April 4, 1989

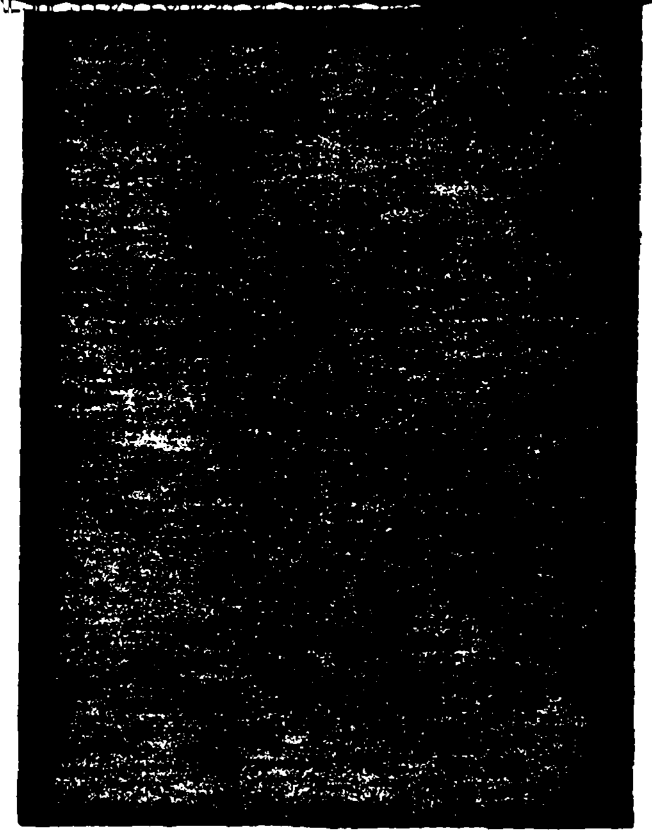
To Our Clients:

First Use of Protect Preferred

Consolidated Gold Fields, an English company that is the target of an unfriendly takeover bid by Minorco, is the first company to use Protect Preferred. English law does not permit as effective a version of Protect Preferred as can be used in the United States. John Grieves, of the London firm of Freshfields, has prepared a special adaptation of Protect Preferred for use by an English company and it is this adaptation that is being used by Consolidated Gold Fields. A copy of the defense document issued by Consolidated Gold Fields is attached.

M. Lipton

Attachment



VALUE TODAY—AND VALUE TOMORROW

STAY WITH GOLD FIELDS

Consolidated Gold Fields PLC

GOLD FIELDS

VALUE TODAY

- Operating profit before sales of operations—*forecast* to be not less than £335 million, up 27 per cent.
- Earnings per share before sales of operations—forecast to be not less than 90p, up 42 per cent.
- Total dividend for 1989 forecast to be 40p net per share, up 25 per cent

AND VALUE TOMORROW

- **An innovative proposal sets management a challenging target for future earnings. If the target is not met, a special preference dividend of £6, inclusive of ACT credit, would be payable in 1992.**

NO BRITISH COMPANY HAS EVER COMMITTED ITSELF SO FIRMLY TO VALUE FOR ITS SHAREHOLDERS

MINORCO—POOR PAST AND NO FUTURE

- Poor management, poor record and poor prospects.
- Minorco's miserable record is the responsibility of its present management. They now seek to manage Gold Fields. Why should you back them?
- Poor value now, even worse once 80 million new shares flood the market and unwilling holders sell their shares.

STAY WITH GOLD FIELDS

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. When considering what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Gold Fields

4th April, 1989

To shareholders and holders of options issued under Gold Fields Employee Share Option Schemes

Dear Shareholder,

I wrote to you on 9th March setting out the reasons why you should ignore Minorco's blatant attempt to exploit its existing position in Gold Fields and to steal value from you. Gold Fields shareholders have rightly ignored Minorco's existing offer and should continue to do so. However, it is very likely that because the Anglo American grouping needs Gold Fields so badly and hopes to put pressure on the US Court, Minorco will shortly come back with a higher offer. In any event, I want you to be in no doubt about your Company's true worth and future prospects.

I am therefore writing to provide you with:—

- 1989 profit and dividend forecasts for Gold Fields; and
- details of an innovative proposal, which demonstrates your Directors' confidence in Gold Fields future.

Minorco claims that Gold Fields cannot deliver full value to you. It therefore proposes a break-up of your Company with most of the proceeds to be applied to the repayment of debt raised to finance the bid. Your Board firmly believes in the future value of your assets and that Gold Fields, under its present management, will continue to be an extremely rewarding investment. In order that this confidence can be properly reflected in the future value of your shares, I am pleased to announce that a unique scheme will shortly be put to shareholders, provided that Gold Fields remains an independent company. This proposal commits Gold Fields to a demanding performance target. If this is not met, your Board will restructure Gold Fields in order to crystallise value for all shareholders. **Details of this unprecedented scheme are set out overleaf.**

Minorco refuses to recognise Gold Fields value and despite the widely-held view that its shares are an unattractive investment, Minorco is still trying to press them on you. **Your Directors and their advisers, Schroders, continue to recommend shareholders to reject the Minorco offer.**

TO REJECT MINORCO—TAKE NO ACTION

VALUE TODAY

1989—A RECORD YEAR

Operating profit before sales of operations—up 27 per cent.
Dividend—up 25 per cent.

Profit forecast

Your Board has already explained to you that Gold Fields strategy is to deliver rising profits from its operations. This process is continuing. Your Directors forecast that, in the absence of unforeseen circumstances, Gold Fields operating profit before sales of operations for the year ending 30th June, 1989 will be not less than £335 million, **up 27 per cent.**

	1988 (actual)	1989 (forecast)	Increase
Operating profit before sales of operations	£264 million	**£335 million**	**27 per cent.**

This forecast confirms your Directors' confidence in the continuing growth of Gold Fields. As already announced, a 35 per cent. increase in operating results was achieved for the half-year to 31st December, 1988.

The forecast of operating profit before sales of operations translates into a 1989 earnings per share forecast of not less than 90 pence, **up 42 per cent.**

	1988 (adjusted actual)	1989 (forecast)	Increase
Earnings per share before sales of operations	63.2 pence	**90.0 pence**	**42 per cent.**

Financial profits from the sales of mature operations are harvested from time to time in order to free capital for redeployment in new ventures. These opportunities will continue to be pursued as and when they arise. For example, last year additional profits of £97.2 million were realised, predominantly from a reduction of Gold Fields beneficial interest in GFSA.

Dividend forecast

In the light of this profit forecast, your Board intends to recommend a final dividend of 27.5p net per share, making a total dividend for the year ending 30th June, 1989 of 40p net per share, **up 25 per cent.** The dividend is forecast to be covered at least 2.25 times by earnings.

	1988 (actual)	1989 (forecast)	Increase
Dividend per share (net)	32 pence	**40 pence**	**25 per cent.**

Your Board's intention is to continue to operate a progressive dividend policy.

GOLD FIELDS CONTINUES TO DELIVER SOUNDLY BASED GROWTH

AND VALUE TOMORROW

A SPECIAL PREFERRED SHARE

Cumulative earnings per share target implying average annual compound growth of over 20 per cent.

Special cash dividend of £6 gross per share if target not met

Shareholders who stay with Gold Fields are entitled to expect strong earnings performance from its quality assets. Your Directors are confident that Gold Fields assets and management skills are capable of meeting this challenge. However, your Directors are in no sense committed to the retention of Gold Fields present structure if individual assets fail to live up to their longer term potential. But the benefit of Gold Fields valuable assets should in those circumstances belong to all shareholders, not just Minorco.

An exciting and innovative proposal sets a challenging target for future earnings growth. **This target is cumulative earnings per share, before sales of operations, of 400 pence for the three years 1990 to 1992.** Achievement of this target would imply average annual compound growth in earnings of over 20 per cent. **If this target is not met, your Directors will restructure Gold Fields in order to distribute assets to you. As part of this restructuring, a special preference dividend of £6 gross per share would be paid to all shareholders.** Your Directors would undertake whatever steps were necessary to ensure that this dividend was paid.

Target cumulative earnings per share	*or if target not met*	Special preference dividend
400 pence over three years		**£6 gross per share**

To entrench shareholders' rights in relation to the payment of the special preference dividend, if Gold Fields remains an independent company, an Extraordinary General Meeting of shareholders will be called promptly to approve an Ordinary resolution to create a new class of Special Preferred shares. The right to these shares will immediately attach to your existing Ordinary shares. The Special Preferred shares will be issued free of charge to Gold Fields shareholders in 1992, on a one-for-one basis. Further details are set out in Appendix I.

All future executive incentive arrangements for Gold Fields central management over the next three years will be tied to achievement of the earnings per share target. If this target is not met, no bonuses will be paid. Share options granted in the three-year period under the Executive Share Option Scheme will also normally only be exercisable on attainment of the earnings per share target. **Your management will therefore have a strong personal incentive to achieve the earnings target.**

Your Directors and their advisers, Schroders, consider that shareholders would benefit substantially, both now and in the future, from the adoption of the proposal. They strongly recommend that it should be supported. It offers you the prospect of greatly enhanced value, either from the attainment of the earnings target or the receipt of a substantial special £6 gross dividend.

NO BRITISH COMPANY HAS EVER COMMITTED ITSELF SO FIRMLY TO VALUE FOR ITS SHAREHOLDERS

RECOMMENDATION

Nothing has been said by Minorco in the last six months to cause your Directors or their advisers, Schroders, to change their view that Minorco is trying to buy your Company on the cheap to shelter its own failings. Minorco's shares are, and will remain, a poor investment.

If you have already accepted Minorco's offer, your acceptance may be withdrawn after 8th April, 1989, provided that the offer has not become or been declared unconditional as to acceptances by then. To withdraw your acceptance, you should complete the enclosed Form of Withdrawal and return it to Schroders.

Apart from Minorco's representatives and, for the reasons set out in Appendix II, Mr R. A. Plumbridge, **your Directors and their advisers, Schroders, strongly recommend you to reject Minorco's offer and not to sell your shares.** Your Directors do not intend to accept the offer in respect of their own shareholdings.

Yours sincerely,

Rudolph Agnew

R I J Agnew
Chairman

TO REJECT MINORCO—TAKE NO ACTION

STAY WITH GOLD FIELDS

Shareholder Information Desk: 01 606 1020

APPENDICES

APPENDIX I

THE SPECIAL PREFERRED SHARE SCHEME

The Special Preferred shares of 25 pence each ("the Special Preferred shares") will be created by an Ordinary resolution of the Company ("the Resolution"), which will contain the detailed rights, restrictions and other provisions applicable to the Special Preferred shares. Set out below are details of the bonus issue of the Special Preferred shares, together with a summary of their principal terms.

1. Issue of Special Preferred shares

The Resolution will provide for the allotment of Special Preferred shares, credited as fully paid (by way of capitalisation of reserves), to the holders of Ordinary shares on the register on the record date for the final dividend of the Company in respect of the financial year ending 30th June, 1992 (the "Capitalisation Date"). Holders of Ordinary shares will receive one Special Preferred share for each Ordinary share then held.

2. Income

(1) If Cumulative EPS (as defined in paragraph 4 below) is less than 400 pence, the holders of Special Preferred shares will be entitled to be paid, out of the profits of the Company available for distribution and resolved to be distributed, for each Special Preferred share held, a single preference dividend which, when aggregated with the amount of advance corporation tax ("ACT") payable in respect thereof, will be £6, subject to increase as set out in sub-paragraph (2) below (the "Special Dividend"). The Special Dividend will be payable on 31st December, 1992 ("the Payment Date"). The Special Preferred shares will not confer any further or other right to participate in the profits of the Company.

(2) If on the Payment Date there shall not be sufficient profits available for distribution and resolved to be distributed, then any part of the Special Dividend remaining unpaid will be increased at the rate of 7.5 per cent. per annum, such increase to accrue on a daily basis and to be compounded half-yearly on 30th June and 31st December. No dividend (other than the Special Dividend) or other distribution shall be proposed, declared, paid or made after the Payment Date in respect of any other class of shares in the capital of the Company unless and until the Special Dividend has been paid in full.

3. Capital

In the event of a return of capital (whether on a winding-up or otherwise), the assets of the Company available for distribution shall be applied:

(1) if such return of capital is made before the Payment Date, in paying to the holders of Special Preferred shares, in priority to the rights of the holders of all other classes of shares, the sum per share which, when aggregated with the amount of ACT (if any) payable in respect thereof, will be £6; and

(2) if such return of capital is made on or after the Payment Date, in paying to the holders of Special Preferred shares, in priority to the rights of the holders of all other classes of shares, an amount per share equal to £6 (subject to increase as set out in paragraph 2(2)) less the aggregate of the amount of the Special Dividend already paid, the ACT paid in respect thereof and the ACT (if any) payable in respect of the return of capital,

but the Special Preferred shares shall not confer on their holders the right to any further or other participation in available assets.

4. Calculation of Cumulative EPS

(1) Cumulative EPS will be the amount which, in the opinion (in accordance with paragraph 5 below) of the Auditors of the Company for the time being, is the aggregate of the adjusted earnings per share of the Company and its subsidiaries (determined in accordance with sub-paragraph (2) below) ("Adjusted EPS") for the financial years of the Company ending on 30th June, 1990, 30th June, 1991 and 30th June, 1992 (the "Reference Years").

(2) Adjusted EPS will be the earnings per share (without taking account of any further shares, which at the relevant balance sheet date, the Company had contracted (conditionally or otherwise) to issue at any time after the end of the Reference Year in question or had already issued but which ranked for dividends from a later date) for each of the Reference Years, calculated (subject as provided in sub-paragraph (3) below) in the same manner as earnings per share were calculated for the purposes of the audited consolidated profit and loss account of the Company and its subsidiaries for the year ended 30th June, 1988.

(3) For the purposes of calculating Adjusted EPS:

(a) there shall be excluded from the calculation any profit or loss (less any attributable taxation) arising upon the disposal, directly or indirectly, outside the Gold Fields Group of (i) shares in, or all or any material part of the operations of, ARC Limited, ARC America Corporation, Gold Fields Mining Corporation, Goldsworthy Mining Limited or any of their respective subsidiaries, or (ii) shares in Newmont Mining Corporation, Gold Fields of South Africa Limited, GFSA Holdings Limited or Renison Goldfields Consolidated Limited;

(b) the Auditors shall take account, when determining Adjusted EPS in any Reference Year, of any consolidation or subdivision of shares of the Company and of any bonus issue of shares to members of the Company, in each case occurring after the date of the Resolution, so that Adjusted EPS for each Reference Year is calculated on the basis that such consolidation, subdivision or bonus issue had not taken place;

(c) if there is any change (for whatever reason) in the accounting principles or policies adopted by the Company in preparing the consolidated profit and loss accounts of the Company and its subsidiaries from the principles and policies adopted in respect of such consolidated profit and loss account for the year ended 30th June, 1988, the auditors shall make such adjustments to the results of the relevant Reference Year as they deem appropriate, so that Adjusted EPS is calculated on the basis that such change of principle or policy had not occurred; and

(d) no account will be taken of the ACT, if any, payable in respect of the Special Dividend.

5. Auditors' opinion

The Board will procure that, on or before the announcement of the the preliminary results of the Company and its subsidiaries for the financial year ending on 30th June, 1992, the Auditors of the Company for the time being give in writing their opinion of the amount of Cumulative EPS. Such opinion shall be made by the Auditors as experts. The calculations made for the purposes of such opinion shall be discussed by the Auditors with the Board prior to the opinion being made, but once given such opinion shall, in the absence of manifest error, be conclusive as to the amount of Cumulative EPS. The Board will deliver a copy of the Auditors' opinion to The International Stock Exchange of Great Britain and Ireland Limited at the same time as it delivers a copy of the announcement of the preliminary results of the Company and its subsidiaries for the financial year ending on 30th June, 1992.

6. Voting

The holders of Special Preferred shares shall at any time prior to the payment in full of the Special Dividend be entitled to receive notice of every general meeting of the Company, but shall not have the right to attend, speak or vote at any general meeting of the Company unless a resolution is proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Special Preferred shares, in which case such holders shall have the right to attend the general meeting and shall be entitled to speak and vote only on such resolution.

7. Further terms

(1) The Special Preferred shares will cease to have any rights whatsoever other than any conferred by the Companies Act 1985 (a) on issue, if Cumulative EPS is 400 pence or more; or (b) if Cumulative EPS is less than 400 pence, once payment has been made pursuant to paragraphs 2 and/or 3 above in full.

(2) Save for the Special Preferred shares, the Company will not (unless Cumulative EPS is 400 pence or more) at any time prior to the payment in full of all amounts payable under paragraphs 2 and/or 3 above, issue any share capital, or grant any rights to subscribe for or to convert shares or other securities into share capital, ranking as regards participation in the profits or assets of the Company *pari passu* with or in priority to the Special Preferred shares.

(3) It is declared, for the avoidance of doubt, that the following shall be deemed not to abrogate, vary or modify the rights attaching to the Special Preferred shares:

(a) the issue of any new share capital or the grant of any right to subscribe for or convert shares or other securities into share capital, save where prohibited by sub-paragraph (2) above;

(b) any resolution to disapply section 89(1) of the Companies Act 1985 (or any provisions replacing the same);

(c) the payment of any dividends or the making of any other distribution on any share capital of the Company before the Payment Date.

8. Other Matters

(1) It will be a pre-condition to the issue of the Special Preferred shares that the outstanding Convertible Bonds have been redeemed, converted or purchased. The Board intends to take the necessary steps to ensure that this condition is satisfied before the Capitalisation Date. Gold Fields has the option to redeem the outstanding Convertible Bonds at any time on or after 30th September, 1990, irrespective of the Gold Fields share price. Following notice of redemption, holders of Convertible Bonds may convert them into Gold Fields shares in lieu of redemption.

(2) The Resolution will provide for any of the matters resolved upon, including the rights of the Special Preferred shares, to be capable of amendment by a subsequent Ordinary resolution at any time prior to the issue of the Special Preferred shares.

9. Taxation

The issue of the Special Preferred shares will be treated as a reorganisation of the share capital of the Company for the purposes of UK taxation of capital gains. Accordingly, Special Preferred shares issued to a shareholder will be treated, together with his existing holding of Ordinary shares, as a single asset for those purposes and his base cost will be apportioned between the two classes of shares.

The issue of the Special Preferred shares will not be a distribution for UK tax purposes. Although it could be argued that, under the "stock dividend" provisions of the Taxes Act, individuals who hold Ordinary Shares directly or through a close company or trust, and certain kinds of trustee, could be deemed to receive income by virtue of the issue of the Special Preferred shares, the Board has been advised that this treatment is not likely to be applied.

For UK tax purposes, the Special Dividend will be treated in the same way as other dividends from the Company. Thus, UK resident shareholders will be entitled to a tax credit (which, if the basic rate of income tax at the time the Special Dividend is paid is the same as in the current year, will be equal to one third of the amount of the cash dividend).

The above comments are intended as a general guide to the current position. Any person who is in any doubt as to his taxation position, and in particular any shareholder who is not resident in the UK, should consult his professional adviser.