THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions on page 4 to 6 of this circular have been used on this front cover.

Action required

If you are in any doubt as to the action that you should take in relation to this circular, please consult your CSDP, broker, banker, attorney, accountant or other professional adviser immediately.

If you have disposed of all your JCI ordinary shares please forward this circular to the purchaser of such JCI ordinary shares or the CSDP, broker, banker or other agent through whom the disposal was effected.

Certificated shareholders or "own name" dematerialised shareholders who are unable to attend the general meeting of JCI shareholders to be held at 10h00 on Tuesday, 14 November 2006 in the Auditorium, Ground Floor, 28 Harrison Street, Johannesburg and wish to be represented at such meeting, must complete and return the attached forms of proxy in accordance with the instructions contained therein to the South African transfer secretaries, Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or the United Kingdom Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, which forms, in order to be valid, must be received by no later than 10h00 on Friday, 10 November 2006.

Dematerialised shareholders, other than "own name" dematerialised shareholders who wish to attend the general meeting of JCI shareholders to be held at 10h00 on Tuesday, 14 November 2006 in the Auditorium, Ground Floor, 28 Harrison Street, Johannesburg must instruct their CSDP or broker to issue them with the necessary authority to attend. Should dematerialised shareholders, other than "own name" dematerialised shareholders wish to vote at the JCI general meeting by proxy, they must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between them and their CSDP or broker.

JCI LIMITED

(Incorporated in the Republic of South Africa)
(Registration Number1894/000854/06)
Share code: JCD (Suspended)
ISIN: ZAE000039681

CIRCULAR TO JCI SHAREHOLDERS

relating to:

– **the disposal by JCIIF to Gold Fields of 27 000 000 WAL ordinary shares held by JCIIF;**
– **the granting of a put option by Gold Fields to the JCI subsidiaries, providing the JCI subsidiaries with the right to dispose of the remaining 9 957 844 WAL ordinary shares held by the JCI subsidiaries, to Gold Fields; and**
– **the granting of a call option by the JCI subsidiaries to Gold Field, which provides Gold Fields with the right to acquire the remaining 9 957 844 WAL ordinary shares held by the JCI subsidiaries**

and incorporating

– **a notice of a general meeting of JCI shareholders; and**
– **a form of proxy – for use by certificated JCI ordinary shareholders and "own name" dematerialised JCI ordinary shareholders only.**

Investment bank and adviser to JCI

Sponsor

Independent reporting accountants and auditors

Legal adviser to JCI

Date of issue: 30 October 2006

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This circular is only available in English and copies thereof may be obtained from the registered office of JCI, the office of the transfer secretaries and the office of the Sponsor, the addresses of which are set out in the "Corporate Information" section of this circular and the company's website.

INTERPRETATION AND DEFINITIONS

Throughout this circular, unless the context indicates otherwise, reference to the singular shall include the plural and vice versa, words denoting one gender shall include the other genders, words and expressions denoting natural persons include juristic persons and associations of persons, and the words in the first column have the meanings stated opposite them in the second column, as follows:

"the Act"	the Companies Act, 1973 (Act 61 of 1973), as amended;
"Boschendal"	Boschendal Limited (Registration number 2002/023534/06), a public company incorporated in South Africa;
"business day"	any day other than a Saturday, Sunday or an official public holiday in South Africa;
"cents"	South African cents;
"CEO"	Chief Executive Officer;
"certificated JCI ordinary shareholders"	JCI ordinary shareholders who have not dematerialised their JCI ordinary shares and thus hold physical share certificates or other physical documents of title;
"certificated shareholders" or "certificated JCI shareholders"	certificated JCI ordinary shareholders, whose shares have not been dematerialised;
"certificated shares"	shares which have not been dematerialised and which are evidenced by share certificates or other physical documents of title;
"this circular"	this circular, including the annexures, the notice of general meeting and form of proxy;
"Competition Act"	the Competition Act, 1998 (Act 89 of 1998), as amended;
"conditions precedent"	the conditions precedent, as stated in paragraph 2.4.5 of this circular, to which the WAL disposal is subject;
"CSDP"	a Central Securities Depository Participant accepted as a participant in terms of the Custody and Administration of Securities Act, 1992;
"dematerialised"	the process whereby paper share certificates are replaced with electronic records of ownership of shares or securities under STRATE, with a duly appointed CSDP or broker;
"dematerialised JCI ordinary shareholders"	JCI ordinary shareholders who hold dematerialised shares;
"dematerialised shareholders" or "dematerialised JCI shareholders"	dematerialised JCI ordinary shareholders;
"dematerialised shares"	shares which have been dematerialised and incorporated into STRATE and which are no longer evidenced by share certificates or other physical documents of title;
"directors" or "the JCI board"	the board of directors of JCI;
"disposal consideration"	35 Gold Fields ordinary shares for every 100 WAL shares sold;
"disposal implementation date"	the date on which the conditions precedent, set out in paragraph 2.4.5 of this circular, shall have been fulfilled;
"documents of title"	share certificates, certified transfer deeds, balance receipts or any other documents of title pertaining to the shares in question acceptable to the JCI board;
"form of proxy"	the form of proxy for certificated JCI ordinary shareholders and "own name" dematerialised JCI ordinary shareholders which has been attached to and forms part of this circular;
"Gold Fields call option"	option granted by the JCI subsidiaries to Gold Fields, on the terms stated in paragraph 2.4.2 of this circular, whereby Gold Fields will be entitled to require the JCI subsidiaries to sell the remaining WAL shares to Gold Fields;

"Gold Fields"	Gold Fields Limited (Registration number 1968/004880/06), a public company incorporated in South Africa, the shares of which are listed on the JSE;
"Gold Fields ordinary share"	an ordinary share with a par value of 50 cents, held in the share capital of Gold Fields;
"HLPS"	headline loss per share;
"IDC"	the Industrial Development Corporation of South Africa Limited, (Registration number 1940/014201/06), a public company incorporated in South Africa;
"IFRS"	International Financial Reporting Standards as determined by the International Accounting Standards Board;
"Investec"	Investec Bank Limited (Registration number 1969/004763/06), a public company incorporated in South Africa;
"Jaganda"	Jaganda (Proprietary) Limited (Registration number 2004/00559/07), a private company incorporated in the South Africa;
"JCI" or "the company"	JCI Limited (Registration number 1894/000854/06), a public company incorporated in South Africa, the shares of which are listed on the JSE;
"JCIIF"	JCI Investment Finance (Proprietary) Limited (formerly Lexshell 658 Investments (Proprietary) Limited), (Registration number 2005/021440/07), a private company incorporated in South Africa as a wholly-owned subsidiary of JCI;
"the JCI general meeting"	the general meeting of JCI shareholders to be held at 10h00 on Tuesday, 14 November 2006 in the Auditorium, Ground Floor, 28 Harrison Street, Johannesburg, in order to consider and vote on the ordinary resolutions required to give effect to the WAL transaction;
"JCI Gold"	JCI Gold Limited (Registration number 1998/005215/06), a public company duly incorporated and registered in South Africa, being a wholly-owned subsidiary of JCI;
"JCI group" or "the group"	JCI and its subsidiary companies;
"JCI ordinary share"	an ordinary share with a par value of 1 cent, held in the share capital of JCI;
"JCI ordinary shareholders"	registered holders of JCI ordinary shares;
"JCI put option"	the option granted by Gold Fields to the JCI subsidiaries, on the terms stated in paragraph 2.4.3 of this circular, whereby the JCI subsidiaries could require Gold Fields to acquire the remaining WAL shares from the JCI subsidiaries;
"JCI shareholders" or "shareholders"	registered shareholders of JCI ordinary shares;
"the JCI subsidiaries"	JCIIF and JCI Gold;
"JSE"	JSE Limited (Registration number: 2005/022939/06), a public company incorporated in South Africa, the shares of which are listed on the JSE;
"last practicable date"	24 October 2006, being the last practicable date prior to the finalisation of this circular;
"Letšeng"	Letšeng Diamonds (Proprietary) Limited (Registration number 95/259), a private company incorporated in Lesotho;
"Letšeng disposal"	the disposal by Letšeng Holdings of its entire interest in the Letšeng ordinary shares to Gem Diamond Mining of Africa Limited, the details of which were contained in the circular to JCI shareholders, dated 14 September 2006;
"Letšeng Holdings"	Letšeng Investment Holdings South Africa (Proprietary) Limited (Registration number 1998/023466/07), a private company incorporated in South Africa;
"Lesotho"	Kingdom of Lesotho;
"LPS"	loss per share;

"Matodzi"	Matodzi Resources Limited (Registration number 1933/004523/06), a company incorporated in South Africa and a subsidiary of JCI, the shares of which are listed on the JSE;
"NAV"	net asset value;
"option arrangements"	the Gold Fields call option and the JCI put option collectively;
"option implementation date"	the date on which the conditions precedent, set out in paragraph 2.4.5 of this circular, shall have been fulfilled;
"own name dematerialised JCI ordinary shareholders"	dematerialised JCI ordinary shareholders that have instructed their CSDP to hold their JCI ordinary shares in their own name on the sub register (being the list of shareholders maintained by the CSDP and forming part of the company register);
"Rand" or "R"	the South African Rand, the unit of currency in use in South Africa;
"Randgold"	Randgold & Exploration Company Limited (Registration number 1992/005642/06), a public company incorporated in South Africa;
"remaining WAL shares"	9 957 844 ordinary WAL shares held by the JCI subsidiaries subsequent to the WAL disposal;
"registered shareholder"	a holder of JCI ordinary shares recorded in the respective registers of JCI (including without limitation, for the avoidance of doubt, own name dematerialised shareholders);
"the sale of shares and option agreement"	the sale and option agreement entered into between Gold Fields, JCI, JCIIF and JCI Gold, dated 11 September 2006;
"SENS"	the Securities Exchange News Service of the JSE;
"South Africa"	the Republic of South Africa;
"STRATE"	STRATE Limited (Registration number 1998/022242/06), a registered central securities depository in terms of the Custody and Administration of Securities Act (Act 85 or 1992);
"TNAV"	tangible net asset value;
"transfer secretaries"	Computershare Investor Services 2004 (Proprietary) Limited (Registration number 2004/003647/07), a private company incorporated in South Africa;
"WAL"	Western Areas Limited (Registration number 1959/003209/06), a public company incorporated in South Africa, the shares of which are listed on the JSE;
"WAL disposal"	the disposal by JCI of 27 000 000 ordinary WAL shares to Gold Fields for the disposal consideration, on the disposal implementation date, subject to the fulfilment of the conditions precedent set out in paragraph 2.4.5 of this circular;
"WAL shares"	ordinary shares of R1,00 each in the issued share capital of WAL;
"WAL transaction"	the WAL disposal and the option arrangements collectively;
"WANOS"	weighted average number of ordinary shares; and
"Witnigel"	Witnigel Investments (Proprietary) Limited (Registration number 1997/008062/07), a private company incorporated in South Africa, and a wholly-owned subsidiary of Matodzi.

IMPORTANT DATES AND TIMES

	2006
Circular and notice of the JCI general meeting posted to JCI shareholders	Monday, 30 October
Last day for lodging forms of proxy with the transfer secretaries for the JCI general meeting by no later than 10h00	Friday, 10 November
JCI general meeting to be held at 10h00	Tuesday, 14 November
Results of the JCI general meeting announced on SENS	Tuesday, 14 November
Results of the JCI general meeting published in the press	Wednesday, 15 November

Notes:

1. The definitions on pages 4 to 6 of this circular apply, mutatis mutandis, to these important dates and times.
2. The above dates and times are subject to change. Any such changes to the above dates and times will be published on SENS and in the press.
3. All times indicated above are given in South African time.

JCI LIMITED

(Incorporated in the Republic of South Africa)
(Registration Number1894/000854/06)
Share code: JCD (Suspended)
ISIN: ZAE000039681

Directors of JCI

Executive	**Non-executive directors**
Peter Henry Gray	David Morris Nurek (Chairman)
	Donn Edward Jowell
	Andrew Christoffel Nissen
	Peter Richard Suter Thomas

CIRCULAR TO JCI SHAREHOLDERS

1. INTRODUCTION

JCI and Gold Fields published a joint announcement on SENS on 11 September 2006, wherein JCI shareholders were informed that JCI and the JCI subsidiaries (on the one hand) and Gold Fields (on the other hand) had reached agreement, in terms of which Gold Fields will acquire, subject to the fulfilment of the conditions precedent, 27 000 000 WAL ordinary shares owned by JCIIF. Reciprocal put and call options had also been granted by Gold Fields and the JCI subsidiaries, in terms of which the JCI subsidiaries will have the option to require Gold Fields to acquire the remaining WAL shares, and Gold Fields will have the option to require the JCI subsidiaries to sell the remaining WAL shares.

The WAL transaction is classified as a Category 1 transaction in terms of the JSE Listings Requirements, and accordingly, JCI is required to obtain shareholder approval for the WAL transaction in a general meeting of JCI shareholders.

The purpose of this circular is to:

- provide JCI shareholders with information regarding the WAL disposal;
- provide JCI shareholders with information regarding the Gold Fields call option;
- provide JCI shareholders with information regarding the JCI put option; and
- convene the JCI general meeting to consider and, if deemed fit, to pass the ordinary resolutions necessary to approve the WAL transaction.

2. THE WAL TRANSACTION

2.1 Introduction and rationale

JCI shareholders are referred to the announcement published on SENS on Monday, 11 September 2006, in terms of which it was announced that JCI and the JCI subsidiaries have entered into the sale of shares and option agreement relating to the WAL disposal and the option arrangements.

The WAL transaction enables JCI and the JCI subsidiaries to exchange their shareholding in WAL for holdings in Gold Fields, a more diversified gold mining company. In addition, the exchange is undertaken at a premium to the traded price of WAL shares as at the date of entering into of the sale of shares and option agreement.

2.2 Nature of business of WAL

WAL is a public company, listed on JSE, and is involved in the South African gold mining industry through its principal asset, a 50% interest in a joint venture ("the PDWA JV") with Barrick Gold South Africa (Proprietary) Limited ("BGSA") (a subsidiary of Barrick Gold Corporation ("Barrick")), which joint venture entity owns and operates the South Deep Gold Mine ("South Deep").

The PDWA JV was established on 1 April 1999, when Placer Dome S.A. (Proprietary) Limited ("Placer Dome") acquired a 50% participation interest in South Deep for a cash consideration of $248 million.

On 20 January 2006, Barrick acquired a majority interest in Placer Dome Inc, the holding company of Placer Dome.

The South Deep Twin Shaft Complex ("the Complex"), of which the Main Shaft comprises a single-drop to a depth of 2 993 metres, was built at a cost of approximately R4 billion over a 10-year period and will provide access to approximately 29.3 million ounces of mineral reserves. In 2005, South Deep produced 461 119 ounces of gold.

WAL receives, as a first charge against the gold production of the PDWA JV, 1,25% of all gold produced. In the event that the PDWA JV were to produce more than 1 million ounces of gold during any year, the first charge received by WAL will increase to 2,5%. After receipt by WAL of such first charge, the balance of all gold produced is shared equally by WAL and Placer Dome.

A serious incident occurred at South Deep on 4 May 2006 when, during routine rope maintenance at the Main Shaft of the Complex, the winder ropes pulled free from the hoist drum resulting in a conveyance and the rope being drawn down the main shaft ("the incident"). As a consequence of the incident, underground ore had to be redirected through the South Shaft Complex. Accordingly, the mine rescheduled production such that the plant feed for the period through to December 2006 is expected to average 85 000 tonnes per month of underground ore, and 30 000 tonnes per month of low-grade surface material. The redirection of the underground ore flow has culminated in increased operating costs as a result of double-handling and additional surface transportation costs. Gold production for the second quarter totalled 35 232 ounces, which was some 35% lower than the first quarter (53 973 ounces). Similarly, the tonnes milled were 20% lower totalling 195 352 tonnes compared to 245 718 tonnes during the first quarter.

The re-commissioning of the Main Shaft is expected to occur in early 2007 at an estimated total cost of R70 million.

A fire broke out in the 95/3 West project area at South Deep on 31 August 2006, following a routine blast. Mine personnel were successful in ensuring that the fire did not spread from this area. For safety reasons, production was stopped for a period of 6 days while the fire was being addressed. Production levels have resumed to at least 75% of that prior to the occurrence of the fire.

2.3 Background to Gold Fields

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

Gold Fields operates three large gold mining operations in South Africa namely Driefontein gold mine, Beatrix gold mine and Kloof gold mine. It also owns the St. Ives and Agnew gold mining operations in Australia and has a 71.1% interest in each of the Tarkwa and Damang gold mines in Ghana. In January 2006, Gold Fields acquired 92% of the voting securities (or 80.7% of the economic interest) of Gold Fields La Cima S.A. (formerly known as Sociedad Minera La Cima S.A.), the owner of the Cerro Corona Gold and Copper Project in Peru, which is in the process of being developed for production. On 21 November 2005, Gold Fields entered into a Plan of Arrangement, which became effective on 28 February 2006, whereby it acquired all of the remaining securities it did not already hold of Bolivar Gold Corp., which operated (through various subsidiaries) the Choco 10 open pit gold mine in the El Callao gold district in the Bolivar State, Venezuela. Gold Fields acquired 50% of the Essakane Joint Venture from Orezone Resources Inc. in the last quarter of fiscal 2005, after reaching an aggregate expenditure of US$8 million. In January 2006, Gold Fields also took over the management of the project exploration program. Gold Fields has the opportunity to earn an additional 10% interest in the project by completing a bankable feasibility study, which is scheduled to begin in the second quarter of fiscal 2007. In addition, Gold Fields has gold and other precious metal exploration interests in Africa, Australasia, China, Europe, North America and South America. For the year ended 30 June 2006, Gold Fields had attributable production of 4.1 million ounces of gold and as at 31 December 2005, Gold Fields had gold equivalent reserves of 65 million ounces and gold equivalent resources of 179 million ounces.

Furthermore, Gold Fields also owns 100% of the Arctic Platinum Project, in northern Finland, which is evaluating the economic potential of deposits of open pittable and underground platinum group metal mineralisation. During April 2006, Gold Fields finalised an arrangement with North American Palladium Limited, whereby North American Palladium Limited has an option to acquire up to 60% of the Arctic Platinum Project.

Gold Fields is a public company, with a primary listing on the JSE. The American Depository Receipts of Gold Fields are also traded on the New York Stock Exchange and are registered with the United States Securities

and Exchange Commission. Gold Fields is further listed on the London Stock Exchange plc, Euronext N.V (Paris and Brussels subsidiaries) and SWX Swiss Exchange.

2.4 The WAL transaction

2.4.1 Details of the WAL disposal

JCIIF will, subject to the fulfilment of the conditions precedent set out in paragraph 2.4.5 below, dispose of 27 000 000 WAL shares, constituting 16.7% of the issued ordinary share capital of WAL. These shares are being sold with effect from the date of signature of the sale of shares and option agreement, being 11 September 2006, for the consideration described in paragraph 2.4.4. All risks and benefits attaching to the WAL shares disposed of in terms of the WAL disposal shall be deemed to have passed to Gold Fields as from 11 September 2006.

2.4.2 Details of the Gold Fields call option

2.4.2.1 Pursuant to the WAL disposal, the JCI subsidiaries will still hold the remaining WAL shares (9 957 844 WAL ordinary shares).

2.4.2.2 The JCI subsidiaries have earmarked 4 598 214 WAL shares ("the restricted WAL shares"), which have been excluded from the remaining WAL shares, for the settlement of a potential legal claim. For as long as this potential legal claim remains unsettled, the restricted WAL shares will not form part of the remaining WAL shares and will not be subject to the Gold Fields call option or the JCI put option.

2.4.2.3 Gold Fields has the right, within 90 days from the WAL disposal implementation date, to notify the JCI subsidiaries that Gold Fields is considering acquiring from the JCI subsidiaries the remaining WAL shares.

2.4.2.4 Upon such notification, the JCI subsidiaries shall be deemed to have granted to Gold Fields an option to acquire the remaining WAL shares from the JCI subsidiaries. This option shall be open for acceptance by Gold Fields for a period of 90 days.

2.4.2.5 Upon acceptance by Gold Fields of the aforementioned option, Gold Fields shall discharge the purchase price in respect of the remaining WAL shares within 10 days after the date of acceptance.

2.4.2.6 Should Gold Fields be of the opinion that the acceptance of the option as contemplated in 2.4.2.5 requires approval in terms of the Competition Act, Gold Fields will be entitled to suspend such acceptance of the offer for a period of 120 days after the date that the offer shall have been accepted.

2.4.2.7 Gold Fields has undertaken that, should the approval referred to in 2.4.2.6 not have been obtained at the expiry of the 120-day period, Gold Fields will:

- dispose of as many WAL shares so as to reduce its shareholding in WAL to no more than 34.9% of the issued shares of WAL; and
- accept the option as contemplated in 2.4.2.5 and make full payment to the JCI subsidiaries for the acquisition of the remaining WAL shares.

2.4.2.8 The purchase price payable by Gold Fields on the exercise of the Gold Fields call option is the same as in respect of the WAL disposal, as described in paragraph 2.4.4.

2.4.3 Details of the JCI put option

The material terms of the JCI put option are set out below.

2.4.3.1 The JCI subsidiaries have the right, within three months from the WAL disposal implementation date, to notify Gold Fields that the JCI subsidiaries are considering compelling Gold Fields to acquire the remaining WAL shares from the JCI subsidiaries.

2.4.3.2 Upon such notification, Gold Fields shall be deemed to have offered to acquire the remaining WAL shares from the JCI subsidiaries. This offer shall be open for acceptance by the JCI subsidiaries for a period of 90 days, but will be subject to an undertaking by the JCI subsidiaries that it will not accept such offer during the first 60 days of the 90-day period.

2.4.3.3 Upon acceptance by the JCI subsidiaries of the aforementioned offer, Gold Fields shall discharge the purchase price, described in paragraph 2.4.4, in respect of the remaining WAL shares within 10 days after the date of acceptance.

2.4.3.4 Should Gold Fields be of the opinion that the acceptance of the offer as contemplated in 2.4.3.3 shall require approval in terms of the Competition Act, Gold Fields will be entitled to suspend such acceptance of the offer for a period of not more than 120 days after the date that the offer shall have been accepted.

2.4.3.5 Gold Fields has undertaken that, if the approval referred to in 2.4.3.4 shall not have been obtained at the expiry of the 120-day period, Gold Fields will:

- dispose of as many WAL shares so as to reduce its shareholding in WAL to no more than 34.9% of the issued shares of WAL; and
- make full payment to the JCI subsidiaries for the acquisition of the remaining WAL shares.

2.4.4 Disposal consideration

Gold Fields will pay the purchase price in respect of the WAL disposal and of the option arrangements by way of the allotment and issue to JCI of Gold Fields ordinary shares in the ratio of 35 Gold Fields ordinary shares for every 100 WAL ordinary shares sold. This will result in the JCI subsidiaries receiving 9 450 000 Gold Fields ordinary shares in respect of the WAL disposal. Based on the number of Gold Fields shares in issue as at 30 June 2006 of 494 824 723 and the 9 450 000 new Gold Fields shares to be issued to the JCI subsidiaries, the JCI subsidiaries will hold approximately 1.87% of the issued shares in Gold Fields subsequent to the WAL transaction. Based on the closing price of Gold Fields shares on 7 September 2006 of R150.20, this represents a value of R52.57 per WAL share and an aggregate disposal consideration of R1 419 390 000.

Should either the put option or the call option be exercised in respect of all the remaining WAL shares, JCIIF will receive an additional 3 485 245 Gold Fields ordinary shares. Based on the aforementioned share prices, this would represent an aggregate disposal consideration of R523 483 799.

JCI shareholders should be cognisant of the fact that the disposal consideration calculation is determined by the share prices of WAL and Gold Fields. The disposal consideration is therefore subject to fluctuations in the prices at which of WAL and Gold Fields shares trade on the JSE.

2.4.5 Conditions precedent

The WAL transaction is subject to:

- the approval of the shareholders of JCI in general meeting of the sale of shares and option agreement; and
- the delivery by JCI to Gold Fields of copies of all the resolutions passed at the JCI general meeting that are required to approve the sale of shares and option agreement.

2.4.6 Warranties

JCI has warranted that it shall be able and entitled validly and effectively to deliver the WAL shares to Gold Fields. In addition, JCI has given representations and warranties supportive of the implementation of the transaction.

2.4.7 Restraint of trade

The sale of shares and option agreement does not preclude JCI from carrying on business in competition with Gold Fields, nor does it impose any other restrictions on JCI. No cash or other payments were made regarding restraints of trade.

2.4.8 Commitments

JCI has received the following undertakings to vote in favour of all resolutions at a general meeting of JCI shareholders to give effect to the WAL transaction:

JCI ordinary shareholders	Number of JCI ordinary shares	Percentage holding of JCI ordinary shares (%)[2]	Percentage holding of JCI ordinary shares entitled to vote(%)[3]
Allan Gray Limited[1]	226 701 644	10.2%	11.1%
Allan Gray Limited[1]	289 581 620	13.0%	14.2%
Hawkhurst Investments Limited	212 165 628	9.5%	10.4%
Letšeng Diamonds Limited	177 455 884	8.0%	8.7%
Randgold	89 526 009	4.0%	4.4%
Continental Gold Fields Limited	60 885 098	2.7%	3.0%
Top-Gold AG MVK	20 000 000	0.9%	1.0%
Top Flite Asset Management	15 000 000	0.7%	0.7%
Roger Kebble	4 000 000	0.2	0.2
Total	1 095 315 883	49.2	53.7

1 Allan Gray Limited has irrevocably undertaken to vote in favour of all resolutions at the general meeting of JCI shareholders to approve the WAL transaction in respect of 226 701 644 JCI ordinary shares and recommend to their clients to vote in favour of the WAL transaction in respect of 289 581 620 JCI ordinary shares.

2 Based on the number of JCI shares in issue

3 Based on the number of JCI shares in respect of which votes could be exercised at the JCI general meeting, which exclude the JCI shares held by the JCI Share Trust and JCI Gold

2.4.9 Promoters

No cash or securities were paid nor any benefit given within the three years preceding the date of this circular, or are proposed to be paid or given, to any promoter, not being a director of JCI. No promoter had any direct or indirect beneficial interest in any acquisition made by the JCI group within the three years preceding the date of this circular.

3. OPINION OF THE JCI BOARD

The JCI board has considered the terms and conditions of the WAL transaction and are of the unanimous opinion that the terms and conditions are for the benefit of JCI. Accordingly, the JCI board supports the WAL transaction and recommends that JCI shareholders vote in favour of the WAL transaction at the JCI general meeting.

4. FINANCIAL INFORMATION

4.1 Financial information on WAL

The historical financial information on WAL, comprising extracts from the audited financial statements for the three financial years ended 31 December 2005 is set out in Annexure I to this circular.

4.2 Pro forma financial effects of the WAL transaction

The table below sets out the unaudited pro forma financial effects on JCI based on the assumptions set out below. The unaudited pro forma financial effects have been prepared by the board of JCI for illustrative purposes only, in order to provide information about how the WAL transaction may have affected the results, changes in equity and financial position of JCI, had the transaction been implemented on 1 April 2005 for income statement purposes and 30 September 2005 for balance sheet purposes. Due to their nature the unaudited pro forma financial effects may not give a true reflection of the results, changes in equity and financial position of JCI after the WAL transaction. The directors of JCI are responsible for the unaudited pro forma financial effects. The table below reflects a repetition of the financial effects that were disclosed in the circular to JCI shareholders, dated 14 September 2006 and dealing with the Letšeng disposal. An additional adjustment column has been added to reflect the financial effects of the WAL transaction.

The unaudited pro forma financial effects of JCI do not include any adjustments with regards to the following subsequent events:

- the acquisition by Matodzi of 200 million cumulative redeemable preference shares owned by JCI in Witnigel; and
- the redemption by Matodzi of 200 million unsecured redeemable convertible participating B preference shares owned by JCIIF on 29 March 2006.

As a consequence of the above, JCI through JCIIF, has become the majority shareholder in Matodzi and accordingly, has increased its effective holding in Letšeng from 30.4% to an effective 52.7%. JCI shareholders are referred to the pro forma financial information contained in paragraph 4 of the Matodzi circular issued on 14 September 2006, as this will indirectly impact on JCI.

	Before (cents)	After the Letsêng disposal (cents)	Change (%)	After the WAL transaction (cents)	Change (%)
(Loss)/earnings per share	(7.74)[1]	(3.88)[3]	49.92	29.15[4]	852
Headline (loss)/earnings per share	(5.90)[1]	6.64[3]	212.47	(8.11)[5]	(222)
NAV per share	(15.12)[2]	(11.92)[3]	21.16	25.36[6]	313
TNAV per share	(15.12)[2]	(11.92)[3]	21.16	25.36[6]	313
Number of ordinary shares in issue[6]	2 106 476 728	2 106 476 728		2 106 476 728	
WANOS in issue[7]	2 063 635 198	2 063 635 198		2 063 635 198	

Notes:

1. The LPS and HLPS reflected in the "Before" column have been extracted from the income statement included in the JCI unaudited and unreviewed results for the six months ended 30 September 2005, as published on SENS on Friday, 7 April 2006 and in the press on Monday, 10 April 2006, adjusted for the 112 000 000 treasury shares held by the share incentive trust and subsidiary companies, resulting in a difference between the LPS and HLPS disclosed above and in the unaudited and unreviewed results for the six months ended 30 September 2005.
2. The NAV and TNAV reflected in the "Before" column have been extracted from the balance sheet included in the JCI unaudited and unreviewed results for the six months ended 30 September 2005, as published on SENS on Friday, 7 April 2006 and in the press on Monday, 10 April 2006. The NAV per share and TNAV per share have been calculated based on 2 106 476 728 ordinary shares in issue.
3. The LPS, HEPS, NAV and TNAV per share as set out in the "After the Letšeng disposal" column have been adjusted in respect of the Letšeng disposal as detailed in the circular to JCI shareholders dated 14 September 2006.
4. The LPS as set out in the "After the WAL transaction" column has been adjusted as follows:
   - to include the profit on the WAL disposal of R1 076.4 million (calculated using the value of WAL shares at 1 April 2005);
   - to exclude the equity accounted loss relating to WAL for the six months ended 30 September 2005 of R25.5 million;

- to include the capital gains tax arising as a result of the WAL disposal of R133.8 million;
- to include the estimated transaction costs of R7.9 million;
- to include Investec's profit share of R278.3 million in terms of the WAL disposal; and
- to include R0.4 million of additional interest paid in respect of the payment of the estimated transaction costs out of interest-bearing liabilities.

5. The HLPS as set out in the "After the WAL transaction" column has been adjusted as for the LPS except that the following items have been excluded:
   - the profit on the WAL disposal of R1 076.4 million;
   - the capital gains tax arising as a result of the WAL disposal of R133.8 million; and
   - the estimated transaction costs of R7.9 million.
6. NAV per share and TNAV per share has been adjusted as follows:
   - to include the provision for payment of the Investec profit share of R278.3 million in terms of the WAL disposal and the capital gains tax arising as a result of the WAL disposal of R133.8 million;
   - to include the profit on disposal of the WAL shares of R1 235.5 million (calculated using the value of the WAL shares at 30 September 2005);
   - to include the payment of the estimated transaction costs of R7.9 million; and
   - to exclude the investment relating to the 27 million WAL shares, to fair value the remaining 5.4 million WAL shares and to include the investment in Gold Fields of R1 419.4 million.
7. The number of ordinary shares in issue reflected in the "Before" column has been extracted from the JCI unaudited and unreviewed results for the six months ended 30 September 2005, as published on SENS on Friday, 7 April 2006 and in the press on Monday, 10 April 2006, less 112 000 000 treasury shares held by the share incentive trust and subsidiary companies.
8. The WANOS in issue reflected in the "Before the Letsêng disposal" column has been extracted from the JCI unaudited and unreviewed results for the six months ended 30 September 2005, as published on SENS on Friday, 10 April 2006 and in the press on Monday, 10 April 2006, less 112 000 000 treasury shares held by the share incentive trust and subsidiary companies.

The *pro forma* balance sheet and income statement of JCI are contained in Annexure III to this circular. The independent reporting accountants' report on the *pro forma* financial information of JCI is contained in Annexure IV to this circular.

5. MAJOR SHAREHOLDERS

Insofar as is known to the directors of JCI, the following JCI shareholders beneficially held, directly or indirectly, an interest of 5% or more of the JCI ordinary shares in issue at the last practicable date:

JCI ordinary shareholders	Number of JCI ordinary shares	Percentage holding of JCI ordinary share (%)
Allan Gray Limited	516,032,847	23.3
Matodzi	210,255,713	9.4
Hawkhurst Investments Limited	212,165,628	9.6
Letšeng Diamonds Limited	177,455,684	8.0
Total	1,115,909,872	50.3

6. MATERIAL CHANGES

The directors report that since the publication of the unaudited and unreviewed JCI interim financial statements for the six months ended 30 September 2005 (published on 7 April 2006), until the last practicable date, and other than the Letšeng disposal (details of which were contained in the circular to JCI shareholders dated 14 September 2006), there have been no material changes in the financial and trading position of JCI and its subsidiaries.

Apart from the incident referred to in 2.2, there have been no material changes in the financial or trading position of WAL since the year ended 31 December 2005.

7. DIRECTORS

Subsequent to 30 September 2005 and the last practicable date, the following changes to the JCI board took place:

Resignations	Capacity	Date
RB Kebble*	CEO to Non-executive	24 August 2005
JC Lamprecht	Financial director	16 May 2006
CHD Cornwall	Non-executive	24 August 2005
RAR Kebble	Non-executive chairman	24 August 2005
J Stratton	Executive	24 August 2005
HC Buitendag	Executive	24 August 2005

Appointments	Capacity	Date
PH Gray	CEO	24 August 2005
JC Lamprecht	Financial director	24 August 2005
DM Nurek	Non-executive chairman	12 September 2005
DE Jowell	Non-executive	12 September 2005
PRS Thomas	Non-executive	12 September 2005
AC Nissen	Non-executive	12 September 2005

* Mr RB Kebble passed away on 27 September 2005.

The directors of JCI at the last practicable date are as follows:

Name	Age	Business Address	Designation
Peter Henry Gray	58	28 Harrison Street, Johannesburg	CEO
David Morris Nurek*	56	36 Hans Strydom Avenue, Foreshore, Cape Town	Non-executive chairman
Donn Edward Jowell**	65	72 Grayston Drive, Sandton	Non-executive director
Andrew Christoffel Nissen	48	12th Floor, Southern Life Centre, Riebeeck Street, Cape Town	Non-executive director
Peter Richard Suter Thomas***	61	10 Orange Street, Sunnyside, Auckland Park	Non-executive director

* David Morris Nurek is an executive of Investec, a director of Investec Property Group Holdings Limited and a director of WAL

** Donn Edward Jowell is a non-executive director of Investec

*** Peter Richard Suter Thomas is a non-executive director of Investec and a director of various other Investec companies

There are no service contracts between JCI and the non-executive directors of JCI. The service contract with the executive director of JCI contains normal terms and conditions of employment and other than disclosed below has not been entered into or amended during the period beginning six months prior to the date of this circular.

Peter Henry Gray is the only director of JCI who has a service contract. In terms of the service contract entered into with Peter Henry Gray on 17 August 2005, either party may terminate this contract by giving ninety days notice of such intention to the other party after the first twelve months of the contract. The service contract with Peter Henry Gray is available to shareholders for inspection.

At the date of this circular, no candidates have been nominated as proposed directors of the company. Accordingly, no service contracts with any proposed directors have been entered into.

The total emoluments received by the directors of JCI will not be varied as a consequence of the WAL transaction.

Directors' emoluments

In terms of the service contract, Peter Henry Gray is entitled to receive an all-inclusive, package of R1.6 million per annum. The cost of all additional benefits shall be part of the all-inclusive package. In addition to the all-inclusive package, JCI may award an annual bonus based on the performance of JCI and Peter Henry Gray, respectively. The remuneration package will be reviewed on an annual basis.

As a further entitlement for accepting the position as CEO, JCI acquired on behalf of Peter Henry Gray the following shares, inclusive of the income tax thereon:

- 100,000 Randgold shares; and
- 10,000 WAL shares.

Subsequent to the signing of the service contract, Randgold was suspended and JCI paid Peter Henry Gray the cash equivalent of the suspended price of 100,000 Randgold shares being R890,000. In addition to the shares above, JCI paid Peter Henry Gray R1 million after tax.

JCI has resolved that non-executive directors would be entitled to receive R175 000 per annum and that the chairman would receive R350 000 per annum. The necessary resolutions will be passed on a quarterly basis, confirming the actual amounts due to the non-executive directors.

JCI has not paid any management, consulting, technical or other fees for services rendered, directly or indirectly, including payments to management companies, a part of which was then paid to a director of the company for the period commencing 1 March 2005 and ending on the last practicable date.

No share options are held by any directors and therefore none were exercised for the period commencing 1 March 2005 and ending on the last practicable date.

8. JCI AND ITS DIRECTORS' INTERESTS AND DEALINGS

8.1 Directors' interests in JCI ordinary shares

As at the last practicable date, no directors of JCI held any beneficial or non-beneficial interest, whether directly or indirectly, in JCI ordinary shares. There has been no change in the directors' interests in JCI ordinary shares since 30 September 2005.

8.2 Directors' interests in transactions

None of the directors of JCI have any material direct or indirect beneficial interests in any transactions which were effected by JCI during:

- the current or immediately preceding financial year; or
- an earlier financial year and remain in any respect outstanding or unperformed.

8.3 Interest of JCI and its directors in Gold Fields and dealing in Gold Fields shares

Neither JCI nor its directors hold any Gold Fields shares. None of the directors of JCI have any direct or indirect beneficial interest in the WAL transaction. David Nurek, the chairman of JCI, is a director of WAL, but does not have any direct or indirect interest in WAL shares.

9. FUTURE STRATEGY OF JCI

JCI is a mining investment company. JCI's current strategy is to dispose of some of its investments in order to repay its liabilities. As at the last practicable date, the significant assets, other than the WAL asset, held by JCI are as follows:

- an interest in Boschendal, a wine estate in the Western Cape;
- a 57.7% shareholding in Matodzi;
- preference shares in Jaganda (an indirect investment in Simmer and Jack Mines Limited);
- a selection of minor industrial and technology interests; and
- various mineral rights for which the necessary applications had been submitted to the Department of Minerals and Energy in respect of the new mining legislation.

JCI is currently reviewing its strategic alternatives in relation to the abovementioned assets.

10. HISTORY OF CHANGES

JCI has not, in the past five years, had a controlling shareholder and currently does not have a controlling shareholder.

11. WORKING CAPITAL STATEMENT

Subject to the outcome of the matters referred to in paragraph 12 below, the JCI board are of the opinion that the working capital resources of JCI and its subsidiaries are sufficient for JCI's current requirements and will be adequate for a period of 12 months from the date of this circular.

12. LITIGATION STATEMENT

Other than disclosed below, there are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which JCI is aware which may have, or have had, a material effect on JCI group's financial position during the past 12 months preceding the date of this circular.

On 7 April 2006, JCI and Randgold informed their respective shareholders that they had agreed to enter into a mediation process with a view to resolving various potential disputes which had arisen between them.

Pursuant to that process, Randgold, after taking legal advice, formulated several claims against JCI, its subsidiary and associated companies. Some of these claims are framed on alternative bases and, taking the highest bases, the claims could, in the aggregate, substantially exceed the provision of R1,132 billion made therefore in the unreviewed and unaudited provisional consolidated financial statements of JCI published on 7 April 2006 and the consolidated NAV of JCI and its subsidiaries, before making that provision.

JCI has taken legal advice in regard to the Randgold claims and, based on that advice, contends on several grounds that there is no basis for any liability on the part of JCI in respect of the Randgold claims, as submitted.

The mediation process is continuing and shareholders will in due course be advised of the mediators' recommendations and will be asked to vote on the acceptability or otherwise of any proposed settlement that may flow from them.

Should the mediator's recommendation be rejected by either JCI or Randgold in terms of the process, the parties have agreed to enter into arbitration in order to resolve the disputed issues.

The Company has a potential liability to South African Revenue Service for penalties on unpaid pay-as-you-earn relating to payments made to directors, employees, contractors and sub-contractors. These amounts have not been quantified and are dependant on further forensic investigations.

DRDGold Limited and its associated companies have served summons on the Company as co-defendant with Messrs RAR Kebble, J Stratton and HC Buitendag, claiming payment jointly and severally from the Company, and co-defendants of R77.8 million and AUS$6 million. This matter was settled during August 2005 and inter alia, both companies are committed to the payment of R2.5 million over the next five years. JCI has already paid R500 000. The plaintiffs are alleging that the settlement agreement was not finally concluded.

The circular to JCI shareholders, dated 14 September 2006, incorporated, inter alia, resolutions to ratify the entering into by JCI of the Investec loan facility referred to in paragraphs 14 and 15. After the posting of the circular, an application to the High Court of South Africa (Witwatersrand Local Division) ("the Court") was made by a JCI shareholder, Letseng Diamonds Limited, to interdict and restrain JCI from dealing with the ordinary resolutions

relating to the ratification of the Investec loan facility at the general meeting held on 29 September 2006. JCI intends to respond to the application and had reached agreement for the resolutions referred to beforehand not be tabled or put to shareholders at the general meeting of 29 September 2006. The Court has ordered that the general meeting be adjourned to 30 November 2006.

Other than as disclosed above, JCI is not aware that there are any legal or arbitration proceedings (including any such proceedings that are pending or threatened) which may have, or have had, a material effect on WAL's financial position during the past 12 months preceding the date of this circular.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given in paragraph 7 of this circular, collectively and individually accept full responsibility for the accuracy of the information given relating to the JCI group and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the circular contains all information required by the Listing Requirements of the JSE.

14. SIGNIFICANT CONTRACTS

Save as disclosed below and in paragraph 2, the JCI group has not entered into, verbally or in writing, any material contract otherwise than in the ordinary course of business either:

- within the last two years prior to the date of this circular; or
- at any time which contains an obligation or settlement that is material to the JCI group at the date of this circular.

An agreement was entered into on 16 January 2006 between JCI and Investec, in terms of which Investec granted a loan facility of up to R460 million to JCIIF (the terms of which were summarised in the circular to JCI shareholders dated 14 September 2006).

On 23 June 2006, Letšeng Holdings, a company effectively controlled by JCI, entered into an agreement with Gem Diamond Mining Company of Africa Limited ("Gem") to dispose of Letšeng Holdings' entire interest in the ordinary shares in Letšeng Diamonds. This transaction was approved by JCI shareholders in general meeting on 29 September 2006.

No material assets have been acquired by the JCI group within the last three years prior to the date of this circular. As a consequence, there are no book debts or other assets that have been guaranteed by any vendors to the JCI group nor are there any liabilities for taxation that have to be settled in terms of such acquisitions.

15. BORROWINGS

As at the last practicable date, JCI had the following material borrowings:

	R
Investec facility	327,354,105
Randgold claim (refer paragraph 12)	1,132,000,000
South African Revenue Service (refer paragraph 12)	255,000,000
Total	1,714,354,105

Investec granted a loan facility in August 2005 of up to R460 million to a newly formed special purpose vehicle, JCIIF, and Letšeng Holdings. The facility enabled JCI to meet immediate cash flow requirements, restructure existing facilities, follow JCI's rights in terms of a rights offer by WAL ("the WAL rights offer") and to underwrite a portion of the WAL rights offer.

The following assets were transferred to JCIIF in terms of the facility:

- all JCI's shares in and loan account claims of R35 485 837 against Letšeng;
- 200 million unsecured, redeemable convertible participating "B" preference shares in Matodzi, subsequently "redeemed" into 200 million new Matodzi ordinary shares on 30 March 2006;
- 9 035 369 WAL shares received in terms of the WAL rights offer;
- R246 462 256 received from WAL as a repayment of the WAL underwriting loan as a consequence of the subscription of WAL shareholders of their entitlements in terms of the WAL rights offer;
- 13 154 031 WAL shares previously pledged to SocGen;
- 12 000 debentures in Kovacs Investment 608 (Proprietary) Limited and all rights relating to those debentures in respect of Boschendal;
- 357 374 000 redeemable 50% secured preference shares in Jaganda;

- 6 510 045 million WAL shares pledged to the IDC for a loan granted to Letšeng; and
- the property portfolio of JCI and its subsidiary companies valued at R243.5 million.

The assets transferred to JCIIF, as well as JCI's (and all entities selling assets to JCIIF) shares in and loan account claims against JCIIF, and the loan account claims of all entities selling the assets to JCIIF, were ceded and pledged to Investec as security for the facility. JCI and such entities bound themselves to Investec as guarantors for JCIIF in respect of its obligations in terms of the facility.

Interest on the facility is charged at Investec's prime rate and payable on the last business day of the second calendar month in which the drawdown date falls and quarterly in arrears thereafter. Capital and interest is to be repaid from the proceeds of the sale of the JCIIF assets.

The facility is to be repaid by the later of 18 months after the final draw-down date, or such other date (not being later than 24 months after the final draw-down date) as the parties may agree. JCIIF is entitled to repay the facility early, subject to the payment of break costs.

As far as the directors of JCI are aware, WAL had no material borrowings at 30 June 2006, other than as disclosed in the historical financial information of WAL and set out in Annexure I of this circular.

16. EXPENSES

The expenses of the WAL transaction, excluding value-added tax where applicable, are estimated at approximately R5.67 million, as follows:

Expenses	R'000
Printing, publication and distribution	800
JSE documentation and inspection fee	20
Reporting accountants report – KPMG	40
Corporate legal adviser – Tabacks	750
Sponsor – Sasfin	85
Transaction advisers – Investec	1 500
Consultants – Frankel Consulting	2 500
Estimated total	**5 695**

The expenses of the WAL transaction will be payable by JCI out of the proceeds of available cash resources.

17. CONSENTS

The investment bank, sponsor, independent reporting accountants and auditors and corporate law advisers have consented in writing to act in the capacity stated and to their names being stated in this circular and, in the case of the independent reporting accountants, reference to their reports in the form and context in which they appear, and have not withdrawn their consents prior to the publication of this circular.

18. NOTICE OF A GENERAL MEETING OF JCI SHAREHOLDERS

A general meeting of JCI shareholders has been convened and will be held in the Auditorium, Ground Floor, 28 Harrison Street, Johannesburg on Tuesday, 14 November 2006 at 10h00 for the purpose of considering and, if deemed fit, passing, with or without modification, the requisite ordinary resolution which is contained in the notice of the JCI general meeting, attached to this circular.

Any certificated shareholder or "own name" dematerialised shareholder who is unable to attend the JCI general meeting, but wishes to vote by proxy at the JCI general meeting, is required to complete and return the relevant attached form of proxy in accordance with the instructions contained therein. Duly completed forms of proxy must be received by the South African transfer secretaries, Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, PO Box 61051, Marshalltown, 2107 or the United Kingdom Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, no later than 10h00 on Friday, 10 November 2006.

Dematerialised shareholders other than "own name" dematerialised shareholders must inform their CSDP or broker of their intention to attend the JCI general meeting and obtain the necessary authorisation from their CSDP or broker to permit them to attend the JCI general meeting. Alternatively, they may provide their CSDP or broker with their voting instructions should they not be able to attend the JCI general meeting, but wish to be represented thereat.

19. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof will be available for inspection during normal business hours at the registered office of JCI from Monday, 30 October 2006 to and including Tuesday, 14 November 2006:

- the memorandum and articles of association of JCI;
- the sale of shares and option agreement;
- copies of service agreements with directors and managers entered into during the last 3 years;
- the significant contracts entered into by JCI referred to in paragraph 14;
- the published audited financial statements of JCI for the financial years ended 31 March 2003 and 31 March 2004 and the unaudited and unreviewed results for the six months ended 30 September 2005;
- the historical financial information of WAL for the three financial years ended 31 December 2005 as reproduced in Annexure I to this circular;
- the independent reporting accountants' report on the pro forma financial effects of the WAL transaction and the pro forma balance sheet and income statement of JCI, as reproduced in Annexure IV hereto;
- Commitments referred to in paragraph 2.4.8; and
- the consent letters from the investment bank, sponsor, independent reporting accountants and corporate law advisers to the issue of this circular and references to their names, and in the case of the independent reporting accountants, reference to their report, in the form and context in which they appear.

By order of the board

DM Nurek
Chairman

Johannesburg
30 October 2006

Registered office
28 Harrison Street
Johannesburg
2001
(PO Box 11165, Johannesburg, 2000)

HISTORICAL FINANCIAL INFORMATION ON WAL

The financial information for the three financial years ended 31 December 2005 set out below has been extracted from WAL's annual financial statements for the years ended 31 December 2003, 31 December 2004 and 31 December 2005. Each of the financial years were audited by KPMG Inc (Chartered Accountants (SA)) and were all issued without qualification. For a full report of WAL's audited financial statements, JCI shareholders are referred to WAL's Annual Financial Reports which are available for inspection in accordance with paragraph 19 of this circular and which may also be obtained from WAL's website (www.westernareas.co.za).

ACCOUNTING POLICIES

For the year ended 31 December 2005

Western Areas Limited is a company domiciled and incorporated in South Africa. The consolidated financial statements of the Company for the year ended 31 December 2005 comprise of the Company, its subsidiaries, interest in associates and jointly controlled entities.

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS, its interpretations adopted by the International Accounting Standards Board ("IASB") and the requirements of the Companies Act. These are the Group's first consolidated financial statements in accordance with IFRS and IFRS 1 – First-time Adoption of IFRS has been applied.

Basis of preparation

The financial statements and Group financial statements are prepared on the historical cost basis except for the following assets and liabilities that are stated at fair value, namely, derivative financial instruments, financial instruments classified as available for sale and investment property.

Non-current assets held for sale are stated at the lower of carrying amount and fair value, less cost to sell.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and in preparing the applicable IFRS balances at 1 January 2004 for the purposes of the transition to IFRS.

The accounting policies have been applied consistently by all group entities.

Basis of consolidation

Investment in subsidiaries (including special purpose entities)

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Entities include the Placer Dome Western Areas Environmental Trust and the Western Areas Share Incentive Trust.

Investment in joint venture

A joint venture is an entity or unincorporated operation in which the Company holds a long-term interest and which is jointly controlled by the Company and one or more other partners in terms of a contractual arrangement.

The joint venture is proportionally consolidated, whereby the Company's share of the joint venture's assets, liabilities, income, expenses and cash flows are combined with similar items, on a line by line basis, in the Company's financial statements, from the date joint control commences until the date that joint control ceases. A proportionate share of the intergroup transactions and balances are eliminated on consolidation.

Investment in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceed its interest in an associate, the Group's carrying amount is reduced to nil, and recognition of future losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entities. Unrealised losses on transactions are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is no longer amortised but is tested annually for impairment. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

Negative goodwill arising on an acquisition is recognised directly in profit or loss.

Property, plant and equipment

Property, plant and equipment including mine development are recorded at cost of acquisition less accumulated depreciation and impairments recognised. The costs include cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are allocated, and an appropriate portion of directly attributable production overheads. Pre-production expenditure directly attributable to the construction of the Mine is also capitalised until the mining property is substantially complete.

Capitalised mine development costs include expenditure incurred to develop new ore bodies, to delineate extensions of existing ore bodies and to expand the capacity of the Mine.

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing a significant part of such an item when that cost is incurred, it is probable that future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. The part being replaced is derecognised and any loss is recognised in the income statement. All other costs are recognised in the income statement as an expense.

Depreciation is charged to the income statement over the estimated useful lives of each significant part of an item of property plant and equipment. The residual value, of each significant component, is reassessed annually. The depreciation is charged as follows:

Mine development costs

Depreciation is initially charged on new mining ventures from the date on which the Mine development cost is substantially complete. Mine development costs are depreciated using the unit-of-production method based on Proved and Probable Mineral Reserves. Proved and Probable Mineral Reserves reflect estimated quantities of economically exploitable ore, which can be recovered in future from defined Mineral Reserves.

Mine infrastructure

Plant and equipment are depreciated using the lesser of their useful lives (3 – 20 years) or the unit-of-production method based on the Proved and Probable Mineral Reserves.

Depreciation is charged on the straight line basis over the expected useful lives of buildings (12 years), vehicles (4 years), and computer equipment (3 years).

Land

Land is not depreciated.

Mineral rights

Mineral rights are depreciated using the unit-of-production method based on Proved and Probable Mineral Reserves.

Research and exploration

Research and exploration expenditure is expensed in the year in which it is incurred. When a decision is taken that a mining property is capable of commercial production, all further directly attributable pre-production expenditure is capitalised.

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Any gain or loss arising from a change in fair value is recognised in the income statement.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value, is recognised directly in equity if it is a gain. Upon disposal of the item the gain is transferred to retained earnings. Any loss arising in this manner is recognised immediately in the income statement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes of subsequent recording. When the Group begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on a fair value model, and is not reclassified as property, plant and equipment during the redevelopment.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value. Lease payments are accounted for as described in the accounting policy in respect of Leases.

Financial instruments

A financial asset or financial liability is recognised initially at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or financial liability.

A financial asset or a financial liability is recognised on its balance sheet when, the Group becomes a party to the contractual provisions of the instrument.

A financial asset is derecognised when, the contractual rights to the cash flows from the financial asset expire or on transfer of substantially all the risks and rewards of ownership relating to the financial asset.

Investment

Unlisted investments are stated at fair value at year end and are classified as at fair value through profit and loss, with any resultant gain or loss recognised in the income statement.

Listed investments are classified as available-for-sale financial assets and are stated at fair value, which is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date, with any resultant gain or loss being recognised directly in equity, except for impairment losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Derivate financial instruments

The Group uses derivative financial instruments to hedge its exposure to gold price risks arising from operational activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Any gain or loss on the subsequent remeasurement to fair value of derivative financial instruments is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see accounting policy in respect of Hedging).

The fair value of the gold option contracts is the estimated amount that the Group would receive or pay on the date the specific option matures, as at the balance sheet date. The calculation of the estimated amount takes into account the Dollar gold volatilities and Dollar interest rates.

Hedging

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity. When the forecasted transaction subsequently results in the recognition of a

non-financial asset or non-financial liability, or the forecast transaction for a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecasted transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (that is, when a gold sale is recognised). For cash flow hedges, other than those covered by the preceding two policy statements, the associated cumulative gain or loss is removed from equity and is recognised in the income statement in the same period or periods during which the hedged forecast transaction affects profit or loss. The ineffective part of any gain or loss is recognised immediately in the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised immediately in the income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Obsolete, redundant and slow moving inventories are identified on a regular basis, and are written off to their estimated net realisable values. Cost is determined on the following basis:

- Gold-in-progress (accounted for from the shaft bins) and ore in stock piles are valued at the average production cost at the relevant stage of production.
- Consumable stores are valued at average cost.

Trade and other receivables

Trade and other receivables originated by the Group are stated at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments, net of bank overdrafts, all of which are available for use by the Group unless otherwise stated.

Non-current assets held for sale

Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up-to-date in accordance with the applicable IFRS treatment. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

Impairment

The carrying amounts of the Group's assets, other than investment property, inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill in respect of the Mine that are allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Calculation of recoverable amount

The recoverable amount of receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (that is, the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of goodwill concerning the Mine is not reversed.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee benefits

Post-retirement benefits

Defined contribution plans

Pension and provident funds

Contributions to defined contribution plans in respect of services during the year are recognised as an expense in that period.

Defined benefit plans

Post-retirement medical obligations

The post-retirement medical obligation represents the present value of the estimated future cash outflows resulting from employees' services provided in the past and are recognised immediately.

The Projected Unit Credit Method is used to determine the present value of the defined benefit obligation. Independent actuarial valuations are conducted regularly and any actuarial gains or losses in respect of defined benefit plans are recognised as income or expense.

Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

The provisions for employee entitlements to wages, salaries, annual and sick leave represent the amount which the Group has a present obligation to pay as a result of employees' services provided to the balance sheet date. The provisions have been calculated at the amount required to settle the obligation.

Provisions

Provisions are recognised when the Group has a present obligation, whether legal or constructive, as a result of a past event for which 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. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability.

Environmental rehabilitation

Estimated long-term environmental obligations comprising decommissioning and restoration, are based on the Company's environmental management plans in compliance with current environmental and regulatory requirements.

The provision for environmental rehabilitation represents the cost that will arise from rectifying damage caused in constructing the mining assets, after production ceases. Rehabilitation costs are provided for at the present value of the expenditures expected to settle the obligation, using estimated cash flows based on current prices. When this provision arises on constructing an asset, it is included as a directly attributable cost of the related asset (decommissioning). Changes to these decommissioning liabilities shall be added to or deducted from the cost of the related asset in the current period. If a decrease in liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in profit or loss. The unwinding of the rehabilitation obligation is included in the income statement. The estimated future cost of rehabilitation obligations is reviewed annually and adjusted as appropriate for new circumstances or changes in law or technology. The estimates are discounted at a pre-tax rate that reflects current market assessments of the time value of money.

Gains from the expected disposal of assets are not taken into account when determining the provision.

Expenditure on ongoing rehabilitation is expensed when incurred.

Environmental rehabilitation trust

Annual contributions are made to the Placer Dome Western Areas Environmental Trust, created in accordance with South African statutory requirements, to fund the estimated cost of rehabilitation during, and at the end, of the Life of Mine. The environmental trust fund has been consolidated into the Group annual financial statements.

Trade and other payables

Trade and other payables are stated at cost.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The sale of mining products is recognised when the significant risks and rewards of ownership of the products are transferred to the buyer.

Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested and dividend income.

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group. Dividends are recognised when the right to receive payment is established.

Operating leases

Leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases. Payments made under operating leases are charged against income on a straight line basis over the period of the lease.

Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current taxation comprises taxation payable, calculated on the basis of the expected taxable income for the year, using the tax rates enacted or substantially enacted at the balance sheet date, and any adjustment of taxation payable for previous years.

Deferred tax is provided using the balance sheet liability method, based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses, unredeemed capital expenditure and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Foreign currency

Foreign currency transactions are recorded at the exchange rate ruling on the transaction date. Monetary assets and liabilities designated in foreign currencies are translated at rates of exchange ruling at year end, and any gains and losses arising are included in the income statement.

UNAUDITED QUARTERLY RESULTS FOR THE PERIOD 30 JUNE 2006

Production and unit results

Year ended 31.12.05	Year to date 30.06.06	Quarter ended 31.03.06	Quarter ended 30.06.06				Quarter ended 30.06.05	Quarter ended 31.03.06	Year to date 30.06.06	Year ended 31.12.05
		IMPERIAL						METRIC		
					Lost Time Injury per 200 000 hours		**1.04**	0.88	**0.96**	0.56
947	**418**	254	**164**	tons	Reef mined ('000)	tonnes	**149**	231	**380**	859
962	**393**	242	**151**	tons	Reef ore milled	tonnes	**137**	220	**357**	879
212	**93**	29	**64**	tons	Surface ore milled	tonnes	**58**	26	**84**	179
1 174	**486**	271	**215**	tons	Total ore milled	tonnes	**195**	246	**441**	1058
0.239	**0.221**	0.221	**0.224**	oz/ton	Yield (underground)	g/tonne	**7.67**	7.53	**7.59**	8.15
0.200	**0.183**	0.200	**0.164**	oz/ton	Yield (incl. surface)	g/tonne	**5.61**	6.83	**6.29**	6.90
234 584	**89 205**	53 973	**35 232**	oz	Gold produced	kg	**1096**	1 679	**2 775**	7 296
231 094	**92 038**	55 460	**36 578**	oz	Gold sold	kg	**1138**	1 725	**2 863**	7 188
367	**493**	422	**602**	US$/ton	Cash costs	R/kg	**124 965**	83 777	**100 044**	75 365
448	**613**	525	**750**	US$/ton	Total production costs	R/kg	**155 676**	104 161	**124 507**	91 822
338	**353**	403	**285**	US$/ton	Gold price achieved	R/kg	**59 183**	79 862	**71 644**	69 371
448	**576**	561	**605**	US$/ton	Average gold spot price	R/kg	**125 670**	111 196	**116 949**	91 944
					Average exchange rate achieved		**6.4603**	6.1637	**6.3150**	6.3837
					Period end exchange rate		**7.1420**	6.1890	**7.1420**	6.3275
18	**11**	5	**6**	US$m	Capital expenditure	Rm	**44**	30	**74**	113
7	**19**	9	**19**	US$m	Capital commitment at end of period	Rm	**136**	53	**136**	46

Abridged consolidated income statement

SA Rand million	Notes	Quarters ended 30.06.06 Unaudited	31.03.06 Unaudited	Year to date 30.06.06 Unaudited	Year ended 31.12.05 Audited
Gold revenue		**29.0**	107.4	**136.4**	420.6
Gold sales at spot		**143.0**	191.9	**334.9**	660.9
Realisation of matured option	1	**(114.0)**	(84.5)	**(198.5)**	(240.3)
Total production costs		**(170.6)**	(174.9)	**(345.5)**	(668.2)
Production costs – cash		**(137.0)**	(140.6)	**(277.7)**	(549.9)
Production costs – non cash	2	**(33.6)**	(34.2)	**(67.8)**	(118.3)
Operating loss from gold operations		**(141.6)**	(67.5)	**(209.1)**	(247.6)
Property, plant and equipment write-offs	3	**(28.0)**	–	**(28.0**	–
Net other income/(expense)		**2.8**	33.6	**36.4**	(20.6)
Administration expenditure		**(5.1)**	(10.2)	**(15.3)**	(23.8)
Present value adjustment for option premium payable		**(8.6)**	(3.7)	**(12.3)**	(55.6)
Fair value adjustment	4	**(369.6)**	52.9	**(316.7)**	(128.9)
Exchange (losses)/gains	5	**(124.5)**	21.0	**(103.5)**	(107.7)
Impairments		**–**	–	**–**	(90.2)
(Loss)/Profit before taxation		**(674.6)**	26.1	**(648.5)**	(674.4)
Taxation		**313.8**	(13.9)	**299.9**	267.0
(Loss)/Profit for the period		**(360.8)**	12.2	**(348.6)**	(407.4)
(LOSS)/EARNINGS PER ORDINARY SHARE (CENTS)					
– Basic		**(234.3)**	7.9	**(226.4)**	(339.3)
– Headline		**(216.6)**	(13.4)	**(230.0)**	(273.9)
Number of ordinary shares issued (millions)		**154.0**	154.0	**154.0**	105.4
Weighted average number of ordinary shares (million)		**154.0**	154.0	**154.0**	120.1
Determination of headline loss:					
(Loss)/Profit for the period		**(360.8)**	12.2	**(348.6)**	(407.4)
(Loss)/Profit on disposal/write-off of property, plant and equipment		**27.3**	(32.2)	**(4.9)**	(6.1)
Profit on disposal of unlisted investments		**–**	–	**–**	(1.0)
Profit on disposal of treasury shares		**–**	–	**–**	(4.3)
Fair value adjustment of other investments		**–**	(0.6)	**(0.6)**	(0.3)
Impairments		**–**	–	**–**	90.2
Headline loss		(333.5)	(20.6)	**(354.1)**	(328.9)

Abridged consolidated balance sheet

SA Rand million	Notes	Period ended 30.06.06 Unaudited	31.03.06 Unaudited	Year ended 31.12.05 Audited
ASSETS				
Property, plant and equipment	6	**3 279.1**	3 290.1	3 299.6
Derivative asset	4	**1 554.1**	1 288.1	996.4
Investments		**19.8**	19.8	19.2
Deferred taxation	7	**1 367.5**	1 050.8	847.7
Cash and cash equivalents		**20.7**	133.6	207.9
Other assets		**51.9**	94.9	68.0
Total assets		**6 293.1**	5 877.3	5 438.8
EQUITY AND LIABILITIES				
Shareholders' equity		**887.3**	1 254.8	1 509.3
Option premium payable		**992.9**	887.7	939.4
Derivative liability	4	**4 284.0**	3 598.1	2 843.9
Other liabilities		**128.9**	136.7	146.2
Total equity and liabilities		**6 293.1**	5 877.3	5 438.8

Statement of changes in shareholders' equity

SA Rand million	Share capital	Share premium	Cash flow hedge reserve	Retained (loss)/ earnings	Total
Gold revenue					
Balance as at 31 December 2005	154.0	**2 842.2**	(1 572.7)	**85.8**	1 509.3
Fair value adjustment	–	**–**	(37 3.0)	**–**	(373.0)
Recycling of fair value on maturing derivatives	–	**–**	99.6	**–**	99.6
Attributable loss for the period	–	**–**	–	**(348.6)**	(348.6)
Balance as at 30 June 2006	154.0	**2 842.2**	(1 846.1)	**(262.8)**	887.3

Abridged consolidated cash flow statement

SA Rand million	Quarters ended 30.06.06 Unaudited	31.03.06 Unaudited	Year to date 30.06.06 Unaudited	Year ended 31.12.05 Audited
Cash flow utilised by operating activities	**(33.8)**	(9.5)	**(43.3)**	(112.5)
Cash flow utilised in investing activities	**(41.7)**	(30.0)	**(71.7)**	(103.0)
Cash flow utilised in finance activities	**(37.4)**	(34.8)	**(72.2)**	410.2
Net (decrease)/increase in cash equivalents	**(112.9)**	(74.3)	**(187.2)**	194.7
Cash and cash equivalents:				
– at beginning of period	**133.6**	207.9	**207.9**	13.2
At end of period	**20.7**	133.6	**20.7**	207.9

Open hedge position

As at 30 June 2006		2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Derivative asset											
Put options bought											
Quantity	oz	102 258	205 572	214 224	209 436	213 960	200 436	205 920	205 056	98 166	1 655 028
Average price	$/oz	288.20	288.20	288.20	293.20	303.20	313.20	313.20	323.20	333.20	
Fair value	R'm	0.0	0.1	0.7	1.5	3.0	4.1	4.2	5.3	3.1	22.0
Call options bought											
Quantity	oz	42 474	85 392	88 980	87 000	88 872	83 256	85 536	85 188	40 776	687 474
Average price	$/oz	308.70	323.70	333.70	348.70	358.70	373.70	398.70	413.70	428.70	
Fair value	R'm	90.0	180.5	193.8	192.2	201.4	191.1	194.1	195.3	93.7	1 532.1
Total derivative asset fair value											**1 554.1**
Derivative liability											
Call options sold											
Quantity	oz	78 660	158 136	164 784	161 100	164 580	154 176	158 400	157 740	75 516	1 273 092
Average price	$/oz	288.70	288.70	288.70	293.70	303.70	313.70	313.70	323.70	333.70	
Fair value	R'm	(177.7)	(371.4)	(404.9)	(406.6)	(421.0)	(399.1)	(420.9)	(421.6)	(202.0)	(3 225.2)
Call options sold											
Quantity	oz	31 464	63 252	65 916	64 440	65 832	61 668	63 360	63 096	30 204	509 232
Average price	$/oz	333.70	348.70	363.70	378.70	393.70	408.70	423.70	438.70	453.70	
Fair value	R'm	(61.1)	(123.2)	(131.6)	(131.7)	137.6)	(131.6)	(137.0)	(138.4)	(66.6)	(1 058.8)
Total derivative liability fair value											**(4 284.0)**

BASIS OF ACCOUNTING

The accounting policies used to prepare the quarterly results are consistent with that applied in the previous period and are in accordance with International Financial Reporting Standards (IFRS).

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

1. Realisation of matured options includes actual cash flow of R75,6 million for the June 2006 quarter. (March 2006 quarter: R54,1 million)
2. Non-cash costs include the depreciation of property, plant and equipment and the change in inventory for the period.
3. The net book value of the infrastructure damaged by the falling conveyance and rope on 4 May 2006, representing R28 million, has been written-off. The costs of replacing the damaged shaft components is capitalised where it is probable that future economic benefits embodied within the item will flow to the Company. All other costs are recognised in the income statement as an expense. Insurance proceeds are recognised in the income statement.
4. The fair value adjustments relate to the revaluation of the derivative structure at period-end. The revaluation stemming from exchange rate fluctuations are accounted for in the income statement, whilst the revaluation stemming from the gold price fluctuations are accounted for through the hedge reserve on the balance sheet. The US$ gold price increased from US$588 at 31 March 2006 to US$600 at 30 June 2006.
5. Exchange gains/losses relating to option premium payable are attributable to the change in the Rand/US Dollar exchange rate from 6.189 at 31 March 2006 to 7.142 at 30 June 2006.
6. Property, plant and equipment are stated at cost less accumulated depreciation.
7. The deferred taxation movement resulted from operating losses and the fair value revaluation of the derivative structure through the income statement and equity.

LETTER TO SHAREHOLDERS

As reported at the Western Areas Annual General Meeting held on 10th May 2006, a serious incident occurred at South Deep on 4 May 2006 when, during routine rope maintenance at the Main Shaft of the Twin Shaft Complex, the winder ropes pulled free from the hoist drum resulting in a conveyance and the rope being drawn down the Shaft ("the Incident"). It was furthermore stated that, as a result of the subsequent closure of the Shaft, every effort would be made to maintain a gold production rate of at least 50% of that which existed prior to the Incident.

As a consequence of the Incident, underground ore had to be redirected through the South Shaft Complex. Accordingly, the mine rescheduled production taking cognisance of the limitations of the older South Shaft infrastructure, such that the plant feed for the period through to December 2006 is expected to average 85 000 tonnes per month of underground ore, and 30 000 tonnes per month of low-grade surface material.

Although underground production in June 2006 was interrupted by difficulties experienced with the pumping infrastructure at the base of the South Shaft Complex, related to the handling of mud press product on 87 Level, production has increased since, with daily hoisting targets now being exceeded regularly. The redirection of the underground ore flow has culminated in increased operating costs as a result of double-handling and additional surface transportation costs.

Gold production for the second quarter ("Q2") totalled 35 232 ounces, which was some 35% lower than the first quarter ("Q1") (53 973 ounces). Similarly, the tonnes milled were 20% lower totalling 195 352 tonnes (Q1: 245 718 tonnes). Despite an increase in the head grade of the underground ore from 7.53g/t (Q1) to 7.69g/t (Q2), the overall head grade dropped from 6.83 to 5.61g/t for the same period – this being attributable to an increase in the ratio of low grade surface material from 10.6% to 29.9%.

Given the decreased production, all unit costs increased accordingly. By way of example, cash costs for gold production increased from R83 777/kg (Q1) gold to R124 965/kg (Q2). Cognisant of the impact of the decreased production rates on unit costs, and the need to retain a staff complement in support of the planned production build-up once the Main Shaft has been re-commissioned, mine management critically reviewed its staff requirements. As a consequence, associated cost reductions will become evident in the third quarter.

The depreciation of the Rand from R6.189/$ (Q1) to R7.142/$ (Q2) had a positive impact on the Rand gold price received. However, with the reduced gold production, the Company was unable to fully benefit from this, as 92.5% of the gold sold was into the derivative structure. By comparison, 61.0% of the gold sold in Q1 was into the derivative structure. Accordingly gold revenue decreased by R78 million from quarter to quarter.

Given that the derivative structure is a US Dollar obligation, the impact of the weaker Rand relative to the US Dollar resulted in a negative fair value adjustment of R370 million for the derivative structure and R124 million for the associated deferred premium. This compares with a total positive adjustment of R74 million for Q1.

The operating loss from gold operations for Q2 increased to R166.8 million, which includes a write-off of R28 million attributable to the infrastructure that was damaged as a result of the Incident. As regards the latter, the mine is insured for property damage and a portion of business interruption losses, for which an insurance claim has been initiated.

Following the Incident, mine management has reviewed the opportunities available, given the inevitable down time, to facilitate improved operational efficiencies once the Main Shaft is re-commissioned. One such initiative that has been implemented is the on-site training of some 800 employees in an endeavour to enhance the current skill base of mine personnel.

Mine personnel and contractors have performed above expectations as regards the rehabilitation of the Main Shaft, with the re-commissioning of the Shaft being expected in early 2007 at an estimated total cost of R70 million. By June 2007 underground ore hoisted through the Main Shaft is expected to attain an estimated level of 200 000 tonnes per month. Work has recently commenced on the deepening of the Ventilation Shaft, which will ultimately increase the combined hoisting capacity of the Twin Shaft Complex.

As reported on 4 July 2006, the Company has secured short term banking facilities with The Standard Bank of South Africa and Investec Bank Limited totalling R450 million. These facilities should be sufficient to fund all operational and hedging obligations as they fall due through to early 2007. In addition, the Board has the authority to issue 10% of the issued share capital of the Company for cash in line with the resolution adopted by shareholders at the Annual General Meeting.

Prospecting Rights

As was announced on 10 May 2006, the Company has been granted certain prospecting rights adjacent, or in close proximity, to South Deep Gold Mine ("the Contiguous Rights"). In accordance with the Mineral and Petroleum Resources Development Act No 28 of 2002, and with reference the Contiguous Rights, the Company has concluded an agreement with Peotona Gold (Pty) Limited ("Peotona"), a Broad Based Black Economic Empowerment Company, which entitles Peotona to a 26% participation in such rights. The agreement is however subject to certain suspensive conditions, of which the majority have been complied with.

Shareholding

There has been considerable commentary in the press of late regarding the shareholding of the Company, particularly as regards Harmony Gold Mining Company Limited (29.2% shareholding) and Gold Fields Limited (18.9% shareholding).

The Board, in consultation with its advisors, continues to evaluate the various options available in these circumstances, with the objective of optimizing shareholder value, and all its shareholders will be kept abreast of any new developments.

INCOME STATEMENT

For the years ended 31 December

GROUP				COMPANY		
2003 Rm	2004 Rm	**2005 Rm**		**2005 Rm**	2004 Rm	2003 Rm
582.4	381.4	**420.6**	Gold revenue	**420.6**	381.4	582.4
(579.9)	(634.1)	**(668.2)**	Costs and other expenses	**(668.2)**	(634.1)	(579.9)
2.5	(252.7)	**(247.6)**	**Operating loss from gold operations**	**(247.6)**	(252.7)	2.5
157.8	5.2	**8.4**	Other income	**7.1**	5.2	210.7
(25.6)	(20.5)	**(23.8)**	Administration and other expenditure	**(28.1)**	(20.5)	(22.8)
134.7	(268.0)	**(263.0)**	**Operating loss before financing costs**	**(268.6)**	(268.0)	190.4
20.0	0.8	**1.1**	Finance income	**1.1**	0.8	3.5
(1.1)	(12.9)	**(30.1)**	Finance expenses	**(30.1)**	(12.9)	(1.1)
153.6	(280.1)	**(292.0)**	**Operating loss after financing costs**	**(297.6)**	(280.1)	192.8
(75.0)	(69.8)	**(55.6)**	Present value adjustment for option premium payable	**(55.6)**	(69.8)	(75.0)
447.4	221.0	**(128.9)**	Fair value adjustment	**(128.9)**	221.0	447.4
340.8	151.2	**(107.7)**	Exchange (losses)/gains	**(107.7)**	151.2	341.1
–	–	**(84.9)**	Impairments	**(85.9)**	–	–
–	–	**(5.3)**	Share of loss in associated company	**–**	–	–
866.8	22.3	**(674.4)**	**(Loss)/Profit before taxation**	**(675.7)**	22.3	906.3
(402.0)	(14.4)	**267.0**	Taxation	**267.0**	(14.4)	(397.6)
(4.1)	–	**–**	Minority interest in profits	**–**	–	–
460.7	7.9	**(407.4)**	**(Loss)/Profit for the year**	**(408.7)**	7.9	508.7
440.6	7.2	**(339.2)**	Basic (loss)/earnings per share (cents)			
332.3	5.7	**(273.9)**	Headline (loss)/earnings per share (cents)			
439.3	7.1	**(339.2)**	Diluted (loss)/earnings per share (cents)			
331.3	5.7	**(273.9)**	Diluted headline (loss)/earnings per share (cents)			
105.4	118.5	**154.0**	Number of shares in issue (millions)			

BALANCE SHEET

As at 31 December

GROUP						
2003 Rm	2004 Rm	**2005 Rm**		**2005 Rm**	2004 Rm	2003 Rm
			ASSETS			
			Non-current assets			
3 223.9	3 379.4	**3 299.6**	Property, plant and equipment	**3 299.6**	3 379.4	3 223.9
	–	**1.5**	Investment properties	**1.5**	–	–
	22.8	**–**	Investment in associate	**–**	22.8	–
45.5	15.4	**17.7**	Other investments	**3.0**	4.0	37.1
	1.0	**1.0**	Other long-term assets	**14.4**	15.5	17.3
429.3	453.6	**847.7**	Deferred taxation	**847.7**	453.6	429.3
716.7	630.1	**881.8**	Derivative asset – long-term portion	**881.8**	630.1	716.7
4 415.4	4 502.3	**5 049.3**		**5 048.0**	4 505.4	4 423.3
			Current assets			
32.0	24.7	**31.1**	Inventories	**31.1**	24.7	32.0
29.3	23.3	**35.0**	Trade and other receivables	**35.0**	23.3	29.3
75.4	72.5	**114.6**	Derivative asset – short-term portion	**114.6**	72.5	75.4
5.5	5.5	**–**	Taxation receivable	**–**	5.5	5.5
21.9	13.2	**207.9**	Cash and cash equivalents	**207.9**	13.2	21.9
–	–	**0.9**	Non-current asset held for sale	**0.9**	–	–
164.1	139.2	**389.5**		**389.5**	139.2	164.1
4579.5	4 641.5	**5 438.8**	**Total assets**	**5 437.5**	4 644.6	4 588.4
			EQUITY AND LIABILITIES			
			Capital reserves			
1 135.6	1 486.2	**1 509.3**	Shareholders' equity	**1 508.0**	1 489.3	1 144.5
			Non-current liabilities			
4.3	3.5	**2.9**	Provision for post-retirement medical benefits	**2.9**	3.5	4.3
18.1	19.4	**19.2**	Provision for environmental rehabilitation	**19.2**	19.4	18.1
988.1	796.4	**803.3**	Option premium payable – long-term portion	**803.3**	796.4	988.1
1 977.1	1 802.4	**2 537.0**	Derivative liability – long-term portion	**2 537.0**	1 802.4	1 977.1
2 987.6	2 621.7	**3 362.4**		**3 362.4**	2 621.7	2 987.6
			Current liabilities			
–	95.2	**–**	Loan from JCI Limited ("JCI")	**–**	95.2	–
96.6	109.3	**136.1**	Option premium payable – short-term portion	**136.1**	109.3	96.6
240.5	214.3	**306.9**	Derivative liability – short-term portion	**306.9**	214.3	240.5
119.2	114.8	**124.1**	Trade and other payables	**124.1**	114.8	119.2
456.3	533.6	**567.1**		**567.1**	533.6	456.3
4 579.5	4 641.5	**5 438.8**	**Total equity and liabilities**	**5 437.5**	4 644.6	4 588.4

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended 31 December

GROUP 2004 Rm	GROUP 2005 Rm		COMPANY 2005 Rm	COMPANY 2004 Rm
118.5	**154.0**	**Share capital**	**154.0**	118.5
105.4	**118.5**	Balance at beginning of year	**118.5**	105.4
13.1	**35.5**	Ordinary shares issued	**35.5**	13.1
2 245.5	**2 842.2**	**Share premium**	**2 842.2**	2 245.5
1 863.5	**2 245.5**	Balance at beginning of year	**2 245.5**	1 863.5
388.6	**603.6**	Ordinary shares issued	**603.6**	388.6
(6.6)	**(6.9)**	Share issue costs	**(6.9)**	(6.6)
(1 367.9)	**(1 572.7)**	**Cash flow hedge reserve**	**(1 572.7)**	(1 367.9)
(1330.6)	**(1 367.9)**	Balance at beginning of year	**(1 367.9)**	(1 330.6)
–	**(25.3)**	Tax effect due to rate change	**(25.3)**	–
(142.7)	**(309.0)**	Fair value adjustment on unrealised options	**(309.0)**	(142.7)
(264.2)	**(561.9)**	– fair value movement	**(561.9)**	(264.2)
121.5	**252.9**	– tax effect	**252.9**	121.5
105.4	**129.5**	Realisation of matured options	**129.5**	105.4
192.2	**240.3**	– matured options realisation and payment	**240.3**	192.2
3.0	**(4.8)**	– matured options gold price re- classification	**(4.8)**	3.0
(89.8)	**(106.0)**	– tax effect	**(106.0)**	(89.8)
–	**–**	**Available-for-sale reserve**	**–**	–
1.7	**–**	Balance at beginning of year	**–**	1.7
(1.7)	**–**	Realisation of fair value on disposal of investments	**–**	(1.7)
(2.1)	**–**	– disposal of investment	**–**	(2.1)
0.4	**–**	– tax effect	**–**	0.4
493.2	**85.8**	**Retained earnings**	**84.5**	493.2
504.5	**493.2**	Balance at beginning of year	**493.2**	504.5
(19.2)	**–**	IFRS adjustment – Note*	**–**	(19.2)
485.3	**493.2**	Restated balance at beginning of year	**493.2**	485.3
7.9	**(407.4)**	Attributable profit for the year	**(408.7)**	7.9
(3.1)	**–**	**Treasury shares**	**–**	–
(8.9)	**(3.1)**	Balance at beginning of year	**–**	–
5.8	**–**	Disposals	**–**	–
–	**3.1**	Unauthorised disposal of shares	**–**	–
1 486.2	**1 509.3**	**Shareholders' equity**	**1 508.0**	1 489.3

CASH FLOW STATEMENT

For the years ended 31 December

GROUP				COMPANY		
2003	2004 Rm	**2005 Rm**		**2005 Rm**	2004 Rm	2003
			Cash flow utilised by operating activities			
111.7	13.0	**77.4**	Cash flow from operations	**77.4**	13.0	
3.5	(10.0)	**(27. 6)**	Net interest paid	**(27.6)**	(10.0)	
6.3	0.1	**–**	Dividends received	**–**	0.1	
(1.7)	–	**–**	Taxation paid	**–**	–	
(76.7)	(150.1)	**(162.3)**	Net cost of realisation of options	**(162.3)**	(150.1)	
43.1	(147.0)	**(112.5)**		**(112.5)**	(147.0)	
			Cash flow utilised in investing activities			
(419.7)	(277.9)	**(113.4)**	Additions to property, plant and equipment (expanding)	**(113.4)**	(277.9)	
1.1	1.8	**11.4**	Proceeds on disposal of property, plant and equipment	**11.4**	1.8	
369.1	30.6	**–**	Proceeds on disposal of listed investments	**–**	30.6	
–	–	**1.0**	Proceeds on disposal of unlisted investments	**1.0**	–	
–	(12.0)	**–**	Acquisition of shares in associated company	**–**	(12.0)	
(3.2)	(3.0)	**(2.0)**	Acquisition of other investments	**–**	–	
–	(1.0)	**–**	Net (advances to)/returns from other long-term assets	**(2.0)**	1.8	
(16.9)	–	**–**	Advance to JCI Gold Limited	**–**	–	–
(69.6)	(261.5)	**(103.0)**		**(103.0)**	(255.7)	
			Cash flow from financing activities			
–	94.8	**(94.8)**	Loan from JCI	**(94.8)**	94.8	
–	401.7	**639.1**	Rights offer – proceeds	**639.1**	401.7	
–	(6.6)	**(6.9)**	Rights Offer – costs	**(6.9)**	(6.6)	
9.9	5.8	**–**	Proceeds on sale of treasury shares	**–**	–	
(37.5)	(95.9)	**(127.2)**	Option premiums paid	**(127.2)**	(95.9)	
(27.6)	399.8	**410.2**		**410.2**	394.0	
(54.5)	(8.7)	**194.7**	Net increase/(decrease) in cash and cash equivalents	**194.7**	(8.7)	
76.4	21.9	**13.2**	At beginning of year	**13.2**	21.9	
21.9	13.2	**207.9**	**At end of year**	**207.9**	13.2	

MINERAL RESOURCE AND RESERVE STATEMENT

Western Areas' attributable share in the defined Mineral Resources and Mineral Reserves of South Deep, as at 31 December 2005, is summarised below, exclusive of the first charge. (Please note that the rounding-off of figures quoted in this section of the report may result in minor computational discrepancies.)

Mineral Resources (Western Areas)

Category	Tonnes (000s)		*In situ* grade (g/t)		Contained oz (000s)	
	2005	2004	2005	2004	2005	2004
Measured	14 948	8 018	8.24	10.95	3 961	2 825
Indicated	130 042	109 544	7.07	9.83	29 576	34 620
Total	144 991	117 562	7.20	9.91	33 537	37 445

The Mineral Resource has been declared at a cut-off grade of 4g/t (except for the Extended SV1 Area, where a 6g/t cut-off was applied), and is reported inclusive of those Mineral Resources that have been upgraded to, and reported as, Mineral Reserves.

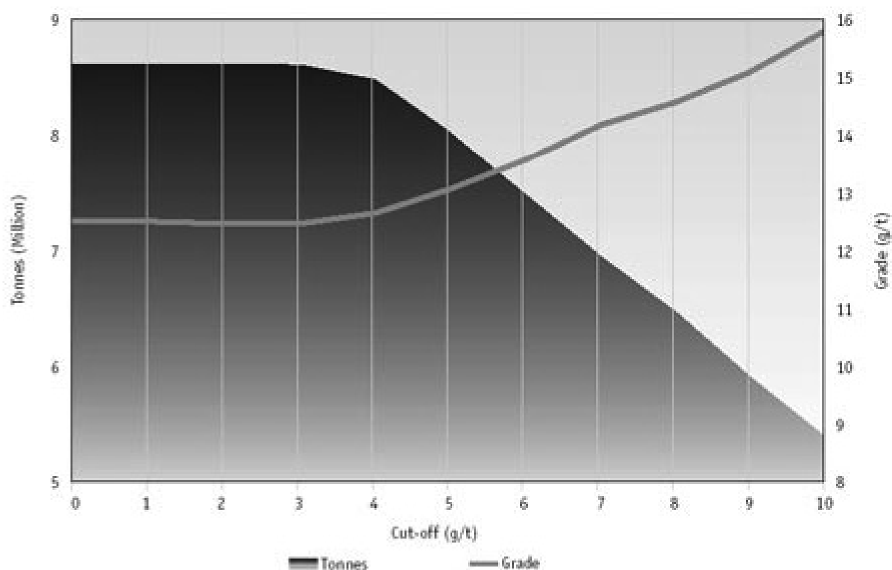
Mineral Resources By Reef And Area (Western Areas)

Area	Measured			Indicated			Total		
	Tonnes (000s)	Grade (g/t)	In situ Oz (000s)	Tonnes (000s)	Grade (g/t)	In situ Oz (000s)	Tonnes (000s)	Grade (g/t)	In situ Oz (000s)
Ventersdorp Contact Reef									
Phase 1	1 098	11.89	420	3 506	12.73	1 436	4 604	12.53	1 855
Phase 2	–	–	–	3 880	12.73	1 589	3 880	12.73	1 589
Total	1 098	11.89	420	7 386	12.73	3 024	8 484	12.63	3 444
Upper Elsburgs									
Phase 1	13 850	7.95	3 541	67 945	6.63	14 490	81 795	6.86	18 030
Phase 2	–	–	–	54 712	6.86	12 063	54 712	6.86	12 063
Total	13 850	7.95	3 541	122 657	6.73	26 553	136 507	6.86	30 093
Combined									
Total	14 948	8.24	3 961	130 043	7.07	29 577	144 991	7.20	33 537

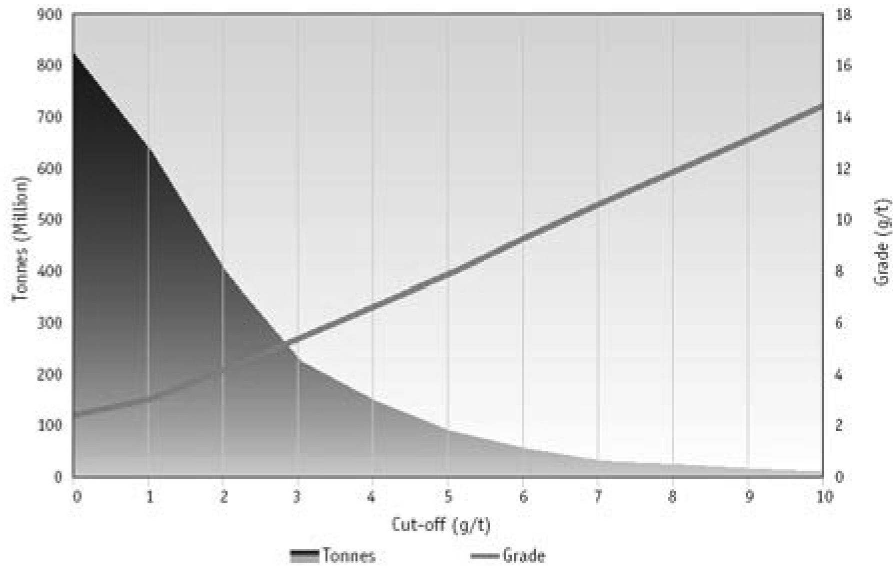
Notes

Phase 1: Above Infrastructure (includes Old Mine [Extended SV1 Area], Current Mine and Future Mine – Phase 1). Phase 2: Below Infrastructure (includes Future Mine – Phase 2).

Ventersdorp Contact Reef



Upper Elsburgs



Mineral Resources And Reserves By Area (Western Areas)

Category	Mineral Resource Tonnes (000s)	In Situ Grade (g/t)	Contained oz (000s)	Category	Mineral Reserves Tonnes (000s)	Head Grade Grade (g/t)	Contained oz (000s)
			Old Mine (Extended SV1 Area)				
Measured	–	–	–	Proved	–	–	–
Indicated	15 949	10.07	5 166	Probable	1 875	8.66	522
Sub-total	15 949	10.07	5 166	Sub-total	1 875	8.66	522
			Current Mine & Future Mine – Phase 1				
Measured	14 948	8.24	3 961	Proved	6 456	7.33	1 520
Indicated	55 502	6.03	10 758	Probable	34 840	6.32	6 941
Sub-total	70 450	6.50	14 719	Sub-total	41 296	6.37	8 461
			Future Mine – Phase 2				
Measured	–	–	–	Proved	–	–	–
Indicated	58 592	7.25	13 652	Probable	30 337	5.79	5 649
Sub-total	58 592	7.25	13 652	Sub-total	30 337	5.79	5 649
Total	144 991	7.20	33 537	Total	73 508	6.19	14 632

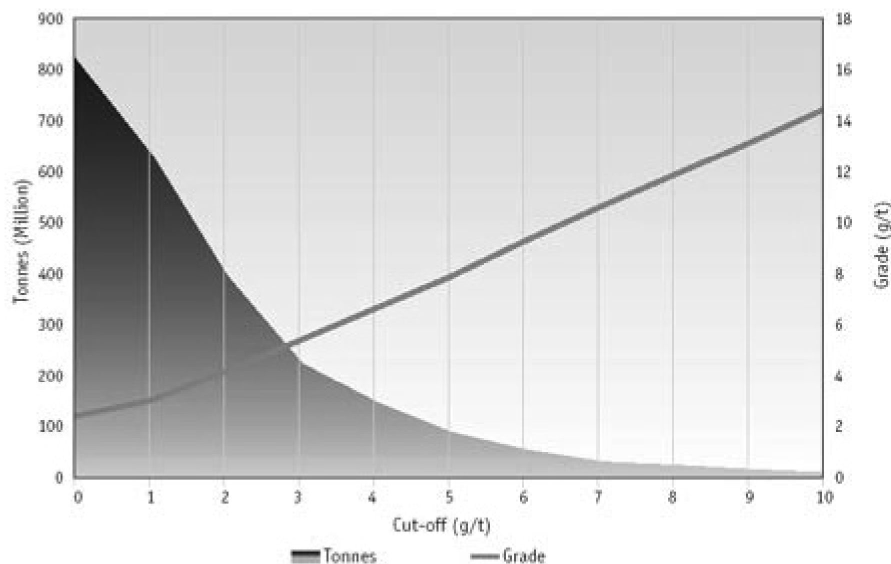
Notes:

i. The Mineral Reserves are quoted at a head grade; A plant recovery of 97.2% is to be applied to determine recoverable ounces.

ii. Mineral Resources for Future Mine – Phase 1 were previously estimated for the area extending to the -24 400N grid line. However, Mineral Resources and Reserves are now differentiated on the basis of the revised position of 110 Level.

iii. Phase 1 and Phase 2 now refer to those Mineral Resources and Reserves that occur above and below existing infrastructure respectively (that is, above and below 110 Level).

Combined Reefs



Notes To The Mineral Resources And Mineral Reserves Tables

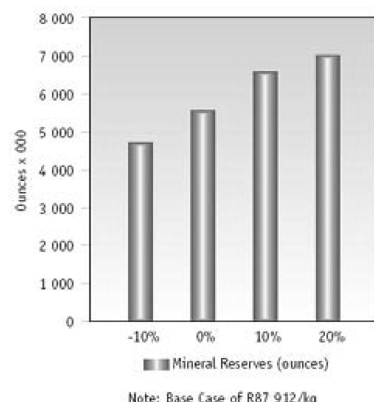
1. Western Areas' Mineral Resources and Mineral Reserves are stated as at 31 December 2005.
2. Key aspects pertaining to the Mineral Resource estimates are as follows:
   a) The associated geological model was completed on 30 September 2005.
   b) The geological model incorporates all surface and sub-surface drilling through to June 2005.
   c) The geological model provided for mined-out stopes surveyed through to 30 September 2005.
   d) The total Mineral Resource depletion for the period commencing 1 October 2005 to 31 December 2005 was 980 000 tonnes at a grade of 7.69g/t.
   e) A cut-off grade of 4.0g/t was used for the reporting of the Mineral Resource, except for the Old Mine, where a 6g/t cut-off was used. The basis for the application of the cut-off grades was as follows:
      4. 0g/t was utilised since the lowest Mineral Reserve cut-off was 3.9g/t for long hole stoping.
      6. 0g/t was utilised for the Old Mine since higher mining costs are envisaged in the absence of access to the collapsed SV1 Shaft.
3. Key aspects pertaining to the Mineral Reserve estimates are as follows:
   a) The reserving process was completed on 6 January 2006.
   b) The total Mineral Reserve depletion for the period commencing 1 October 2005 to 31 December 2005 was 440 000 tonnes at a grade of 7.94g/t. R6.78/$.
   c) A gold price of R87 192/kg was used based on a three-year average gold price of $400 per ounce and a three year average exchange rate of
   d) Modifying factors.
      Trackless dilution of 3.8% to 8.3% at 0g/t.
      Conventional dilution of 7.9% at 0g/t to 2g/t.
      A 90% Mine Call Factor was applied to the VCR to the west of the Upper Elsburg subcrop, and a 95% Mine Call Factor for the Upper Elsburgs to the east.
   e) Cut-off grades have been calculated by mining method and by level.
      Trackless long hole: 3.9g/t.
      Trackless drift and fill with benching: 4.9g/t.
      Conventional longwall and destress: 7.4g/t.
4. The Mineral Resource and Reserve statement as at 31 December 2005, on which basis certain of the above tables have been compiled, was signed off by Mr Dexter Ferreira as Competent Person on 9 February 2005. In addition, and following their review of the Mineral Resources and Reserves, an Independent Review Panel confirmed that it "considers the 2005 South Deep Mineral Resource and Mineral Reserve Statement to be compliant with the South African Code for Reporting of Mineral Resources and Mineral Reserves (the SAMREC Code, 2000)".
5. Mr Dexter Ferreira holds a BSc degree in geological sciences acquired from McGill University in 1983, as well as a BEng degree in Mining Engineering acquired in 1989. He is furthermore a member in good standing with the South African Council for Natural Scientific Professions ("SACNASP"), and has worked on Witwatersrand paleoplacers since 1999. Mr Ferreira was responsible for the preparation of the Mineral Resource and Reserve estimates for South Deep as at 31 December 2005.
6. Sensitivity of Mineral Reserves (Current Mine) to gold price.

Current Mine Mineral Reserve totals: sensitivity to gold price

	2005 Mineral Reserves			Difference		
% Change	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
Base Case	24 732 016	6.92	5 504 334	–	–	–
–10%	19 695 818	7.41	4 691 242	–20.4%	7.0%	–14.8%
+10%	31 334 350	6.40	6 443 249	26.7%	–7.6%	17.1%
+20%	34 733 738	6.21	6 934 367	40.4%	–10.3%	26.0%

Note: Sensitivities as at 1 October 2005.

Current Mine: Sensitivity of Mineral Reserves to gold price



Discussion on the differences in the declared mineral resource estimates of 2004 and 2005

Geological Modelling

An IRP was mooted by South Deep management and the PDWA JV partners during the second quarter of 2004 as a review and advisory panel to provide advice and assistance during and after completion of the South Deep Mineral Resource and Reserve estimation models for year end regulatory disclosure purposes. The IRP comprised five main members under the convenorship of Mrs Vivienne Snowden.

A significant programme of work was undertaken at South Deep during 2005 to address prior concerns raised by SRK Consulting regarding the application of geological controls to Future Mine (Phase 1 and 2). This has led to South Deep, on the recommendation of the IRP, undertaking a refinement of the geological model, which has provided geological controls and constraints to the Bayesian method of estimation of tonnes and grade in Future Mine.

The July 2002 Mineral Resource Model, which formed the basis of the 2004 Mineral Resource estimate, only recognised three stratigraphic units, namely the M's, ED's and EC's, which is a simplification of the stratigraphy of the Upper Elsburgs. However, the September 2005 Mineral Resource Model now incorporates six reef units (MB, MA/MI, ED, ECT, EC and EC9) in the Current Mine, and recognises five unconformities within the Upper Elsburgs (by comparison the 2002 Mineral Resource Model, which only recognised two unconformities). In addition, and as regards the validity of extending the resource estimate into Future Mine (Phases 1 and 2), a geological study was undertaken to:

- Distinguish the main stratigraphic units to a resolution where the primary unconformities and main quartzite and conglomerate ("reef") lithological units are honoured.
- Model the lateral geological facies changes within the "reef" zones, and in relating these to gold distribution, to delineate areas (geozones) of equal economic potential.

This work confirmed that six unconformity bounded units are present in the Upper Elsburgs, which occur across the South Deep Mining Authorisation. Lithologically the unconformity bounded units have been split into six "reef" and five "sandy" units, totalling eleven stratigraphic units. Typical of the Witwatersrand paleoplacers, the six auriferous reef units at South Deep also occur directly above the six main unconformities. Within all of the reefs, economic gold mineralisation shows an excellent, positive, spatial correlation with the coarse conglomeratic facies, while the sandy conglomeratic facies generally host uneconomic gold concentrations. Based on these associations, high potential geozones have been interpreted that closely follow the lobate distribution of the coarse conglomerates, whereas areas of poor and fine conglomerate development have been delineated as low potential geozones. Moderate potential geozones represent the transition between these high and low potential geozones. With the benefit of having defined the areal extent of these geozones, and the knowledge of the associated gold distribution in Current Mine, the gold distribution could then be interpolated into Future Mine Phase 1 and 2 using a Bayesian approach.

Differences in the declared Mineral Resource estimates of 2004 and 2005

Mineral Resources

Changes associated with the new Mineral Resource when compared with the prior July 2002 Mineral Resource Model at a 5g/t cut-off (depleted for mining to 30 September 2005), can be attributed to the following factors:

Factor	Tonnes % Change	Grade % Change	Ounces % Change
New drilling	–1	–4	–4
Lower top-cuts	–1	–4	–4
New geological model	–9	–8	–16
Total	–11	–16	–24

Note: The new 2005 Geological Model was completed on 30 September 2005.

The decrease in tonnage is 11% for the entire Mineral Resource, including 2% in Current Mine – Upper Elsburgs, 20% in Future Mine – Upper Elsburgs, and 2% in the VCR to the west of the Upper Elsburg subcrop.

The decrease in grade is 16% for the entire Mineral Resource, including a 10% decrease in the Current Mine – Upper Elsburgs, a 32% decrease in Future Mine – Upper Elsburgs, and a 5% increase in the VCR west of the Upper Elsburg subcrop.

Mineral Reserves

The decrease in Mineral Reserves (–33% in tonnage, –16% in grade and –46% in contained gold) is principally the result of the reduction in the Mineral Resource tonnes and grade, a more conservative regional pillar design, and the introduction of long hole stoping.

When compared with the 2004 estimate, the 2005 Mineral Reserve shows a decrease of 25.7 million ounces. This decrease is distributed as shown below, most of which can be ascribed to Future Mine (22.4 million ounces, of which 6.4 million ounces are in the [enlarged] Phase 1 Area and 16.0 million ounces in the [reduced] Phase 2 Area), and

is attributable to a significantly improved geological model and more restrictive geotechnical constraints. In Current Mine, the ounces decreased by 1.2 million ounces as a result of the new drilling, less selective mining and a new geological model. In the SV 1 (Old Mine) area, the ounces decreased by 2.1 million ounces, reflecting higher costs (and a resulting higher cut-off grade) and due consideration of the status of the SV 1 Shaft.

Area	Depleted 2004 Moz	2005 Moz	Difference Moz	Percentage difference
Old Mine (SV1)	3.1	1.0	2.1	66%
Current Mine	6.4	5.2	1.2	19%
Future Mine Phase 1	18.3	11.9	6.4	35%
Future Mine Phase 2	27.3	11.3	16.0	59%
Total	55.1	29.4	25.7	47%

Note: Reconciliation as at 30 September 2005.

A regional pillar optimisation study undertaken by SRK Consulting provided a revised pillar layout for Future Mine which reduces seismic risk, improves regional pillar stability and recognises the presence of weak lava in the hanging wall. The areal extraction of reef has decreased from some 90% to 80 – 85%, dependent on depth. This has had a disproportionate effect on the volumetric extraction, with regional pillars now comprising 46% of the reef volume, representing a volumetric increase of 110% when compared with the prior pillar designs. The gold currently locked in pillars is estimated to be 20 million ounces (102Mt at a gold grade of 6.1g/t), an increase of 58% from 2004, although this comparison is based on different block models.

The introduction of long hole stoping in specific project areas has led to an increase in tonnage of the Mineral Reserves, albeit at a lower grade.

HISTORICAL FINANCIAL INFORMATION ON GOLD FIELDS

The financial information for the three financial years ended 30 June 2006 set out below has been extracted from Gold Fields' annual financial statements for the years ended 30 June 2004, 30 June 2005 and 30 June 2006. Each of the financial years were audited by PricewaterhouseCoopers Inc (Chartered Accountants (SA)) and were all issued without qualification. For a full report of Gold Fields' audited financial statements, JCI shareholders are referred to Gold Fields' Annual Financial Reports which are available for inspection in accordance with paragraph 19 of this circular and which may also be obtained from Gold Fields' website (www.goldfields.co.za).

ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), South African Statements of Generally Accepted Accounting Practice and the South African Companies Act. The consolidated financial statements have been prepared under the historical cost convention, as modified by available-for-sale financial assets, and financial assets and liabilities (including derivative instruments), which have been brought to account at fair value through profit or loss or through the fair value adjustment reserve under shareholders' equity.

Change in accounting policies

IFRS 2 Shared-based payments

IFRS 2 requires the Group to recognise the cost of share-based payments. The Group adopted the transitional requirements of the standard by retrospectively applying the requirements of the standard to share options granted after 7 November 2002 but that had not vested by 1 July 2005. The effect of adopting this standard was an after-tax charge to earnings of R67,6 million (F2005: R52,0 million). The adjustment for years prior to F2005 was R37,7 million. These adjustments had no tax impact. The corresponding entry for the above adjustments was against shareholders' equity within the share-based payment reserve. As a result, earnings per share and diluted earnings per share were reduced. Earnings per share reduced by 14 cents (F2005: 11 cents) and diluted earnings per share by 12 cents (F2005: 10 cents).

IAS 21 (revised) The effects of changes in foreign exchange rates

IAS 21 prescribes how to include foreign currency transactions and foreign operations in the financial statements of an entity and how to translate financial statements into a presentation currency. During the year, the Group assessed the functional currencies of its material foreign operations in accordance with the standard. This review resulted in a change in the functional currency of Gold Fields Holdings Company (BVI) Limited from US dollar to South African rand. The effect of the change in functional currency was to include in earnings a net after-tax translation gain of R37,1 million in F2006. The effect on prior years was not material.

Standards, interpretations and amendments to published standards effective in fiscal 2006

The following relevant standards, amendments and interpretations to standards are mandatory for the Group's accounting periods beginning on or after 1 July 2005:

Revised standards:

IAS 1 Presentation of financial statements;
IAS 2 Inventories;
IAS 8 Accounting policies, changes in accounting estimates and errors;
IAS 10 Events after the balance sheet date;
IAS 16 Property, plant and equipment;
IAS 17 Leases;
IAS 21 The effects of changes in foreign exchange rates;
IAS 24 Related party disclosures;
IAS 27 Consolidated and separate financial statements;
IAS 28 Investments in associates;
IAS 31 Interests in joint ventures;
IAS 32 Financial instruments: disclosure and presentation;
IAS 33 Earnings per share;
IAS 36 Impairment of assets;
IAS 38 Intangible assets;

IAS 39 Financial instruments: recognition and measurement;
IAS 39 (Amendment) Transition and initial recognition of financial assets and financial liabilities; and
SIC 12 (Amendment) Consolidation: Special Purpose Entities.

New standards and interpretations:
IFRS 2 Share-based payments;
IFRS 4 Insurance contracts; and
IFRIC 1 Changes in existing decommissioning, restoration and similar liabilities.

These standards, interpretations and amendments did not have a material effect on the Group except as noted in the change in accounting policies above.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that apply to the Group's accounting periods beginning on 1 July 2006 or later periods but have not been early adopted by the Group except for IFRIC 4 Determining whether an arrangement contains a lease. The early adoption of this standard did not have a material impact on the Group. The standards, amendments and interpretations not early adopted by the Group are:

IAS 1 (Amendment) Presentation of Financial Statements: Capital Disclosures (1 January 2007);
IAS 21 (Amendment) Net Investment in a Foreign Operation (1 December 2005);
IAS 19 (Amendment) Employee Benefits (1 January 2006);
IAS 39 (Amendment) Cash Flow Hedge Accounting of Forecast Intragroup Transactions (1 January 2006);
IAS 39 (Amendment) The Fair Value Option (1 January 2006);
IAS 39 and IFRS 4 (Amendment) Financial Guarantee Contracts (1 January 2006);
IFRS 1 (Amendment) First-time Adoption of International Financial Reporting Standards (1 January 2006);
IFRS 6 (Amendment) Exploration for and Evaluation of Mineral Resources (1 January 2006);
IFRS 7 Financial Instruments: Disclosures (1 January 2007);
IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (1 January 2006);
IFRIC 6 Liabilities arising from Participating in a Specific Market: Waste Electrical and Electronic Equipment (1 December 2005);
IFRIC 7 Applying the restatement approach under IAS 29 Financial Reporting in Hyperinflationary Economies (1 March 2006);
IFRIC 8 Scope of IFRS 2 (1 May 2006);
IFRIC 9 Reassessment of Embedded Derivatives (1 June 2006); and
AC 503 Accounting For Black Economic Empowerment (BEE) Transactions (April 2006).

Management is currently reviewing the impact of these standards on the Group.

Significant accounting judgements and estimates

Use of estimates: The preparation of the financial statements requires the Group'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. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions, and in some cases actuarial techniques. Actual results could 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 depreciation and amortisation calculations; environmental, reclamation and closure obligations; estimates of recoverable gold and other materials in heap leach pads; and asset impairments, write-downs of inventory to net realisable value, the fair value and accounting treatment of derivative financial instruments and deferred taxation.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Carrying value of property, plant and equipment

All mining assets are amortised using the units-of-production method where the mine operating plan calls for production from proved and probable mineral reserves.

For mobile and other equipment, the straight-line method is applied over the estimated useful life of the asset which does not exceed the estimated mine life based on proved and probable Mineral Reserves as the useful lives of these assets are considered to be limited to the life of the relevant mine.

The calculation of the units-of-production rate of amortisation could be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable Mineral Reserves. Production would be impacted by any changes in any of the factors or assumptions used in estimating Mineral Reserves. These factors could include:

- Changes in proved and probable Mineral Reserves caused by variances in grade and volumes of Mineral Reserves may vary significantly from time to time;
- Differences between actual commodity prices and commodity price assumptions;
- Unforeseen operational issues at mine sites;
- Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates; and
- Changes in mineral reserves could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the mine.

The recoverable amounts of property, plant and equipment have been determined based on the higher of value-in-use calculations and fair values. These calculations require the use of estimates and assumptions. It is reasonably possible that the gold price assumption may change which may then impact our estimated life-of-mine determinant and may then require a material adjustment to the carrying value of property, plant and equipment.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities (cash generating units). If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows of each group of assets. Expected future cash flows used to determine the value in use of property, plant and equipment are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as spot and future gold prices, discount rates, foreign currency exchange rates, estimates of costs to produce reserves, future capital expenditure and a market multiple. The Group's market multiple is determined on a pre-tax basis with reference to the market price of Gold Fields relative to the Group's net asset value.

The carrying amount of property, plant and equipment at 30 June 2006 was R23,175 million (2005: R16,960 million).

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the balance sheet date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

Carrying values at 30 June 2006:
Deferred taxation liability: R5,107 million (2005: R3,250 million)
Normal taxation liability: R348 million (2005: R121 million)

Provision for environmental rehabilitation costs

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life-of-mine estimates and discount rates could affect the carrying amount of this provision. Such changes in Mineral Reserves could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life-of-mine.

The carrying amounts of the rehabilitation obligations at 30 June 2006 were R1,079 million (2005: R906 million).

Stockpiles, gold-in-process and product inventories

Costs that are incurred in or benefit the productive process are accumulated as stockpiles, gold-in-process, ore on leach pads and product inventories. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing and long-term metals prices, less estimated costs to complete production and bring the product to sale.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

Although the quantities of recoverable metal are reconciled by comparing the grades of ore to the quantities of gold actually recovered (metallurgical balancing), the nature of the process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time.

The carrying amount of inventories at 30 June 2006 was R1,168 million (2005: R873 million).

Financial instruments

The estimated fair value of derivatives is determined at discreet points in time based on the relevant market information. These estimates are calculated with reference to market rates using industry valuation techniques and appropriate models. The carrying values of derivative financial instruments at 30 June 2006 were R22 million (2005: R36 million).

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

2. CONSOLIDATION

2.1. Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights.

The Group financial statements consolidate the activities, assets and liabilities of the company and its subsidiaries. Operating results of subsidiaries acquired or disposed of are included in the Group statements from the effective dates on which control is obtained or excluded from such statements as from the date on which control ceases.

The formation of the Group was accounted for using the pooling-of-interests method. Subsequent to the formation of the Group, the purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

The cost of an acquisition is measured as the fair value of assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition.

Any excess or shortfall between the cost of acquisition and the fair value of the attributable net assets of subsidiaries at the date of acquisition is recorded as goodwill or negative goodwill. Goodwill is not amortised, but is tested for impairment on an annual basis. Negative goodwill is immediately accounted for in earnings.

Inter-company transactions comprising unrealised gains and losses between Group companies are eliminated, unless such losses cannot be recovered. Inter-company balances are eliminated.

2.2. Transactions and minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

2.3. Associates

The equity method of accounting is used for an investment over which the Group exercises significant influence, but not control, and normally owns between 20 per cent and 50 per cent of the voting equity. Associates are equity accounted from the effective dates of acquisition to the effective dates of disposal.

Results of associates are equity accounted from their most recent audited annual financial statements or unaudited interim financial statements. Any losses of associates are brought to account in the consolidated

financial statements until the investment in such associates is written down to a nominal amount. Thereafter, losses are accounted for only in so far as the Group is committed to providing financial support to such associates.

3. FOREIGN CURRENCIES

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in South African rands, which is the company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Translation differences on available-for-sale equities are included in the revaluation reserve in equity.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities are translated at the exchange rate ruling at year-end. Income statement 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 recognised in earnings upon realisation of the underlying operation.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (i.e. the reporting entity's interest in the net assets of that operation), and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at transaction date the closing rate.

4. PROPERTY, PLANT AND EQUIPMENT

4.1. Mine development and infrastructure

Mining assets, including mine development and infrastructure costs and mine plant facilities, are recorded at cost of acquisition.

Expenditure incurred to evaluate and develop new orebodies, to define mineralisation in existing orebodies, to establish or expand productive capacity, is capitalised until commercial levels of production are achieved, at which times the costs are amortised as set out below.

Development of orebodies includes the development of shaft systems and waste rock removal. These costs are capitalised until the reef horizons are intersected and commercial levels of production can be realised on a sustainable basis. Subsequent to this, costs are capitalised if the criteria for recognition as an asset are met. Access to individual orebodies exploited by the Group is limited to the time span of the Group's respective mining leases.

Borrowing costs incurred in respect of assets requiring a substantial period of time to prepare for their intended future use are capitalised to the date that the assets are substantially completed.

4.2. Mineral and surface rights

Mineral and surface rights are recorded at cost of acquisition. When there is little likelihood of a mineral right being exploited, or the value of mineral rights have diminished below cost, a write-down is effected against income in the period that such determination is made.

4.3. Land

Land is shown at cost and is not depreciated.

4.4. Non-mining assets

Non-mining assets are recorded at cost of acquisition. These assets include the assets of the mining operations not included in the previous categories and all the assets of the non-mining operations.

4.5. Amortisation and depreciation of mining assets

Amortisation is determined to give a fair and systematic charge in the income statement taking into account the nature of a particular orebody and the method of mining that orebody. To achieve this, the following calculation methods are used:

- Mining assets, including mine development and infrastructure costs, mine plant facilities and evaluation costs, are amortised over the lives of the mines using the units-of-production method, based on estimated proved and probable ore reserves above infrastructure.
- Where it is anticipated that the mine life will significantly exceed the proved and probable reserves, the mine life is estimated using a methodology that takes account of current exploration information to assess the likely recoverable gold from a particular area. Such estimates are adjusted for the level of confidence in the assessment and the probability of conversion to reserves. The probability of conversion is based on historical experience of similar mining and geological conditions.
- At certain of the Group's operations, the calculation of amortisation takes into account future costs which will be incurred to develop all the proved and probable ore reserves.

Proved and probable ore reserves reflect estimated quantities of economically recoverable reserves, which can be recovered in future from known mineral deposits.

Certain mining plant and equipment included in mine development and infrastructure is depreciated on a straight-line basis over their estimated useful lives.

4.6. 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 per cent
- Computers, 33.3 per cent
- Furniture and equipment, 10 per cent

4.7. Mining exploration

Expenditure on advances to companies solely for exploration activities, prior to evaluation, is charged against income until the viability of the mining venture has been proven. Expenditure incurred on exploration "farm-in" projects is written off until an ownership interest has vested. Exploration expenditure to define mineralisation at existing orebodies is considered mine development costs and is capitalised until commercial levels of production are achieved.

Exploration activities at certain of the Group's International Operations are broken down into defined areas within the mining lease boundaries. These areas are generally defined by structural and geological continuity. Exploration costs in these areas are capitalised to the extent that specific exploration programmes have yielded targets and/or results that warrant further exploration in future years.

4.8. Impairment

Recoverability of the carrying value of the long-term mining assets of the Group, is reviewed whenever events or changes in circumstances indicate that such carrying amount may not be recoverable, and annually at the end of the fiscal year. To determine whether a long-term mining asset may be impaired, the higher of "value in use" or "fair value less cost to sell" is compared to carrying value to determine whether a long-term mining asset may be impaired.

An area-of-interest is defined by the Group as its lowest level of identifiable cash flows, generally an individual operating mine, including mines which are part of a larger mine complex. The costs attributable to individual shafts of a mine are written off if the shaft is closed.

Exploration targets in respect of which costs have been capitalised at certain of the Group's International Operations, operations are evaluated on an annual basis to ensure that these targets continue to support capitalisation of the underlying costs. Those that do not are written off.

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.

When any infrastructure is closed down during a year, any carrying value attributable to that infrastructure is written off.

4.9. Leases

Operating leases are charged against income as incurred.

5. GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary/associate at the date of acquisition. At each balance sheet date, the Group assesses whether there is any indication of impairment to goodwill. A write-down is made if the carrying amount exceeds the recoverable amount. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

6. WASTE NORMALISATION OR DEFERRED STRIPPING

At the Group's Australian open pit operations, costs are accounted for in the income statement using the waste normalisation method. The objective of this method is to provide that every ounce mined from the relevant pit bears its equal pro-rata share of the total in-pit waste removal cost, expected to be incurred over the life of the pit. In-pit waste removal costs are expensed to the income statement by determining the ratio of ounces mined in each period to total proved and probable reserve ounces expected to be recovered from the pit to the total expected in-pit and applying this waste removal costs to be incurred over the life of the pit. The resultant asset or liability created by the timing difference between costs incurred and costs expensed is recorded in the balance sheet as a current asset or liability.

7. DEFERRED TAXATION

Deferred taxation is provided in full, using the liability method, on temporary differences existing at each balance sheet date between the tax values of assets and liabilities and their carrying amounts. Future anticipated effective tax rates are used in the determination of deferred taxation.

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 principal temporary differences arise from depreciation on property, plant and equipment, provisions, unutilised capital allowances, tax losses carried forward and interest charges.

Deferred tax assets relating to the carry forward of unutilised tax losses and/or unutilised capital allowances are recognised to the extent it is probable that future taxable profit will be available against which the unutilised tax losses and/or unutilised capital allowances can be recovered.

No provision is made for any potential taxation liability on the distribution of retained earnings by Group companies.

8. INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Gold on hand represents production on hand after the smelting process. Due to the different nature of the Group's International Operations, gold-in-process for such operations represents either production in broken ore form or production from the time of placement on heap leach pads. Mineral rights represent those rights not linked to any specific operation.

Cost is determined on the following basis:

- Gold on hand and gold-in-process is valued using the weighted average cost. Cost includes production, amortisation and related administration costs.
- Consumable stores are valued at weighted average cost, after appropriate provision for redundant and slow-moving items.

Net realisable value is determined with reference to current market prices.

9. FINANCIAL INSTRUMENTS

Financial instruments recognised in the balance sheet include cash and cash equivalents, investments, trade and other receivables, borrowings, trade and other payables and derivative financial instruments. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

9.1. Investments

Investments comprise (i) investments in listed companies which are classified as available-for-sale and are accounted for at fair value, with unrealised holding gains and losses excluded from earnings and reported as a separate component of shareholders' equity and are released to the income statement when the investments are sold; and (ii) investments in unlisted companies which are accounted for at cost since fair value cannot be measured reliably and are adjusted for write-downs where appropriate.

Purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Cost of purchase includes transaction costs. The fair value of listed investments is based on quoted bid prices.

Realised gains and losses are included in determining net income or loss. Unrealised losses are included in determining net income or loss where a significant decline in the value of the investment, other than temporary, has occurred.

Investments in subsidiaries are recognised at cost less accumulated impairment losses.

9.2. Derivative financial instruments

The Group's general policy with regards to its exposure to the dollar gold price is to remain unhedged. However, 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.

The Group may from time to time establish currency and/or interest rate and/or commodity financial instruments to protect underlying cash flows.

On the date a derivative contract is entered into, the Group designates the derivative as (1) a hedge of the fair value of a recognised asset or liability (fair value hedge); (2) a hedge of a forecasted transaction (cash flow hedge); (3) a hedge of a net investment in a foreign entity, or (4) should the derivative not fall into one of the three categories above it is not regarded as a hedge.

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently at their fair value, unless they meet the criteria for the normal purchases normal sales exemption.

Changes in 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 fair value of a derivative that is highly effective, and that is designated as a cash flow hedge, are recognised directly in shareholders' equity. Where the forecasted transaction or firm commitment results in the recognition of an asset or liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. Amounts deferred in shareholders' equity are included in earnings in the same periods during which the hedged firm commitment or forecasted transaction affects earnings.

Hedges of net investments in foreign entities are accounted for similarly to cash flow hedges.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting. Changes in the fair value of derivatives that are not designated as hedges or that do not qualify for hedge accounting are recognised immediately in the income statement.

Recognition of derivatives which meet the criteria for the normal purchases normal sales exception under IFRS 39 is deferred until settlement.

9.3. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and investments in money market instruments with an original maturity of less than three months.

The carrying amount of cash and cash equivalents is stated at cost, which approximates fair value.

Bank overdrafts are included within current liabilities in the balance sheet.

9.4. Trade receivables

Trade receivables are carried at anticipated realisable value that is, original invoice amount less provision for impairment of these receivables. Estimates are made for impairments based on a review of all outstanding amounts at year-end. Irrecoverable amounts are written off during the year in which they are identified.

10. PROVISIONS

Provisions are recognised when the Group has a present obligation, legal or constructive 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.

11. BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred, where applicable.

Interest payable on borrowings is recognised in the income statement over the term of the borrowings using the effective interest method. The debt component of the Mvela loan is determined using a market-related cost of debt. This amount is recorded as a liability and is amortised against actual payments made over the life of the loan. The balance of the Mvela loan is included in shareholders' equity, inclusive of income tax effects.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

12. ENVIRONMENTAL OBLIGATIONS

Long-term environmental obligations are based on the Group's environmental management plans, in compliance with current environmental and regulatory requirements.

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. Increases due to additional environmental disturbances are capitalised and amortised over the remaining lives of the mines. These increases are accounted for on a net present value basis.

Annual increases in the provision relating to the change in the net present value of the provision and inflationary increases are accounted for in earnings.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant cleanup at closure.

For the South African operations annual contributions are made to a dedicated rehabilitation trust fund to fund the estimated cost of rehabilitation during and at the end of the life of the relevant mine. These annual contributions are calculated by dividing the unfunded rehabilitation liability by the remaining lives of the mines and such contributions are subject to prior approval by the Department of Minerals and Energy. The amounts contributed to this trust fund are included under non-current assets. Interest earned on monies paid to rehabilitation trust funds is accrued on a time proportion basis and is recorded as interest income.

13. EMPLOYEE BENEFITS

13.1. Pension and provident funds

The Group operates a 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 Group companies.

Contributions to defined contributions funds are charged against income as incurred.

These funds are governed by the Pension Funds Act of 1956, as amended.

13.2. Post-retirement healthcare costs

Medical cover is provided through a number of different schemes. Post-retirement healthcare in respect of qualifying employees is recognised as an expense over the expected remaining service lives of the relevant employees. The Group has an obligation to provide medical benefits to certain of its pensioners and dependants of ex-employees. These liabilities have been provided in full, calculated on an actuarial basis. These liabilities are unfunded. Periodic valuation of these obligations is carried out by independent actuaries using appropriate mortality tables, long-term estimates of increases in medical costs and appropriate discount rates.

13.3. Share-based payments

The Group provides a number of equity-settled compensation plans to directors, certain officers and employees in the form of share options, performance allocated share appreciation rights (SARS) and performance vesting restricted shares (PVRS). Details of these equity-settled instruments are included in the directors' report.

The cost of equity-settled transactions is measured by reference to the fair value at grant date using an appropriate valuation model. In determining the fair value of PVRS, the performance of the Gold Fields' share price relative to the Philadelphia XAU index ("market condition") is taken into account. Forfeitures ("non-market condition") are included in the estimate of the number of equity-settled instruments that will eventually vest.

The fair value of the equity-settled instruments is recognised as share-based expense over the vesting period with a corresponding increase in the share-based payment reserve. No expense is recognised for awards that do not ultimately vest, except for PVRS where vesting is conditional upon a market condition, which is treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

13.4. Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

14. SHARE CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are included in the cost of acquisition as part of the purchase consideration.

15. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the amount of revenue can be reliably measured.

Revenue comprises the value of gold sold.

15.1. Revenue arising from gold and silver sales is recognised when the title, risks and rewards of ownership pass to the buyer.

The price of gold and silver is determined by market forces.

15.2. Revenue from services is recognised over the period the services are rendered and is accrued in the financial statements.

15.3. Dividends, which include capitalisation dividends, are recognised when the right to receive payment is established.

15.4. Interest income is recognised on a time proportion basis taking account of the principal outstanding and the effective rate over the period to maturity.

16. DIVIDENDS DECLARED

Dividends and the related taxation thereon are recognised only when such dividends are declared.

17. EARNINGS/(LOSS) PER SHARE

Earnings/(loss) per share is calculated based on the net income/(loss) divided by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share are presented when the inclusion of ordinary shares that may be issued in the future has a dilutive effect on earnings per share.

18. SEGMENTAL REPORTING

The Group has only one business segment, that of gold mining. Segment analysis is based on individual mining operations.

19. COMPARATIVES

Where necessary, comparatives are adjusted to conform to changes in presentation. No comparatives were adjusted in the current year.

20. ADDITIONAL US DOLLAR FINANCIAL INFORMATION

The translation of the financial statements into US dollars is based on the average exchange rate for the year for the income statement and cash flow statement and the year-end closing exchange rate for balance sheet items. Exchange differences on translation are accounted for in shareholders’ equity.

GROUP INCOME STATEMENT for the years ended 30 June

Figures in millions unless otherwise stated

United States Dollars				South African Rand		
	Restated				Restated	
2004	2005	**2006**		**2006**	2005	2004
1,706.2	1,893.1	**2,282.0**	Revenue	**14,604.7**	11,756.3	11,772.8
1,549.9	1,768.5	**1,840.8**	Cost of sales	**11,781.1**	10,982.7	10,694.0
156.3	124.6	**441.2**	Net operating profit	**2,823.6**	773.6	1 078.8
19.4	29.1	**26.8**	Investment income	**171.8**	181.1	133.7
(3.9)	(15.9)	**(9.7)**	Finance expense	**(62.2)**	(98.9)	(26.8)
27.4	4.9	**14.6**	Unrealised gain on financial instruments	**93.1**	30.4	189.0
(8.7)	50.5	**(18.3)**	Realised (loss)/gain on financial instruments	**(117.1)**	313.6	(60.0)
5.6	(4.3)	**(16.1)**	Other operating costs	**(103.1)**	(26.6)	38.4
	(8.4)	**(10.6)**	Share-based payments	**(67.6)**	(52.0)	
(28.5)	(31.8)	**(38.7)**	Exploration expense	**(247.9)**	(197.4)	(196.5)
(0.4)	(1.8)	**0.1**	Share of profits/(losses) of associate after taxation	**0.4**	(11.4)	(2.9)
(61.8)	(42.0)	**–**	Impairment of assets	**–**	(260.9)	(426.2)
13.9	8.1	**6.3**	Profit on disposal of investments	**40.3**	50.3	95.6
(0.4)	0.8	**3.7**	Profit on disposal of property, plant and equipment	**23.6**	4.7	(2.5)
	7.5	**–**	Profit on disposal of exploration rights	**–**	46.6	–
	(50.8)	**–**	Harmony hostile bid costs	**–**	(315.5)	–
	(9.3)	**–**	IAMGold transaction costs	**–**	(57.9)	–
27.1	–	**–**	Profit on disposal of mineral rights		–	187.2
(3.6)			Write-off of mineral rights		–	(24.8)
	(2.8)	**–**	Impairment of critical spares – St Ives	**–**	(17.2)	–
(0.7)	(0.8)	**–**	Premium on retirement of healthcare obligations	**–**	(4.8)	(5.0)
141.7	57.6	**399.3**	Profit before taxation	**2,554.9**	357.7	978.0
(8.7)	(16.3)	**(146.7)**	Mining and income tax	**(938.8)**	(101.5)	(60.5)
133.0	41.3	**252.6**	Profit for the year	**1,616.1**	256.2	917.5
			Profit attributable to:			
111.3	20.6	**217.1**	– Ordinary shareholders of the company	**1,388.6**	127.7	(149.9)
21.7	20.7	**35.5**	– Minority shareholders	**227.5**	128.5	767.6
133.0	41.3	**252.6**		**1,616.1**	256.2	917.5
			Earnings per share for profit attributable to ordinary shareholders of the company:			
23	4	**44**	Basic earnings per share – cents	**281**	26	158
23	4	**42**	Diluted basic earnings per share – cents	**270**	26	156
19	11	**13**	Dividends per share – cents	**80**	70	140

Exchange rate: R6.40/US$ (F2005: R6.21/US$)

GROUP BALANCE SHEET as at 30 June

Figures in millions unless otherwise stated

United States Dollars				South African Rand		
	Restated				Restated	
2004	2005	**2006**		**2006**	2005	2004
			ASSETS			
2,762.6	2,770.0	**3,518.4**	**Non-current assets**	**26,142.3**	18,558.7	17,403.7
2,512.5	2,531.3	**3,119.0**	Property, plant and equipment	**23,174.4**	16,959.5	15,828.5
0.4	2.8	**2.6**	Investment in associate	**19.2**	18.8	2.5
126.8	145.4	**331.7**	Investments	**2,464.7**	974.0	798.7
52.6	58.1	**65.1**	Environmental trust fund	**484.0**	389.0	331.4
70.3	32.4	**–**	Non-current portion of financial instruments	**–**	217.4	442.6
920.5	811.8	**585.6**	**Current assets**	**4,351.2**	5,438.7	5,799.3
106.7	130.3	**157.2**	Inventories	**1,168.0**	872.9	672.2
111.3	116.3	**146.3**	Trade and other receivables	**1,087.3**	779.5	700.9
9.2	14.7	**34.0**	Deferred stripping costs	**252.5**	97.5	58.2
37.0	46.8	**30.4**	Current portion of financial instruments	**225.9**	313.8	233.5
656.3	503.7	**217.7**	Cash and cash equivalents	**1,617.5**	3,375.0	4,134.5
3,683.1	3,581.8	**4,104.0**	**Total assets**	**30,493.5**	23,997.4	23,203.0
			EQUITY AND LIABILITIES			
39.9	40.0	**40.2**	Share capital	**247.4**	246.1	245.7
1,481.1	1,484.6	**1,502.8**	Share premium	**9,441.8**	9,325.1	9,303.4
105.2	120.8	**147.3**	Minority interests	**982.3**	809.5	662.9
201.7	414.0	**350.2**	Other reserves	**4,689.1**	3,166.5	
439.8	408.4	**557.8**	Retained earnings	**3,944.5**	2,986.9	3,188.8
2,267.7	2,467.8	**2,598.3**	Shareholders' equity per statement	**19,305.1**	16,534.1	15,612.2
879.1	799.3	**1,107.0**	**Non-current liabilities**	**8,224.9**	5,355.7	5,538.2
529.5	485.0	**687.2**	Deferred taxation	**5,106.0**	3,249.8	3,336.1
226.8	175.5	**272.1**	Long-term liabilities	**2,021.6**	1,176.0	1,428.6
122.8	138.8	**147.7**	Long-term provisions	**1,097.3**	929.9	773.5
325.9	314.7	**398.7**	**Current liabilities**	**2,963.5**	2,107.6	2,052.6
278.9	253.8	**308.6**	Trade and other payables	**2,293.7**	1,699.3	1,756.6
14.2	18.0	**46.8**	Taxation	**348.1**	120.8	89.3
32.8	42.9	**43.3**	Current portion of long-term liabilities	**321.7**	287.5	206.7
3,683.1	3,581.8	**4,104.0**	**Total equity and liabilities**	**30,493.5**	23,997.4	23,203.0

Exchange rate R7.43/US$ (F2005: R6.70/US$)

GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY for the years ended 30 June

Figures in millions unless otherwise stated

	Number of ordinary shares in issue	Ordinary share capital	Share premium	Equity portion of convertible debt (Mvela)	Foreign currency translation adjustment	Fair value adjustment reserve	Asset revaluation reserve	Share-based payment reserve	Retained earnings	Minority interests	Total
South African Rand											
Balance at 30 June 2004	491,492,520	245.7	9,303.4	3,130.2	(991.8)	73.0	–	–	3,241.4	662.9	15,664.8
Effect of adopting IFRS 2	–	–	–	–	–	–	–	37.7	(37.7)	–	–
Balance at 30 June 2004 – restated	491,492,520	245.7	9,303.4	3,130.2	(991.8)	73.0	–	37.7	3,203.7	662.9	15,664.8
Profit for the year	–	–	–	–	–	–	–	–	127.7	128.5	256.2
Dividends paid	–	–	–	–	–	–	–	–	(344.5)	(111.2)	(455.7)
Share-based payments	–	–	–	–	–	–	–	52.0	–	–	52.0
Loans repaid to minority shareholders	–	–	–	–	–	–	–	–	–	(13.9)	(13.9)
Loans received from minority shareholders	–	–	–	–	–	–	–	–	–	124.8	124.8
Exercise of employee share options	801,706	0.4	21.7	–	–	–	–	–	–	–	22.1
Marked-to-market gain on listed investments	–	–	–	–	–	55.8	–	–	–	–	55.8
Realised gain on disposal of listed investments	–	–	–	–	–	9.6	–	–	–	–	9.6
Foreign exchange translation	–	–	–	–	800.0	–	–	–	–	18.4	818.4
Balance at 30 June 2005 – restated	492,294,226	246.1	9,325.1	3,130.2	(191.8)	138.4	–	89.7	2,986.9	809.5	16,534.1
Profit for the year	–	–	–	–	–	–	–	–	1,388.6	227.5	1,616.1
Dividends paid	–	–	–	–	–	–	–	–	(394.5)	(83.2)	(477.7)
Share-based payments	–	–	–	–	–	–	–	67.6	–	–	67.6
Loans repaid to minority shareholders	–	–	–	–	–	–	–	–	–	(144.2)	(144.2)
Reserves arising on acquisition of subsidiaries	–	–	–	–	–	–	204.7	–	(36.5)	135.9	304.1
Shares re-purchased and cancelled	(1,000,000)	(0.5)	(74.4)	–	–	–	–	–	–	–	(74.9)
Exercise of employee share options	3,530,497	1.8	191.1	–	–	–	–	–	–	–	192.9
Marked-to-market gain on listed investments	–	–	–	–	–	434.8	–	–	–	–	434.8
Realised gain on disposal of listed investments	–	–	–	–	–	(3.1)	–	–	–	–	(3.1)
Foreign exchange translation	–	–	–	–	818.6	–	–	–	–	36.8	855.4
Balance at 30 June 2006	**494,824,723**	247.4	9,441.8	3,130.2	626.8	570.1	204.7	157.3	3,944.5	982.3	19,305.1
United States Dollar											
Balance at 30 June 2004	491,492,520	39.9	1,481.1	453.7	(41.1)	(0.5)	–	–	448.3	98.9	2,480.3
Effect of adopting IFRS 2	–	–	–	–	–	–	–	6.0	(6.0)	–	–
Balance at 30 June 2004 – restated	491,492,520	39.9	1,481.1	453.7	(41.1)	(0.5)	–	6.0	442.3	98.9	2,480.3
Profit for the year	–	–	–	–	–	–	–	–	20.6	20.7	41.3
Dividends paid	–	–	–	–	–	–	–	–	(54.5)	(17.3)	(71.8)
Share-based payments	–	–	–	–	–	–	–	8.4	–	–	8.4
Loans repaid to minority shareholders	–	–	–	–	–	–	–	–	–	(2.2)	(2.2)
Loans received from minority shareholders	–						–			20.1	20.1
Exercise of employee share options	801,706	0.1	3.5	–	–	–	–	–	–	–	3.6
Marked-to-market gain on listed investments	–	–	–	–	–	9.0	–	–	–	–	9.0
Realised gain on disposal of listed investments	–	–	–	–	–	1.5	–	–	–	–	1.5
Foreign exchange translation	–	–	–	–	(23.0)	–	–	–	–	0.6	(22.4)
Balance at 30 June 2005 – restated	492,294,226	40.0	1,484.6	453.7	(64.1)	10.0	–	14.4	408.4	120.8	2,467.8
Profit for the year	–	–	–	–	–	–	–	–	217.1	35.5	252.6
Dividends paid	–	–	–	–	–	–	–	–	(61.8)	(13.0)	(74.8)
Share-based payments	–	–	–	–	–	–	–	10.6	–	–	10.6
Loans repaid to minority shareholders	–	–	–	–	–	–	–	–	–	(23.0)	(23.0)
Reserves arising on acquisition of subsidiaries	–	–	–	–	–	–	36.0	–	(5.9)	22.3	52.4
Shares re-purchased and cancelled	(1,000,000)	(0.1)	(11.6)	–	–	–	–	–	–	–	(11.7)
Exercise of employee share options	3,530,497	0.3	29.8	–	–	–	–	–	–	–	30.1
Marked-to-market gain on listed investments	–	–	–	–	–	67.9	–	–	–	–	67.9
Realised gain on disposal of listed investments	–	–	–	–	–	(0.5)	–	–	–	–	(0.5)
Foreign exchange translation	–	–	–	–	(177.8)	–	–	–	–	4.7	(173.1)
Balance at 30 June 2006	**494,824,723**	40.2	1,502.8	453.7	(241.9)	77.4	36.0	25.0	557.8	147.3	2,598.3

GROUP CASH FLOW STATEMENT for the years ended 30 June

Figures in millions unless otherwise stated

United States Dollars				South African Rand		
	Restated 2005	**2006**		**2006**	Restated 2005	
149.8	215.5	**472.9**	**Cash flows from operating activities**	**3,027.2**	1,336.4	1,003.2
291.2	317.2	**612.7**	Cash generated by operations	**3,921.5**	1,969.2	2,009.2
13.3	21.9	**17.1**	Interest received	**109.2**	136.2	92.1
2.3	2.8	**2.4**	Dividends received	**15.6**	17.6	15.7
26.0	(1.8)	**(3.7)**	Change in working capital	**(23.8)**	(11.2)	179.6
332.8	340.0	**628.5**	Cash generated by operating activities	**4,022.5**	2,111.8	2,296.6
(14.7)	(14.3)	**(26.0)**	Interest paid	**(166.6)**	(89.1)	(101.7)
(75.7)	(38.4)	**(54.8)**	Tax paid	**(351.0)**	(230.6)	(522.6)
242.7	287.3	**547.7**	Net cash from operations	**3,504.9**	1,792.1	1,672.3
(92.6)	(71.8)	**(74.8)**	Dividends paid	**(477.7)**	(455.7)	(669.1)
(444.2)	(354.3)	**(873.8)**	**Cash flows from investing activities**	**(5,481.8)**	(2,199.4)	(3,066.0)
(417.4)	(348.4)	**(291.0)**	Additions to property, plant and equipment	**(1,862.4)**	(2,163.8)	(2,880.1)
56.8	10.2	**6.3**	Proceeds on disposal of property, plant and equipment	**40.0**	63.6	391.7
	–	**(417.1)**	Acquisition of subsidiaries, net of cash acquired	**(2,559.3)**	–	–
(102.4)	(30.4)	**(163.5)**	Purchase of investments	**(1,046.2)**	(188.5)	(706.9)
29.3	18.6	**2.8**	Proceeds on disposal of investments	**18.2**	115.7	201.9
–	7.5	**–**	Proceeds on disposal of exploration rights	**–**	46.6	–
(6.0)	(6.5)	**(11.0)**	Environmental trust fund and rehabilitation payments	**(70.5)**	(40.3)	(41.1)
(4.5)	(5.3)	**(0.3)**	Post-retirement healthcare payments	**(1.6)**	(32.7)	(31.5)
774.8	(9.1)	**108.5**	**Cash flows from financing activities**	**673.0**	(56.9)	
350.5	–	**–**	Equity portion of Mvela loan	**–**	–	2,453.6
236.2			Debt portion of Mvela loan			1,653.4
9.1	17.9	**(23.0)**	(Decrease)/increase in minority funding	**(144.2)**	110.9	88.6
–	2.7	**158.0**	Long-term loans raised	**986.7**	16.9	–
(40.7)	(33.3)	**(44.9)**	Long-term and short-term loans repaid	**(287.5)**	(206.8)	(294.0)
	–	**(11.7)**	Shares re-purchased and cancelled	**(74.9)**	–	–
219.7	3.6	**30.1**	Shares issued	**192.9**	22.1	1,516.2
480.4	(147.8)	**(292.4)**	Net cash utilised	**(1,781.6)**	(919.9)	3,355.0
42.3	(4.8)	**6.4**	Translation adjustment	**24.1**	160.4	(261.3)
133.6	656.3	**503.7**	Cash and cash equivalents at beginning of the year	**3,375.0**	4,134.5	1,040.8
656.3	503.7	**217.7**	Cash and cash equivalents at end of the year	**1,617.5**	3,375.0	4,134.5

PRO FORMA BALANCE SHEET AND INCOME STATEMENT OF JCI

The unaudited pro forma consolidated income statement and balance sheet of JCI before and after the WAL transaction are set out below. The unaudited pro forma income statement and balance sheet have been presented for illustrative purposes only and because of their nature may not give a fair reflection of JCI's results, financial position and changes in equity after the WAL transaction. It has been assumed for purposes of the pro forma financial information that the WAL transaction took place with effect from 1 April 2005 for income statement purposes and 30 September 2005 for balance sheet purposes. The directors of JCI are responsible for the preparation of the unaudited pro forma income statement and balance sheet.

The unaudited pro forma consolidated income statement and balance sheet of JCI do not include any adjustments with regards to the following subsequent events:

- the acquisition by Matodzi of 200 million cumulative redeemable preference shares owned by JCI in Witnigel; and
- the redemption by Matodzi of 200 million unsecured redeemable convertible participating B preference shares owned by JCIIF, a wholly-owned subsidiary of JCI, on 29 March 2006.

As a consequence of the above, JCI through JCIIF, has become the majority shareholder in Matodzi and accordingly, has increased its effective holding in Letšeng from 30.4% to an effective 52.7%. JCI shareholders are referred to the pro forma financial information contained in paragraph 4 of the Matodzi circular to be issued on or about 14 September 2006, as this will indirectly impact on JCI.

Unaudited Pro Forma Income Statement

	Before [1] Published R	Adjustments R	After the Letsêng disposal Pro forma R	Adjustments	After the WAL transaction
Revenue	40 216	–	40 216	–	40 216
Cost of sales	(14 723)	–	(14 723)	–	(14 723)
Gross profit	25 493	–	25 493	–	25 493
Other operating income	881	–	881	1 076 378[3]	1 077 259
Operating costs	(129 280)	(46 376)[2]	(175 656)	(286 248)[4]	(461 904)
Operating profit/(loss)	(102 906)	(46 376)[2]	(149 282)	790 130	640 848
Investment income	9 290	–	9 290	–	9 290
Finance expense	(54 485)	13 004[2]	(41 481)	(415)[5]	(41 896)
Share of associate earnings	(11 799)	284 508[2]	272 709	25 515[6]	298 224
Impairment of investment in associate	–	(171 381)[2]	(171 381)	–	(171 381)
Net loss before tax	(159 900)	79 755	(80 145)	815 230	735 085
Tax	132	–	132	(133 760)[7]	(133 628)
Net loss after tax	(159 768)	79 755	(80 013)	681 470	601 457
Minority share	–	–	–	–	–
Loss attributable to ordinary shareholders	(159 768)	79 755	(80 013)	681 470	601 457
Earnings/(loss) per share (cents)	(7.74)		(3.88)		29.15
Headline (loss)/earnings per share (cents)	(5.90)		6.64		(8.11)
Weighted average number of shares	2 063 635 198		2 063 635 198		2 063 635 198

Notes:

1. The "Before" financial information has been based on the income statement included in the JCI unaudited and unreviewed results for the six months ended 30 September 2005, as published on SENS on Friday, 7 April 2006 and in the press on Monday, 10 April 2006.
2. The "After the Letšeng disposal" column has been adjusted for the Letšeng disposal as detailed in the circular to JCI shareholders dated 14 September 2006.
3. Operating income has been adjusted to include the profit on the WAL disposal, being the difference between the value of the WAL ordinary shares as at 1 April 2005 and price attributed to the WAL ordinary shares in terms of the WAL disposal. This adjustment will not have a continuing effect on JCI.
4. Operating costs have been adjusted to include the Investec profit share of R278.3 million and the estimated transaction costs of R7.9 million. These adjustments will not have a continuing effect on JCI.
5. Finance expense has been adjusted to exclude an amount of R0.4 million of additional interest paid in respect of the estimated transaction costs paid out of interest bearing borrowings. This adjustment will have a continuing effect.
6. Share of associate earnings has been adjusted to exclude the equity accounted loss relating to WAL for the six months ended 30 September 2005. This adjustment will have a continuing effect.
7. Tax has been adjusted for the capital gains tax payable arising as a result of the WAL disposal. This adjustment will not have a continuing effect.

Unaudited pro forma balance sheet

	Before [1] Published R	Adjustments R	After the Letsêng disposal Pro forma R	Adjustments	After the WAL transaction
ASSETS					
Non-current assets	1 494 378	(180 313)	1 314 065	1 205 315	2 519 380
Property, plant and equipment	22 119	–	22 119	–	22 119
Investments	881 103	(180 313)[2]	700 790	1 205 315[3]	1 906 105
Loans	590 985	–	590 985	–	590 985
Deferred tax	171	–	171	–	171
Current assets	546 251	–	546 251	–	546 251
Inventories	68 322	–	68 322	–	68 322
Investment properties	117 523	–	117 523	–	117 523
Developed properties	67 188	–	67 188	–	67 188
Trade and other receivables	65 017	–	65 017	–	65 017
Short term loans	112 021	–	112 021	–	112 021
Tax advance	16	–	16	–	16
Cash and cash equivalents	116 164	–[3]	116 164	–	116 164
Total assets	2 040 629	(180 313)	1 860 316	1 205 315	3 065 631
EQUITY AND LIABILITIES					
Capital and reserves	(318 523)	67 384	(251 139)	785 307	534 168
Share capital	22 185	–	22 185	–	22 185
Share premium	1 746 650	–	1 746 650	–	1 746 650
Non-distributable reserve	205 137	–	205 137	79 769[4]	284 906
Foreign translation reserve	(58 839)	–	(58 839)	–	(58 839)
Accumulated losses	(2 179 169)	67 384[2]	(2 111 785)	705 538[5]	(1 406 247)
Treasury shares	(54 487)	–	(54 487)	–	(54 487)
Minorities	681	–	681	–	681
Non-current liabilities	1 448 591	(247 697)	1 200 894	286 248	1 487 142
Interest bearing borrowings	559 418	(247 697)[2]	311 721	286 248[6]	597 969
Non interest bearing borrowings	884 506	–	884 506	–	884 506
Deferred tax	4 667	–	4 667	–	4 667
Current liabilities	909 880	–	909 880	133 760	1 043 640
Trade and other payables	291 685	–	291 685	–	291 685
Taxation	35 499	–	35 499	133 760[7]	169 259
Short term borrowings	582 683	–	582 683	–	582 683
Bank overdraft	13	–	13	–	13
Total equity and liabilities	2 040 629	(180 313)	1 860 316	1 205 315	3 065 631
Net asset value per share (cents)	(15.12)	–	(11.92)		25.36
Net tangible asset value per share (cents)	(15.12)	–	(11.92)		25.36
Number of shares in issue ('000)	2 106 476 728		2 106 476 728		2 106 476 728

Notes:

1. The "Before" financial information has been based on the balance sheet included in the JCI unaudited and unreviewed results for the six months ended 30 September 2005, as published on SENS on Friday, 7 April 2006 and in the press on Monday, 10 April 2006.
2. The "After the Letšeng disposal" column has been adjusted for the Letšeng disposal as detailed in the circular to JCI shareholders dated 14 September 2006.
3. Investments have been adjusted to exclude the investment relating to the 27 million WAL shares, to fair value the remaining 5.4 million WAL shares to R25.6 per WAL share and to include the investment in Gold Fields of R1 419.4 million.
4. Non-distributable reserve has been adjusted for the fair valuing of the remaining 5.4 million WAL shares to R25.6 per WAL share.
5. Accumulated losses have been adjusted to include the profit on the WAL disposal, being the difference between the value of the WAL ordinary shares at 30 September 2005 and the price attributable to the WAL shares in terms of the WAL disposal, the payment of the Investec profit share of R278.3 million, the estimated transaction costs of R7.9 million and the payment of the CGT of R133.8 million.
6. Interest-bearing liabilities have been adjusted to the provision for the Investec profit share of R278.3 million in respect of the WAL disposal and the estimated transaction costs of R7.9 million.
7. Tax has been adjusted for the capital gains tax payable arising due to the WAL disposal.

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE PRO FORMA FINANCIAL EFFECTS OF THE WAL TRANSACTION AND THE PRO FORMA INCOME STATEMENT AND BALANCE SHEET OF JCI

"The Directors
JCI Limited
28 Harrison Street
Johannesburg
2001

24 October 2006

Dear Sirs

Independent Reporting Accountants' limited assurance report on the unaudited pro forma financial effects, income statement and balance sheet

Introduction

The definitions commencing on page 3 of the circular have been used in this report.

We have performed our limited assurance engagement with regard to the unaudited pro forma financial effects, income statement and balance sheet (collectively "the pro forma financial information") of JCI Limited ("JCI") set out in paragraph 4.2 and Annexure III of the circular to be dated on or about 26 October 2006 issued in connection with the WAL transaction.

The pro forma financial information has been prepared for purposes of complying with the requirements of the JSE Limited ("JSE"), for illustrative purposes only, to provide information about how the WAL transaction might have affected the reported financial information had the WAL transaction been undertaken on 1 April 2005 for income statement purposes and on 30 September 2005 for balance sheet purposes.

Because of its nature, the pro forma financial information may not present a fair reflection of the financial position, changes in equity, results of operations or cash flows of JCI, after the WAL transaction.

Responsibilities

The directors of JCI are solely responsible for the compilation, contents and presentation of the pro forma financial information contained in the circular and for the financial information from which it has been prepared.

Their responsibility includes determining that the pro forma financial information contained in the circular has been properly compiled on the basis stated, the basis is consistent with the accounting policies of JCI and the pro forma adjustments are appropriate for the purposes of the pro forma financial information as disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express a limited assurance conclusion on the pro forma financial information included in the circular. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *Assurance Engagements Other Than Audits or Reviews of Historical Financial information* and the *Revised Guide on Pro Forma Financial Information* issued by the South African Institute of Chartered Accountants.

This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted unaudited and unreviewed historical financial information of JCI for the six months ended 30 September 2005 with the source documents, considering the pro forma adjustments in light of the accounting policies of JCI, considering the evidence supporting the pro forma adjustments,

recalculating the amounts based on the information obtained and discussing the pro forma financial information with the directors of JCI.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of JCI.

Whilst our work performed involved an analysis of the historical unaudited and unreviewed financial information and other information provided to us, our limited assurance engagement does not constitute either an audit or review of any of the underlying financial information undertaken in accordance with the International Standards on Auditing or the International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe that our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion on the pro forma adjustments

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that in terms of Section 8.17 and 8.30 of the JSE Listings Requirements, the pro forma adjustments:

- have not been properly compiled on the basis stated,
- such basis is inconsistent with the accounting policies of JCI, and
- are not appropriate for the purposes of the pro forma financial information as disclosed pursuant to section 8.30 of the JSE Listings Requirements.

Basis for disclaimer of conclusion on "After the WAL transaction" column

The published provisional unaudited and unreviewed results of JCI for the six months ended 30 September 2005 stated that the board of directors of JCI disclaimed any liability in respect of the accuracy, correctness and/or completeness of the information reflected in the provisional financial results. It was further stated that there may be material events and circumstances of which the board of directors were not aware at the time of publication of the provisional financial results, which may have a material effect on JCI and which may affect the accuracy and completeness of the information reflected in the provisional financial results and/or may have the effect that the provisional financial results do not reflect a true and complete account of the financial and other affairs of JCI.

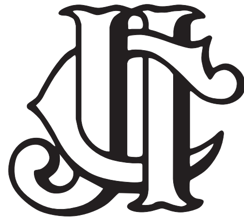
Disclaimer of conclusion on "After the WAL transaction" column

Because of the significance of the matter discussed in the preceding paragraph and its possible effect on the "After the WAL transaction" column, we are unable to, and do not, express an opinion on the "After the WAL transaction" column included in the circular.

Yours faithfully
KPMG Inc.

Per Mickey Bove
Chartered Accountant (SA)
Registered Auditor
Director

KPMG Crescent
85 Empire Road
Parktown
Johannesburg"



JCI LIMITED

(Incorporated in the Republic of South Africa)
(Registration Number1894/000854/06)
Share code: JCD (Suspended)
ISIN: ZAE000039681
("JCI" or "the company")

NOTICE OF GENERAL MEETING

All the definitions in this circular, to which this notice of the JCI general meeting is attached, shall bear the same meanings in this notice of the JCI general meeting.

Notice is hereby given that a general meeting of shareholders of JCI will be held at 10h00 on Tuesday, 14 November 2006 in the Auditorium, Ground Floor, 28 Harrison Street, Johannesburg for the purpose of considering, and if deemed fit, passing, with or without modification, the following ordinary resolutions:

ORDINARY RESOLUTION NUMBER 1

"Resolved that the disposal by JCI Investment Finance (Proprietary) Limited ("JCIIF"), a wholly-owned subsidiary of the company, of 27 000 000 Western Areas Limited ("WAL") ordinary shares to Gold Fields Limited ("Gold Fields") and the entering into of reciprocal put and call options arrangement regarding the balance of the WAL ordinary shares held by JCIIF and JCI Gold Limited ("JCI Gold"), a wholly-owned subsidiary of the company, on the terms and conditions contained in the sale of shares and option agreement dated 11 September 2006 entered into between Gold Fields, the company, JCIIF and JCI Gold, (a signed copy of which has been initialled, for identification purposes, by the chairperson of the general meeting at which this ordinary resolution number 1 is to be proposed), be and is hereby ratified and approved."

ORDINARY RESOLUTION NUMBER 2

"Resolved that any and all directors of the company be and are hereby authorised to take all such steps and sign all such documents as are necessary to give effect to ordinary resolution number 1 above and that all such steps and signature of documents by any director and the company secretary of the company as have already taken place pertaining to the matters contemplated in such ordinary resolutions are hereby ratified."

VOTING AND PROXIES

On a show of hands, each shareholder of the company who, being a natural person, is present in person or by proxy or, being a company (or other juristic person), is represented by a duly authorised representative at the JCI general meeting, is entitled to one vote on a show of hands, irrespective of the number of JCI ordinary shares he holds or represents, provided that a proxy shall, irrespective of the number of JCI shareholders he represents, have only one vote. On a poll, a JCI shareholder who is present in person or represented by proxy (if a natural person) or represented (if a juristic person) at the JCI general meeting shall be entitled to that number of votes which is equal to that proportion of the total votes in the company which the aggregate amount of the nominal value of the JCI ordinary shares held by him bears to the aggregate amount of the nominal value of all the JCI ordinary shares issued by the company.

Each JCI ordinary shareholder of the company who is entitled to attend and vote at the JCI general meeting may appoint one or more proxies as alternates (none of whom needs to be a shareholder of the company), to attend, speak and vote in his stead. The completion and lodging of forms of proxy will not preclude a JCI shareholder from attending, speaking and voting to the exclusion of the proxy so appointed.

A form of proxy is included with this notice for use by certificated shareholders and "own name" dematerialised shareholders who are unable to attend the JCI general meeting but who wish to be represented thereat. Duly completed forms of proxy must be received by the South African transfer secretaries (Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, PO Box 61051, Marshalltown, 2107) or by the United Kingdom registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by not later than 10h00 on 10 November 2006.

Dematerialised JCI shareholders, other than "own name" dematerialised shareholders, who wish to attend the JCI general meeting must instruct their CSDP or broker to issue them with the necessary authority to attend. Should dematerialised JCI shareholders, other than "own name" dematerialised shareholders, be unable to attend the JCI general meeting in person, but wish to vote by proxy, they must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between them and their CSDP or broker.

For and on behalf of the board

JCI Limited

Ms B E Morton
Legal adviser and secretary

Johannesburg

30 October 2006

Registered office
28 Harrison Street
Johannesburg
2001
(PO Box 11165,
Johannesburg, 2000)

Transfer secretaries
Computershare Investor Services 2004 (Proprietary) Limited
70 Marshall Street
Johannesburg
2001
(PO Box 61051, Marshalltown, 2107)

United Kingdom registrars
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

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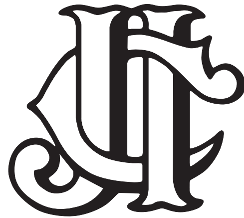

JCI LIMITED

(Incorporated in the Republic of South Africa)
(Registration Number1894/000854/06)
Share code: JCD (Suspended)
ISIN: ZAE000039681

FORM OF PROXY

For use by certificated JCI ordinary shareholders and "own name" dematerialised JCI ordinary shareholders only, at the general meeting of JCI shareholders ("the JCI general meeting") to be held at 10H00 on Tuesday, 14 November 2006 in the Auditorium, Ground Floor, 28 Harrison Street, Johannesburg.

JCI ordinary shareholders who have dematerialised their JCI ordinary shares, other than "own-name" dematerialised JCI ordinary shareholders, must inform their CSDP or broker of their intention to attend the JCI general meeting and request their CSDP or broker to issue them with the necessary authorisation to attend or provide their CSDP or broker with their voting instructions should they not wish to attend the JCI general meeting in person. Such JCI ordinary shareholders must not return this form of proxy to the transfer secretaries.

I/We (please print name in full) __________

of address(please print) __________

being the holder of __________ JCI ordinary shares, hereby appoint (see note 2)

1. __________ or failing him/her

2. __________ or failing him/her

3. the chairman of the JCI general meeting.

as my/our proxy to attend, speak and vote for me/us on my/our behalf at the JCI general meeting which is to be held for the purpose of considering and, if deemed fit, passing with or without modification, the ordinary resolutions to be proposed thereat and at each adjournment thereof and to vote for or against the ordinary resolutions or to abstain from voting in respect of their JCI ordinary shares in the issued share capital of JCI registered in my/our name/s, in accordance with the following instructions (see note 4).

	For	Against	Abstain
Ordinary resolution number 1 Approval of the sale of shares and option agreement between Gold Fields Limited, JCI Limited, JCI Investment Finance (Proprietary) Limited and JCI Gold Limited			
Ordinary resolution number 2 To authorise directors to take all such steps and sign all such documents to give effect to ordinary resolution number 1			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of JCI ordinary shares than you own in JCI, insert the number of JCI ordinary shares held in respect of which you desire to vote (see note 4).

Signed at __________ on __________ 2006

Signature __________

Assisted by me (where applicable) __________

Each JCI ordinary shareholder is entitled to appoint one or more proxies (who need not be a JCI ordinary shareholder) to attend, speak and vote in place of that member at the JCI general meeting.

Please read the notes and instructions on the reverse hereof.

NOTES:

1. All JCI ordinary shareholders are entitled to attend, be represented and vote at the JCI general meeting. Each JCI ordinary shareholder present by proxy or in person (if a natural person) or represented (if a juristic person) at the JCI general meeting has, on a show of hands, one vote irrespective of the number JCI ordinary shares he holds or represents, provided that a proxy shall irrespective of the number of JCI ordinary shareholders he represents have only one vote. On a poll, at the JCI general meeting, a JCI ordinary shareholder who is present by proxy or in person (if natural person) or represented (if a juristic person) shall be entitled to that number of votes which is equal to that proportion of the total votes in JCI which the aggregate amount of the nominal value of the JCI ordinary shares held by him bears to the aggregate amount of the nominal value of all the JCI ordinary shares issued by JCI.
2. A JCI ordinary shareholder may insert the name of a proxy or the names of two alternate proxies of the JCI ordinary shareholder's choice in the space/s provided, with or without deleting "the chairman of the JCI general meeting". If a deletion is made, such deletion must be initialled by the JCI ordinary shareholder. The person whose name stands first on the form of proxy and who is present at the JCI general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A JCI ordinary shareholder's instructions to the proxy must indicate by the insertion of the relevant number of JCI ordinary shares held by him/her (which will indicate the number of votes exercisable by the shareholder on a poll) in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the JCI general meeting as he/she deems fit in respect of all the JCI ordinary shareholder's votes exercisable thereat. A JCI ordinary shareholder or the proxy is not obliged to use all the votes exercisable by the JCI ordinary shareholder or by the proxy, but the total of the votes cast in respect of which abstention is recorded may not exceed the total of the votes exercisable by the JCI ordinary shareholder or by the proxy.
4. A JCI ordinary shareholder's instructions to the proxy as to whether to vote for, against or abstain from voting, and in respect of the relevant number of JCI ordinary shares to vote in such a manner, shall, in respect of the resolution, be indicated as follows:
   a. by the insertion of an "X" in the appropriate box provided to indicate whether to vote for, against or abstain from voting. Such an insertion, without the insertion of the relevant number of JCI ordinary shares as contemplated in paragraph (b) below, shall require the proxy to vote or abstain from voting at the JCI general meeting as indicated by the "X" in respect of all (and not some) of the JCI ordinary shareholder's votes exercisable thereat;
   b. by the insertion, of the relevant number of JCI ordinary shares held by the JCI ordinary shareholder in the company to indicate the number of JCI ordinary shares to be voted for, against or abstain from voting (which will indicate the number of votes exercisable by the proxy on behalf of the shareholder on a poll), in the appropriate box provided. Such an insertion, with or without the insertion of an "X", shall require the proxy to vote or abstain from voting at the JCI general meeting as indicated by the number so inserted in respect of such inserted number (and not a portion) of all JCI ordinary shares;
   c. by the failure to insert anything in the appropriate box. Such failure will be deemed to authorise the proxy to vote or abstain from voting at the JCI general meeting as he/she deems fit in respect of all (or a portion) of the JCI ordinary shareholder's votes exercisable thereat.
5. A JCI ordinary shareholder is not obliged to use all the votes exercisable by the JCI ordinary shareholder, but the total of the votes cast, and in respect of which abstention is recorded, whether by the JCI ordinary shareholder or the proxy, may not exceed the total of the votes exercisable by the JCI ordinary shareholder.
6. A form of proxy must be lodged with or posted to the South African transfer secretaries, Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, PO Box 61051, Marshalltown, 2107 or the United Kingdom Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to reach them by no later than 10h00 on Friday, 10 November 2006.
7. The completion and lodging of this form of proxy will not preclude the relevant JCI ordinary shareholder from attending the JCI general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative or other legal capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the JCI general meeting, as the case may be.
9. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.