So, I think we just have to keep telling our story. We have to help shareholders see what we can see. That's the plan and today is part of that. And I think that's what we have to do as opposed to bending over backwards, as you described it, Martin, because we haven't changed the nature of the offering. We are trying to find ways to alleviate some of the concerns and the pressures. And then we have to just spend enough time with shareholders so they can help understand the deal. That's where we've got to bend over backwards. Being on the road, talking to people, putting in the effort so that we can get shareholders to see what we can see.

Martin Creamer – Mining Weekly

Thanks, Chris.

Chris Griffith – CEO

Thanks, Martin.

Operator

Thank you. At this stage I have no further questions on the lines.

Avishkar Nagaser – EVP: Investor Relations and Corporate Affairs

To wrap up, last questions here, if any. Good. Very good.

Chris Griffith – CEO

Thanks Avi. Thanks, Ed. Thanks, David. It seems like we have come to the end of our questions here, Judith.

Operator

Thank you very much, sir.

Chris Griffith – CEO

Okay. We will bring the call to an end there. Thanks everyone. Thanks to those on the line. Much appreciated. Nice to chat to you.

Operator

Thank you. Ladies and gentlemen, that concludes today's event. Thank you for joining us. You may now disconnect your lines.

END OF TRANSCRIPT