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Category 2 transaction: Joint Venture in Ghana with Asanko Gold, Inc

Gold Fields Limited  
Incorporated in the Republic of South Africa)  
Registration Number 1968/004880/06)  
JSE, NYSE, DIFX Share Code: GFI  
ISIN: ZAE000018123  
"Gold Fields" or ``the Company``)

CATEGORY 2 TRANSACTION ANNOUNCEMENT: Joint Venture in Ghana with Asanko Gold, Inc

## 1. Introduction

Gold Fields Limited (Gold Fields) (JSE, NYSE: GFI) is pleased to announce that it has, through a wholly-owned subsidiary, entered into a definitive agreement with Canada's Asanko Gold, Inc (TSX/NYSE AMERICAN: AKG) (Asanko), subject to certain customary conditions, to form a 50:50 incorporated joint venture (the Joint Venture Transaction) with a subsidiary of Asanko, being Asanko Gold Ghana Limited (AGG). The Gold Fields subsidiary has agreed to acquire a 50% stake in AGG's 90% interest in the Asanko Gold Mine, associated properties and exploration rights in Ghana (the AGM). The AGM is a multi-deposit complex, with two main deposits, Nkran and Esaase, and nine known satellite deposits. The purchase consideration comprises an upfront payment of US\$165m on closing of the transaction and a deferred payment of US\$20m.

In addition, Gold Fields' subsidiary has agreed to subscribe for a 9.9% share placement in Asanko by way of a private placement of 22,354,657 Asanko shares at a price of approximately US\$0.79, equal to the five-day VWAP on the day prior to date of this announcement, for a total consideration of US\$17.6m. The subscription will close shortly after the date of this announcement, and is not conditional on completion of the Joint Venture Transaction.

The Joint Venture Transaction and the subscription for shares in Asanko will be funded from cash and/or by drawing down on Gold Fields existing debt facilities. Importantly, the AGM is an in-production asset that generates EBITDA and cash flow and does not require any additional investment by the JV partners.

## 2. Description of the business carried out by Asanko

Asanko is a Canadian-based gold producer (listed on the TSX and NYSE) with operations in Ghana. Asanko's principal assets are the Obotan operation (which includes the Nkran deposit) and the Esaase deposit (collectively the AGM), which are situated 100km north of Gold Fields' Damang operation along the prospective and under explored Asankrangwa greenstone belt in Ghana.

Following Asanko's acquisition of PMI Gold Inc. in 2014, Asanko combined its Esaase gold project with PMI's Obotan gold project to form the AGM and pursued a phased development and expansion strategy. The construction of the first phase, essentially the Obotan gold project, including a 3 Mtpa carbon-in-leach processing facility and associated infrastructure, was completed in early 2016. Commercial production was declared on 1 April 2016, and the operation reached steady-state production levels by the end of the second quarter of 2016.

## 3. Particulars of the Proposed Transaction

Upon completion, Gold Fields will hold a 45% interest in AGG - the Ghanaian company that holds the assets of the AGM. The remaining AGG shareholders will be Asanko (45% through its existing offshore holding structure) and the Ghana Government (10% free carried). In addition, Gold Fields will hold a 9.9% listed stake in Asanko.

The aggregate consideration comprises:

- Upfront consideration: US\$165m payable on closing of the Joint Venture Transaction, which will be used to immediately retire the AGG's existing external debt, being a loan from the Red Kite group of US\$164m, leaving Asanko debt free.
- Deferred consideration: US\$20m payable on the earlier of an agreed Esaase development milestone or 31 December 2019.
- Share placement: Gold Fields will subscribe for a 9.9% share placement in Asanko by way of a private placement of 22,354,657 Asanko shares at a price of approximately US\$0.79, equal to the five-day VWAP on the day prior to date of this announcement, for a total consideration of US\$17.6m.

Gold Fields and Asanko will establish a 50:50 incorporated joint venture in respect of their 90% interest in the AGM. Asanko will continue to manage the operations and will remain the operator. A joint venture management committee, comprising representatives from Asanko and Gold Fields, will be formed for purposes of overseeing the operation of the mine, with material decisions (including budgets, capital expenditure) requiring unanimous approval. A technical sub-committee will also be formed to provide technical advisory services to the management committee.

Asanko and Gold Fields have provided warranties and indemnities to each other that are standard to a transaction of this nature.

#### 4. Rationale for the Acquisition

Portfolio management is one of Gold Fields' strategic objectives, as we continually seek to improve the quality of our portfolio (by lowering our all-in costs (AIC) and extending mine lives) to enhance Gold Fields cash generation.

The Asanko Joint Venture will give immediate access to low cost production ounces, increasing the quality of the Gold Fields portfolio - Asanko's guidance for 2019-2023 is average annual production of 253koz (100% basis) at all-in sustaining costs (AISC) of US\$860/oz, with a life-of-mine of at least 15 years. Further, the sizeable resource base of the asset is immediately accretive to Gold Fields in terms of life, with the potential for further discoveries on the large, relatively unexplored, tenement package held by Asanko.

The transaction is also in line with our current growth strategy of focusing on jurisdictions in which we already have an established footprint. As the AGM is located in Ghana, we are adding an asset in a country where Gold Fields has extensive experience, having operated in Ghana for over 20 years.

The transaction exceeds our requirement of a return of 15% at a gold price of US\$1,300/oz, with a payback period of five years out of an anticipated life-of-mine of at least 15 years.

#### 5. Conditions Precedent

The transaction is subject to customary conditions precedent including, among others, no Asanko material adverse event, and Ghanaian Ministerial approval for the indirect (by way of change of control) transfer of the various mining properties.

#### 6. Completion Date of the Joint Venture Transaction

The Completion Date of the acquisition and formation of the Asanko Joint Venture will be the fifth business day after the conditions precedent have been satisfied. Completion is anticipated to occur in Q3 2018.

#### 7. Pro Forma Financial effects

Net asset value and profit attributable to the acquisition of a 45% interest in AGG

The net asset value of AGG and its subsidiaries that would be attributable to Gold Fields at 31 December 2017 was approximately:

Net asset value	US\$'m
Net asset value excluding shareholder loans	198.4
Shareholder loans	(196.1)
Net asset value	2.3

Profit after tax for AGG and its subsidiaries that would be attributable to Gold Fields for the year ended 31 December 2017 was approximately US\$6.8m before any acquisition accounting entries.

The aforementioned information of AGG and its subsidiaries was extracted from Asanko's consolidation workings which agreed to the audited consolidated financial statements of Asanko for year ended 31 December 2017 issued on 13 March 2018. The audited consolidated financial statements were prepared in accordance with International Financial Reporting Standards. The above information is extracted from unpublished management accounts of Asanko and the Company confirms that it is satisfied with the quality of such management accounts.

#### Acquisition of a 9.9% interest in Asanko

The net asset value of the 9.9% interest acquired in Asanko at 31 December 2017, being Asanko's most recent reporting period, was approximately US\$42.5m before any acquisition accounting entries. The profit after tax attributable to the 9.9% interest acquired in Asanko for the year ended 31 December 2017 was approximately US\$0.6m before any acquisition accounting entries. The aforementioned information has been extracted from the audited consolidated financial statements of Asanko for the year ended 31 December 2017, prepared in accordance with International Financial Reporting Standards. The 9.9% interest will be disclosed by Gold Fields as an asset carried at fair value through other comprehensive income.

#### 8. Classification of the Transaction

The Acquisition is classified as a Category 2 Transaction in terms of the Listing requirements of the JSE Limited.

#### 9. Conclusion

The transaction exceeds our requirement of a return of 15% at a gold price of US\$1,300/oz, with a payback period of five years out of an anticipated life-of-mine of 15 years. The transaction is demonstrably accretive to Gold Fields. We are comfortable that despite our current investment programme (Damang and Gruyere) this acquisition is well within our balance sheet capacity, particularly as it is a producing asset.

29 March 2018  
Sponsor  
JP Morgan Equities South Africa (Pty) Ltd

Forward-looking statements

This announcement contains certain forward-looking statements which reflect Gold Fields's intent, beliefs or current expectations about the future and can be recognised by the use of words such as "expects," "will," "anticipate," or words of similar meaning. These forward-looking statements are not guarantees of future performance and are based on assumptions about Gold Fields's operations and other factors, many of which are beyond Gold Fields's control, and accordingly, actual results may differ materially from these forward-looking statements. Forward-looking statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Gold Fields expressly disclaims any obligation or undertaking to update or revise any forward-looking statement (except to the extent legally required).

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